

# **SURFACE TRANSPORTATION BOARD**

## **PRESCRIPTION OF DEPRECIATION RATES**

*for*

### **NORFOLK SOUTHERN CORPORATION**

#### **EQUIPMENT PROPERTY**

#### **NS-EQ-10**

*Rates Effective: January 1, 2010*

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Norfolk Southern Corporation (NS) has submitted depreciation rates for its equipment property. Life and salvage estimates supporting these rates were also provided and have been given appropriate consideration.

The depreciation rates prescribed herein replace any rates previously prescribed for the subject property. Beginning on the effective date of this prescription, the railroad is prohibited from using any rates other than those prescribed herein. As stated in *49 U.S.C. 11143*, a rail carrier may not:

- (1) charge to operating expenses a depreciation charge on a class of property other than that prescribed by the Board;
- (2) charge another rate of depreciation; or
- (3) include other depreciation charges in operating expenses.

#### **IT IS ORDERED:**

- (1) Norfolk Southern Corporation (NS) shall account for depreciation charges by applying to the ledger value of equipment property, owned and used in its operations, the annual component percentage rates shown herein.
- (2) The rates shall be effective from **January 1, 2010, to December 31, 2012**, or until further order of the Board.
- (3) NS shall amortize the variance between book accumulated depreciation and the calculated guideline over the average remaining life of its equipment property.

<b>NS EQUIPMENT PROPERTY DEPRECIATION RATES</b>		
<b>Account</b>		<b>Depn Rates</b>
<b>NS RAILROAD EQUIPMENT</b>		
<b>Account 52 - Locomotives</b>		
52.01	Locos - Yard	2.86%
52.02	Locos - Road	3.40%
52.05	Locos - Other - Misc	3.92%
52.12	Locos - Multipurpose (Local)	3.06%
52.15	Locos - Other - Spare parts	14.29%
<b>Account 53 - Freight Train Cars</b>		
53.02	Box - Plain 50 Ft & Longer	2.75%
53.03	Box Equipped	2.41%
53.04	Gondola - Plain	
	Gondola-Plain-Orig Body	1.97%
	Gondola-Plain-Rebody	4.58%
53.05	Gondola - Equipped	1.76%
53.06	Hopper - Covered	2.11%
53.07	Hopper-Open Top-Gen Serv	
	Hopper-OT-GS-Orig Body	2.69%
	Hopper-OT-GS-Rebody	4.37%
53.08	Hopper - OT - Spec Serv	
	Hopper-OT-SS-Orig Body	2.68%
	Hopper-OT-SS-Rebody	4.84%
53.10	Refrigerator - N-Mech	3.70%
53.11	Flat - TOFC/COFC	2.72%
53.12	Flat - Multi-Level	3.78%
53.13	Flat - General Service	2.23%
53.14	Flat - Other	2.22%
53.15	All Other Freight Cars	4.21%
53.16	Cabooses	2.87%
53.17	Auto-Racks	5.38%
53.27	Rear Train Devices	14.29%
53.37	Spare Parts	14.29%
<b>Account 55 - Hwy Rev Equipment</b>		6.84%
<b>Account 57 - Work Equipment</b>		
	Work Equipment	2.23%
	Spare Parts	14.29%

<b>NS EQUIPMENT PROPERTY DEPRECIATION RATES</b>		
<b>Account</b>		<b>Depn Rates</b>
<b>Account 58 - Misc Equipment</b>		
58.01	Airplanes	4.00%
58.02	Automobiles	14.50%
58.03	Trucks	9.00%
58.04	Other (BUS, TRLR)	3.51%
58.05	Miscellaneous (W)	10.00%
58.15	Spare Parts (Z)	14.29%
<b>Account 59 - Computers</b>		
59.11	Personal Computers	20.00%
59.12	Computer Hardware	16.67%
59.21	Computer Software - < 500k	16.67%
59.22	Computer Software - > 500k	10.00%
<b>FORMER CONRAIL PROPERTY</b>		
<b>Account 52 - Locomotives</b>		
52.01	Locos - Yard	10.38%
52.02	Locos - Road	6.30%
52.05	Locos - Other - Misc	10.93%
52.12	Locos - Multipurpose (Local)	12.45%
<b>Account 53 - Freight Train Cars</b>		
53.03	Box Equipped	2.69%
53.04	Gondola - Plain	2.46%
53.05	Gondola - Equipped	1.99%
53.06	Hopper - Covered	1.32%
53.07	Hopper-Open Top-Gen Serv	3.25%
53.08	Hopper - OT - Spec Serv	3.48%
53.10	Refrigerator - N-Mech	5.16%
53.13	Flat - General Service	2.66%
53.13	Flat - General Service	3.03%
53.16	Cabooses	6.64%
53.17	Auto-Racks	10.16%
<b>Account 57 - Work Equipment</b>		3.18%
<b>Account 58 - Misc Equipment</b>		
58.02	Automobiles	37.84%
58.03	Trucks	19.41%
58.04	Other (BUS, TRLR)	5.05%

Decided September 1, 2010 by the Surface Transportation Board, Accounting Board.