

SURFACE TRANSPORTATION BOARD

PRESCRIPTION OF DEPRECIATION AMORTIZATION

for

NORFOLK SOUTHERN CORPORATION

EQUIPMENT PROPERTY

NS-EQ-AM-14

Amortization Amounts Effective: January 1, 2014

Norfolk Southern Corporation (NS) has submitted proposed amounts to be used to amortize the variance between book accumulated depreciation and the calculated guideline for its equipment property, including equipment property of the former New York Central Railroad (Conrail). Life and salvage estimates supporting these amortization amounts were approved in conjunction with **NS-EQ-14**.

The amortization amounts prescribed herein replace any depreciation amortization amounts previously prescribed for the subject property. Beginning on the effective date of this prescription, the railroad is prohibited from using any amortization amounts 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 shall amortize the variance between book accumulated depreciation and the calculated guideline for equipment property, owned and used in its operations, using the annual depreciation amortization amounts shown herein.
- (2) The amortization amounts shall be reported in the NS R-1 Schedules as directed by Depreciation Message April 2013.
- (3) These annual depreciation amortization amounts shall be effective from **January 1, 2014, through December 31, 2016**, or until further order of the Board.

| Accumulated Depreciation Annual Amortization for NS Equipment Property | |
|---|--|
| Account | Accumulated Depreciation Amortization |
| NS RAILROAD EQUIPMENT | (\$) |
| Account 52 - Locomotives | |
| 52.01 Locos - Yard | (548,489) |
| 52.02 Locos - Road | (9,312,524) |
| 52.05 Locos - Other - Miscellaneous | (193,616) |
| 52.12 Locos - Multipurpose (Local) | (3,750,924) |
| 52.15 Locos - Other - Spare parts | (2,212,416) |
| Account 53 - Freight Train Cars | |
| 53.02 Box - Plain 50 Ft & Longer | 7,334 |
| 53.03 Box Equipped | (5,119,633) |
| 53.04 Gondola - Plain | |
| Gondola – Plain - Original Body | (2,722,056) |
| Gondola – Plain - Rebody | (10,314,353) |
| Gondola – Plain - Composite | (69,880) |
| 53.05 Gondola – Equipped | (1,697,345) |
| 53.06 Hopper – Covered | (1,832,515) |
| 53.07 Hopper - Open Top - General Service | |
| Hopper –OT – GS - Original Body | (3,547,602) |
| Hopper – OT – GS - Rebody | (2,431,795) |
| Hopper – OT – GS - Composite | (89,226) |
| 53.08 Hopper – Open Top - Special Service | |
| Hopper – OT – SS - Original Body | (2,010,888) |
| Hopper – OT – SS – Rebody | (256,570) |
| Hopper – OT – SS - Composite | (143,848) |
| 53.11 Flat - TOFC/COFC | (93,510) |
| 53.12 Flat - Multi-Level | (129,829) |
| 53.13 Flat - General Service | (48,753) |
| 53.14 Flat – Other | (674,635) |
| 53.15 All Other Freight Cars | (725,037) |
| 53.16 Cabooses | (75,163) |
| 53.17 Auto-Racks | (5,173,424) |
| 53.27 Rear Train Devices | (1,114,582) |
| 53.37 Spare Parts | (3,187) |
| Account 55 – Highway Revenue Equipment | (73,614) |
| Account 57 - Work Equipment | |
| Work Equipment | (619,203) |
| Spare Parts | (28,572) |

| Accumulated Depreciation Annual Amortization for NS Equipment Property | | |
|---|--|--------------|
| Account | Accumulated Depreciation Amortization | |
| Account 58 - Miscellaneous Equipment | | |
| 58.01 | Airplanes | (600,755) |
| 58.02 | Automobiles | (437,408) |
| 58.03 | Trucks | (1,397,394) |
| 58.04 | Other (Buses, Trailers) | (158,330) |
| 58.05 | Miscellaneous (W) | (208,758) |
| 58.15 | Spare Parts (Z) | 59,565 |
| Account 59 – Computers | | |
| 59.11 | Personal Computers | 3,619,603 |
| 59.12 | Computer Hardware | (1,779,237) |
| 59.21 | Computer Software < 500k | (480,687) |
| 59.22 | Computer Software > 500k | (11,159,509) |
| FORMER CONRAIL PROPERTY | | |
| Account 52 – Locomotives | | |
| 52.01 | Locos – Yard | (332,954) |
| 52.02 | Locos – Road | (87,557) |
| 52.05 | Locos - Other - Miscellaneous | (109,545) |
| 52.12 | Locos - Multipurpose (Local) | (4,617,564) |
| Account 53 - Freight Train Cars | | |
| 53.03 | Box Equipped | 78,097 |
| 53.04 | Gondola – Plain – Composite | (96,623) |
| 53.05 | Gondola – Equipped | (344,721) |
| 53.06 | Hopper – Covered | (40,428) |
| 53.07 | Hopper - Open Top - General Service | (396,714) |
| 53.08 | Hopper – Open Top - Special Service | (88,219) |
| 53.13 | Flat - General Service | (3,601) |
| 53.14 | Flat - Other | (2,966) |
| 53.16 | Cabooses | (30,997) |
| 53.17 | Auto-Racks | (1,659,216) |
| Account 57 - Work Equipment | | (750,696) |
| Account 58 - Miscellaneous Equipment | | |
| 58.02 | Automobiles | 19,839 |
| 58.03 | Trucks | 435,191 |
| 58.04 | Other | 10,064 |

Decided October 27, 2014, by the Surface Transportation Board, Accounting Board.