

SURFACE TRANSPORTATION BOARD

PRESCRIPTION OF DEPRECIATION RATES

for

DAKOTA, MINNESOTA, AND EASTERN RAILROAD EQUIPMENT PROPERTY

DM&E-EQ-13

Rates Effective: January 1, 2013

Soo Line Corporation (SLC) has submitted depreciation rates for equipment property of the Dakota, Minnesota, and Eastern Railroad (DM&E). Separate rates are prescribed for property of the former Iowa, Chicago, and Eastern Railroad (IC&E) and Cedar American Rail Holdings (CARH), which were merged into DM&E. Life and salvage estimates supporting these rates were also submitted 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) SLC shall account for depreciation charges by applying to the ledger value of equipment property, owned and used in its operations, the annual depreciation rates shown herein. These rates shall be applied to equipment property acquired from the DM&E, IC&E, and CARH railroads and merged into the DM&E railroad. Depreciation rates for capital additions subsequent to the property's acquisition by SLC are shown in SOO-EQ-11.
- (2) The rates herein shall be effective from **January 1, 2013, to December 31, 2015**, or until further order of the Board.
- (3) The adequacy of the book accumulated depreciation for DM&E equipment property will be reviewed in a separate prescription.

DEPRECIATION RATES FOR DM&E EQUIPMENT PROPERTY			
ACCOUNT	PROPOSED DEPRECIATION RATES		
	DM&E	IC&E	CARH
	%	%	%
(52) Locomotives	7.25	7.67	-----
(53) Freight cars	4.66	7.06	-----
(57) Work equipment	-----	7.06	-----
(58) Miscellaneous equipment	17.86	14.66	17.54

Decided November 20, 2013, by the Surface Transportation Board, Accounting Board.