

# **SURFACE TRANSPORTATION BOARD**

## **PRESCRIPTION OF DEPRECIATION RATES**

*for*

### **DAKOTA, MINNESOTA, AND EASTERN RAILROAD ROAD PROPERTY**

**DM&E-RD-13**

*Rates Effective: January 1, 2013*

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Canadian Pacific Railway has submitted depreciation rates for road 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) Canadian Pacific Railway shall account for depreciation charges by applying to the ledger value of road property, owned and used in its operations, the annual depreciation rates shown herein. These rates shall be applied to road 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 Canadian Pacific Railway are shown in a separate rate prescription.
- (2) The rates herein shall be effective from **January 1, 2013, to December 31, 2018**, or until further order of the Board.
- (3) The adequacy of the book accumulated depreciation for DM&E road property will be addressed in a separate prescription.

| <b>DEPRECIATION RATES FOR DM&amp;E ROAD PROPERTY</b> |                 |                 |             |
|--|-----------------|-----------------|-------------|
| <b>ACCOUNT</b>                                       | <b>DM&amp;E</b> | <b>IC&amp;E</b> | <b>CARH</b> |
| (3) Grading  | 1.57%           | 1.43%           | -----       |
| (4) Other right-of-way expenditures                  | 8.33%           | 8.33%           | -----       |
| (6) Bridges  | 4.76%           | 2.95%           | -----       |
| (6) Culverts   | 4.93%           | 3.02%           | -----       |
| (16) Station and office buildings                    | 2.93%           | 3.43%           | 23.81%      |
| (17) Roadway buildings                               | 2.93%           | 3.43%           | -----       |
| (18) Water stations                                  | 22.73%          | 14.29%          | -----       |
| (19) Fuel stations                                   | 2.93%           | -----           | -----       |
| (20) Shops and enginehouses                          | 2.93%           | 3.43%           | -----       |
| (26) Communication systems                           | 22.73%          | 14.29%          | 23.81%      |
| (27) Signals and interlockers                        | 22.73%          | 14.29%          | -----       |
| (27) Signals   | 6.67%           | -----           | -----       |
| (35) Miscellaneous structures                        | -----           | 3.43%           | -----       |
| (37) Roadway machines                                | 22.73%          | 14.66%          | -----       |
| (39) Public imprvmnts-construction                   | 8.33%           | 8.33%           | -----       |
| (44) Shop machinery                                  | 22.73%          | 14.29%          | -----       |

Decided December 18, 2013, by the Surface Transportation Board, Accounting Board.