



*SURFACE TRANSPORTATION BOARD  
Office of Economics  
Washington, DC 20423*

**PRESCRIPTION OF DEPRECIATION RATES**

*for*

**Norfolk Southern Corporation**

**ROAD and TRACK PROPERTY**

**NS-RD-2017 / NS-TR-2017**

*Rates Effective: January 1, 2017*

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Norfolk Southern Corporation has submitted depreciation rates for its road and track 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) NSC shall account for depreciation charges by applying to the ledger value of road and track property, owned and used in its operations, the depreciation accrual rates shown herein.
- (2) NSC intends to amortize the variance between book accumulated depreciation and the calculated guideline for its road, and track property over the average remaining life of the property in each account.
- (3) These depreciation rates shall be effective retroactively from January 1, 2017 or until further order of the Board.

## APPROVED RATES

<b>NS ROAD PROPERTY DEPRECIATION RATES</b>		
<b>ACCOUNTS</b>	<b>DEPRECIATION ACCRUAL RATES</b>	
	Prior	New
3. Grading	1.05	0.95
4. Other Right-Of-Way Expenditures	1.05	0.95
5. Tunnels and Subways	0.83	0.83
6. Bridges, Trestles and Culverts	1.04	1.09
7. Elevated Structures	6.56	0.00
13. Fences, Snow Sheds and Signs	1.05	1.11
16. Station and Office Buildings	2.34	2.01
17. Roadway Buildings	2.27	2.09
19. Fuel Stations	3.16	2.97
20. Shops and EngineHouses	2.00	1.90
22. Storage Warehouses	2.50	2.50
23. Wharves and Docks	3.33	3.33
24. Coal and Ore Wharves	3.13	3.08
25.01 TOFC/COFC - Lift Equipment	6.33	4.75
25.02 TOFC/COFC Terminals - Other	2.38	2.58
26.01 Communication Systems - PTC Equipment	3.84	5.00
26.02 Communication Systems - Other	3.84	3.84
27.01 Signals and Interlockers - PTC Equipment	1.78	5.00
27.02 Signals and Interlockers - Other	1.78	2.45
29. Power Plants	2.86	2.86
31. Power - Transmission Systems	2.22	2.20
35. Miscellaneous Structures	2.50	2.22
37. Roadway Machines	5.28	5.00
39.01 Public Improvements – Grade Crossings	10.00	10.00
39.02 Public Improvements Construction - Other	1.18	1.25
44. Shop Machinery	3.27	3.15
45. Power-Plant Machinery	2.13	2.00

<b>NS TRACK PROPERTY DEPRECIATION RATES</b>				
<b>Account #</b>	<b>ACCOUNT NAME</b>	<b>DENSITY</b>	<b>DEPRECIATION RATE</b>	
			<b>Prior</b>	<b>New</b>
8	Ties	All	4.35	4.50
9	Rail and OTM			
	Main Lines		2.53	2.78
	Branch Lines		1.63	1.18
	Yards & Other Tracks		2.13	1.33
11	Ballast		2.56	2.63

All densities

## APPROVED RATES

<b>FORMER PRR ROAD PROPERTY DEPRECIATION RATES</b>		
<b>ACCOUNTS</b>	<b>DEPRECIATION ACCRUAL RATES</b>	
	Prior	New
3. Grading	2.75	2.17
4. Other Right-Of-Way Expenditures	1.69	1.48
5. Tunnels and Subways	1.36	1.36
6. Bridges, Trestles and Culverts	2.18	2.44
7. Elevated Structures	8.16	7.92
13. Fences, Snow Sheds and Signs	2.07	2.23
16. Station and Office Buildings	4.49	3.43
17. Roadway Buildings	4.46	3.55
19. Fuel Stations	4.75	4.33
20. Shops and EngineHouses	3.99	3.40
23. Wharves and Docks (Fully Accrued)	0.00	0.00
24. Coal and Ore Wharves	2.89	3.53
25 TOFC/COFC Terminals	3.50	3.27
26. Communication Systems	6.77	7.02
27. Signals and Interlockers	2.25	3.66
29. Power Plants	9.76	9.91
31. Power - Transmission Systems	4.21	4.08
35. Miscellaneous Structures	4.87	3.50
37. Roadway Machines	9.70	8.59
39.01 Public Improvements – Grade Crossings	14.86	29.12
39.02 Public Improvements Construction - Other	1.37	1.44
44. Shop Machinery	10.25	9.14
45. Power-Plant Machinery	5.80	6.37

<b>FORMER PRR TRACK PROPERTY DEPRECIATION RATES</b>				
<b>Account #</b>	<b>ACCOUNT NAME</b>	<b>DENSITY</b>	<b>DEPRECIATION RATE</b>	
			<b>Prior</b>	<b>New</b>
8	Ties	All	7.96	9.32
9	Rail and OTM		3.52	2.03
11	Ballast		3.56	3.67

All densities

Decided October 10, 2017, by the Surface Transportation Board, Accounting Board