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AB

SERVICE DATE - JANUARY 18, 2000

## **SURFACE TRANSPORTATION BOARD**

### **DECISION**

**SUB-ORDER NO. R-801-H**

**The matter of prescribing depreciation rates for use in  
computing depreciation charges for railroads**

**Issued to  
THE SOO LINE RAILROAD COMPANY**

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On April 27, 1994, the Soo Line Railroad Company (Soo) submitted revised life and salvage estimates and depreciation rates for road property (including track accounts) and equipment, including property of the former Milwaukee Road.<sup>1</sup> We are approving these rates retroactively. Accordingly, the depreciation rates in this sub-order replace any rates prescribed in previous sub-orders for road property of the above former roads.

Life and salvage analyses supporting the rates herein were supplied by Soo. We have given appropriate consideration to the submission and supporting information.

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

- (1) Soo Line shall account for depreciation charges by applying to the ledger value of property, owned and used in its operations, the annual component percentage rates shown herein.
- (2) The rates for property shall be effective from January 1, 1994, to December 31, 1999. A new depreciation study for all property is due this year.
- (3) Upon completion of the Board's review of Soo's revised depreciation rates for property, Soo will reallocate the book accumulated depreciation for equipment, track and other road property as indicated by the calculated guidelines and, if the indicated variance between book accumulated depreciation and the calculated guidelines so warrants, initiate an amortization of the variance over average remaining life.

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<sup>1</sup> Soo Line property is referred to as "Whole Life," while property of the former Milwaukee Road is referred to as "Remaining Life."

<b>Table 1 Soo Line Approved 1994 Depreciation Rates Whole Life (Soo Line Property) Road Property</b>		
<b>Acc. #</b>	<b>Account Name</b>	<b>New Rate 1994</b>
3	Grading	0.91%
4	Other right-of-way expenditures	1.43%
5	Tunnels and subways	1.16%
6	Bridges, trestles and culverts	1.58%
8	Ties	3.53%
9	Rail and other track material	3.21%
11	Ballast	1.55%
16	Station and office buildings	3.09%
17	Roadway buildings	2.14%
18	Water stations	4.26%
19	Fuel stations	2.94%
20	Shops and enginehouses	1.56%
23	Wharves and docks	2.00%
25	TOFC/COFC terminals	2.35%
25B	TOFC/COFC equipment	3.78%
26	Communications systems	2.57%
27	Signals and interlockers	2.63%
29	Power plants	1.52%
31	Power transmission systems	1.46%
35	Miscellaneous structures	2.55%
37	Roadway machines	6.46%
39	Public improvements	3.10%
44	Shop Machinery	1.39%
45	Power Plant Machinery	2.95%

<b>Acc. #</b>	<b>Account Name</b>	<b>New Rate 1994</b>
3	Grading	0.01%
4	Other right-of-way expenditures	1.02%
5	Tunnels and subways	1.16%
6	Bridges, trestles and culverts	1.64%
8	Ties	6.00%
9	Rail and other track material	3.15%
11	Ballast	4.00%
13	Fences and Snowsheds	4.27%
16	Station and office buildings	2.73%
17	Roadway buildings	5.06%
18	Water stations	11.49%
19	Fuel stations	6.10%
20	Shops and enginehouses	2.74%
23	Wharves and docks	3.45%
25	TOFC/COFC terminals	3.60%
26	Communications systems	3.21%
27	Signals and interlockers	4.93%
29	Power plants	2.01%
31	Power transmission systems	3.32%
35	Miscellaneous structures	6.54%
37	Roadway machines	6.39%
39	Public improvements	6.90%
44	Shop Machinery	2.65%

<b>Table 3</b> <b>Soo Line Approved 1994 Depreciation Rates</b> <b>Whole Life (Soo Line Property)</b> <b>Equipment</b>		
<b>Acc. #</b>	<b>Account Name</b>	<b>New Rate 1994</b>
52 Locomotives		
	Diesel Locomotives - Yard	2.83%
	Diesel Locomotives - Road	2.86%
53 Freight Train Cars		
	Plain Box Cars 40'	4.72%
	Plain Box Cars 50'	3.80%
	Equipped Box Cars	3.75%
	Plain Gondola Cars	3.40%
	Equipped Gondola Cars	3.70%
	Covered Hopper Cars	3.27%
	Open Hopper Cars	3.28%
	Non-mech Refrigerator Cars	2.31%
	Flat Cars - TOFC/COFC	3.28%
	Flat Cars- General Service	3.75%
	Flat Cars- Other	2.58%
	Other Freight Cars	4.09%
	Cabooses	3.20%
	Racks	3.33%
OTHER EQUIPMENT		
	55 Highway Revenue Equipment	12.86%
	57 Work Equipment	2.76%
	58 Miscellaneous Equipment	13.57%
	59 Computers & Software	15.00%

<b>Table 4 Soo Line Approved 1994 Depreciation Rates Remaining Life (Milwaukee Road Property) Equipment</b>		
<b>Acc. #</b>	<b>Account Name</b>	<b>New Rate 1994</b>
	<b>52 LOCOMOTIVES</b>	6.15%
	Diesel Locomotives - Yard	4.67%
	Diesel Locomotives - Road	
	<b>53 FREIGHT TRAIN CARS</b>	
	Plain Box Cars 40'	6.88%
	Plain Box Cars 50'	10.63%
	Equipped Box Cars	4.38%
	Plain Gondola Cars	6.88%
	Equipped Gondola Cars	3.06%
	Covered Hopper Cars	2.39%
	Non-mech Refrigerator Cars	6.36%
	Flat Cars- General Service	5.38%
	Flat Cars- Other	5.00%
	Cabooses	4.44%
	Racks	4.12%
	<b>OTHER EQUIPMENT</b>	
	57 Work Equipment	1.84%
	58 Miscellaneous Equipment	5.00%

Decided January 12, 2000, by the Surface Transportation Board's Accounting Board Members Aguiar, Asmuth, and Warren.

Vernon A. Williams  
Secretary