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SERVICE DATE - SEPTEMBER 30, 1999

SURFACE TRANSPORTATION BOARD

DECISION

SUB-ORDER NO. R-327-O

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

Issued to

THE UNION PACIFIC RAILROAD COMPANY

The Union Pacific Railroad Company (UP) has submitted revised life and salvage estimates and depreciation rates for road property (excluding track accounts), including road property of the former Chicago & North Western Transportation Company, Denver and Rio Grande Western Railroad Company, Missouri Pacific Railroad Company, Southern Pacific Transportation Company, and St. Louis Southwestern Railway Company. 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 UP. We have given appropriate consideration to the submission and supporting information.

IT IS ORDERED:

- (1) Union Pacific Railroad Company shall account for depreciation charges by applying to the ledger value of road property, owned and used in its operations, the annual component percentage rates shown herein.
- (2) The rates for road property (excluding track accounts) shall be effective from January 1, 1999, to December 31, 2004, or until further order of the Board. A complete depreciation study for road property (excluding track) is due by December 31, 2004.
- (3) As stated in the depreciation sub-orders for UP equipment and track property, UP will reallocate the book accumulated depreciation for each equipment and road property account (including track accounts) as indicated by the calculated guidelines. No amortization of the variance between book and calculated accumulated depreciation is required at this time.

DEPRECIATION RATES UNION PACIFIC RAILROAD COMPANY		
A/C Number	A/C Name	Rate
3	Grading	1.11%
4	Other right-of-way expenditures	2.86%
5	Tunnels and subways	0.89%
6	Bridges, trestles and culverts	1.35%
13	Fences, snowsheds and signs	1.52%
16	Station and office buildings	3.17%
17	Roadway buildings	3.13%
18	Water stations	3.70%
19	Fuel stations	3.33%
20	Shops and enginehouses	2.38%
22	Storage warehouses	3.33%
23	Wharves and docks	4.00%
24	Coal and ore wharves	1.85%
25	TOFC/COFC terminals	3.33%
26	Communications systems	2.83%
27	Signals and interlockers	2.44%
29	Power plants	2.94%
31	Power transmission systems	2.22%
35	Miscellaneous structures	2.63%
37	Roadway machines	5.28%
39	Public improvements - construction	2.86%
44	Shop machinery	3.65%
45	Power plant machinery	3.85%

Decided September 27, 1999, by the Surface Transportation Board's Accounting Board Members Aguiar, Asmuth, and Warren.

Vernon A. Williams
Secretary