

# **SURFACE TRANSPORTATION BOARD**

## **PRESCRIPTION OF DEPRECIATION RATES**

*for*

### **DM&E RAILROAD**

#### **TRACK PROPERTY**

#### **DM&E-TR-10**

*Rates Effective: January 1, 2010*

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Canadian Pacific Railway (CPR) has submitted depreciation rates for track 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), which was 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) CPR shall account for depreciation charges by applying to the ledger value of track property, owned and used in its operations, the annual component percentage rates shown herein. These rates shall be applied to track property acquired from the DM&E and IC&E. Depreciation rates for capital additions subsequent to the property's acquisition by CPR will be set forth in a separate rate prescription.
- (2) The rates shall be effective from **January 1, 2010, to December 31, 2015**, or until further order of the Board.
- (3) No accumulated depreciation amortization is planned at this time.

<b>DM&amp;E DEPRECIATION RATES TRACK PROPERTY</b>			
<b>A/C #</b>		<b>DEPN RATE</b>	
		<b>DM&amp;E</b>	<b>IC&amp;E</b>
<b>ACCOUNT 8: TIES</b>			
<b>DENSITY</b>	<b>II</b>	10.13	7.98
<b>DENSITY</b>	<b>IV</b>	10.13	7.98
<b>ACCOUNT 9: RAIL &amp; OTM</b>			
<b>DENSITY</b>	<b>II</b>	3.08	3.37
<b>DENSITY</b>	<b>IV</b>	3.08	3.37
<b>ACCOUNT 9.01: TURNOUTS &amp; DIAMONDS</b>			
<b>DENSITY</b>	<b>II</b>	3.62	2.93
<b>ACCOUNT 11: BALLAST</b>			
<b>DENSITY</b>	<b>II</b>	7.30	5.38
<b>DENSITY</b>	<b>IV</b>	7.30	5.38

Decided June 29, 2012, by the Surface Transportation Board, Accounting Board.