

INSTRUCTIONS FOR COMPLETING FORM MMS-4293, SCHEDULE 1B

Use Schedule 1B to summarize actual or estimated facility/segment depreciation and undepreciated capital investment for computing return on investment for each non-arm's length or no-contract transportation segment. These costs are capital equipment that is an integral part of the transportation system and may include, for example, trucks, rail cars, or locomotives. You must complete a separate Schedule 1B for each segment in the transportation facility. The costs of all transportation facility segments are accumulated on Schedule 1 to determine the total depreciation and undepreciated capital investment for the facility. You must use this schedule only when the transportation segments are non-arm's length, either because your affiliate is performing the service or you are transporting the coal yourself.

Complete the customer identification block (see Schedule 1A instructions).

Complete a line for each facility/segment capital expenditure item as follows:

1. **Expenditure Item** -- Identify the capital expenditure item. List all major equipment exceeding \$50,000 in initialized capitalized value individually.
2. **Initial Capital Investment and Date Placed in Service** – Enter the initial capital expenditure amount and the date the expenditure was placed in service.
3. **Salvage Value** – Enter a reasonable salvage value.
4. **Depreciable Life/Years of Depreciation Taken to Date** -- Enter the depreciable life of the expenditure and the number of years of depreciation taken to date.
5. **Beginning-of-Year Undepreciated Capital Investment** – Enter the undepreciated capital investment at beginning-of-year. In computing this value, deduct salvage from the initial capital investment.
6. **Depreciation** – Enter the amount of depreciation to be taken for the year. In computing depreciation, you may elect to use either a straight-line depreciation method or a unit of production method based on the life of the equipment or the life of the reserves which the transportation facility/segment services. Once you make an election, you may not alternate methods without MMS approval. Do not depreciate equipment below a reasonable salvage value.
7. **End-of-Year Undepreciated Capital Investment** – Enter the undepreciated capital investment at end-of-year. Compute this by subtracting depreciation from the beginning-of-year undepreciated capital investment. Also use this amount as the next year's beginning-of-year undepreciated capital investment.
8. **Totals** – Sum columns 5 and 6 and enter on Schedule 1, Part A, columns g and e, or Part B, columns g and e, accordingly.