

Decision No. **ORIGINAL**

Decision No. 1383

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of ascertaining the value)
of the property of the San Diego and)
South-Eastern Railway Company.)

Case No. 189

R. C. Dilworth for San Diego and South-Eastern
Railway Company.

EDGERTON and LOVELAND, Commissioners.

OPINION AND FINDINGS

This is a case brought upon the Commission's own initiative, for the purpose of ascertaining the facts in regard to various elements entering into the value of the property of San Diego and South-Eastern Railway Company.

These proceedings were originally instituted under the provisions of Section 20 of the Stetson Act, effective February 10, 1911, and were continued under the provisions of the Public Utilities Act, effective March 23, 1912. The sections of the Public Utilities Act particularly applicable to these proceedings are Sections 47 and 70. Findings of fact will be made, bearing on the question of value as shown by the evidence in this case, and findings will not be made on the question of the ultimate value of the property, irrespective of the purposes for which the value is ascertained, and we shall confine ourselves to the finding of facts relative to different elements which have from time to time been considered by the courts in cases where the value of the property of a railroad company has been material.

The term "original cost", as used in this opinion, means the actual expenditures, chargeable to capital account in accordance with the classification of expenditures for road and equipment as prescribed

by the Interstate Commerce Commission for steam roads, made by the railroad company for its operative property in the State of California, as of June 30, 1912.

The term "reproduction value", as used in this opinion, means the estimated cost in cash of acquiring the operative right of way and other real estate and of reproducing in the condition in which it was acquired the other physical property of the railroad company in the State of California, as of June 30, 1912, to which are added overhead expenditures for engineering, law, interest and commissions, and similar items.

The term "present value", as used in this opinion, means the "reproduction value" less the diminution in value of the physical elements of the property, due to use, age, obsolescence, inadequacy and other causes, plus appreciation where found. This might properly be called "depreciated reproduction value", and does not mean the ultimate fact of present value, as that term is ordinarily used.

In accordance with this Commission's order dated October 24, 1911, the San Diego & South-Eastern Railway Company, on October 16, 1912, filed an inventory of its property in the State of California, together with a statement of its reproduction value and present value, a summary of which is attached to this opinion and marked Exhibit "A".

On May 5, 1913, the Commission's engineering department submitted its detailed report in this proceeding. Thereafter, on September 11, 1913, the engineering department submitted a revised report, showing a total reproduction value for the entire system of \$2,285,874.61 and an estimated present value of \$1,912,754.20. A copy of the final summary sheet of the engineering department's last and revised estimate is attached hereto and marked Exhibit "B".

From the testimony it appears that the company urges no objections to the engineering department's valuation as a

whole, but desires to be on record as not consenting to a number of our engineers unit prices as a proper basis for this valuation. Only such items were considered in the company's statements wherein the value as ascertained by the engineering department was lower than that arrived at by the company's engineers, and no mention was made of the equally important fact that in a number of instances the opposite state of affairs existed, where the engineering department's values were higher. A comparison of the respective figures will hereinafter appear. It seems, however, that the final total of the engineering department's valuation is in excess of the values as arrived at by the company.

We shall, in connection with this inquiry, consider the following matters:

1. Organization, construction and operation.
2. Stocks and bonds.
3. Revenues and expenses.
4. Original cost.
5. Reproduction value.
6. Present value.

(1) Organization, construction and operation.

The San Diego and South Eastern Railway Company was incorporated under the laws of the State of California, on March 2, 1912, to take over the properties and obligations of the San Diego & Cuyamaca Railway Company and the San Diego Southern Railway Company, both of which are now legally dissolved. The history of the physical properties which now constitute the San Diego and South Eastern Railway Company is interesting and intricate, and can be traced back as far as the years 1886 and 1887, when the first serious attempts were made by San Diego residents to give to their city a direct rail connection with the East. A complete investigation into the entire history of the company appears in the Commission's engineering department's

valuation report, and it does not seem necessary to here review this history in all its details. It will suffice to say that the present company inherited the properties and obligations, as far as they were in existence, of the following prior companies:

Coronado Railroad Company	Organized	April 7, 1886.
National City & Otay Railway Company	"	Dec. 28, 1885
San Diego & Cuyamaca Railway Company	"	Aug. 30, 1887
Otay Railway Company	"	Sept. 28, 1887
San Diego, Cuyamaca & Eastern Railway Co..	"	Mar. 6, 1888
National City & Otay Railway Co. (Cons.)..	"	Oct. 1, 1888
San Diego Southern Railway Company	"	July 1, 1908
San Diego & Cuyamaca Railway Company	"	July 19, 1909

The present company is one of a group of San Diego organizations known as the "Spreckels Companies", because of the predominance of J. D. Spreckels in their control. These companies are as follows:

San Diego Electric Railway Company,
 Southern California Mountain Water Co.,
 Coronado Water Company,
 San Diego and Coronado Ferry Company.
 San Diego and Coronado Transfer Company,
 United Light, Fuel and Power Company.
 San Diego & South Eastern Railway Company,
 San Diego & Arizona Railway Company,
 Coronado Beach Company,
 Hotel Del Coronado,
 Coronado Tent City,
 Coronado Plumbing Company.

The same group of men occupy in general the same positions on the directorates and as officers of all these companies. They are as follows:

J. D. Spreckels, President,
 W. Clayton, Vice-President & Managing Director,
 H. L. Titus, Secretary and Attorney,
 Claus Spreckels, Treasurer,
 B. M. Warner, General Superintendent,
 A. H. Kayser, General Auditor,
 Geo. Holmes, Purchasing Agent.

The first four, together with C. L. Bundy of Los Angeles, who represents a group of Los Angeles capitalists, constitute the board of directors of this company. This, the youngest of the group, is thus not entirely a Spreckels Company inasmuch

as a considerable portion of the common stock of the company is held by Los Angeles people. The rest of the stock is held by John D. Spreckels.

The San Diego & South Eastern Railway Company comprises 73.54 main track miles of standard gauge steam and electric railways located in, and radiating in northerly, easterly and southerly directions from the City of San Diego. The system consists of five principal units or branches of various lengths and is entirely confined within the limits of San Diego County.

The road as at present operated is divided into two divisions, the Southern Division, (formerly the San Diego Southern Railway Company), and the Eastern Division, (formerly the San Diego & Cuyamaca Railway Company. A statement of the total track mileage of the company is as follows:

	Main Tracks	Other Tracks	Total
<u>Southern Division (formerly S.D.S. Ry. Co.)</u>			
Main Line, El Cajon to San Diego	18.12	4.15	22.27
Coronado Branch, San Diego to Coronado	21.00	5.41	26.41
Sweetwater Branch, Sweetwater Jct. to La Presa	7.88	2.17	10.05
Connecting Track, Coronado Jct. to NC&O Junct.	1.22	.10	1.32
Total	48.22	11.83	60.05
<u>Eastern Division (formerly S.D. & C. Ry. Co.)</u>			
Main Line, San Diego to Foster	25.32	4.76	30.08
<u>Entire System</u>			
Southern and Eastern Divisions	73.54	16.59	90.13

In addition to the track mileage shown on this statement, (73.54 miles of main track), the San Diego & South Eastern Railway Company operates an electric car over 1.55 miles of the San Diego Electric Railway Company's tracks in San Diego, making a total operated mileage of 75.09. Of this mileage there is operated by steam 61.76 miles and electrically 13.33 miles. The 13.33 miles consist of the 1.55 miles above mentioned of the San Diego Electric Railway Company's tracks and of 11.78 miles of

main line on the Southern Division, from the intersection of 13th and "I" Streets, San Diego, to Otay.

The character of the lands traversed by the various lines of this system may be divided into two general classes, viz., lands within incorporated cities, and suburban, rural and country lands. Of the first class there are six incorporated cities, being San Diego, National City, Chula Vista, Coronado, La Mesa, and El Cajon. The character of these city lands does not correspond to what is usually understood by this term, and instead of comprising built-up residence communities, the lands traversed are for the greater part sparsely built up, and in many cases merely low, marsh lands. The suburban territory, reached by the lines of this company, is constituted of small ranches and platted acreage tracts, including small unincorporated towns and villages of various sizes and improvements. The rural and country lands reached by the road are of various kinds and comprise orange and lemon groves, grain, farming, pasture, grazing, marsh, rocky, hilly, canyon and waste lands.

The company's right of way varies in width in different places and consists of strips 25, 30, 40, 50, 75 and 100 feet wide. Outside of its operative right of way and other real estate, aggregating slightly over 422 acres, the Company owns also certain lands that are classed in this valuation as "non-operative", viz: a salt marsh of 4-1/2 acres at National City and Otay Junction, and 9 acres of right of way on the abandoned Otay Wells Gravel Spur.

A considerable portion of the San Diego & South Eastern Railway, and principally the original National City & Otay Railway, is merely a suburban traction railway occupying city streets by virtue of franchises and otherwise possessing very few rights of way. The length of track laid down totals approximately 16.7 miles.

As noted heretofore, this company operates with both steam and electricity. The electric portions of the road do a passenger business almost exclusively, while on the steam portion of the system freight constitutes the most important item of traffic on the road. The principal freight commodities seem to be stone, sand, and other like articles, constituting more than 82% of the total freight tonnage hauled by this road in the year ending June 30, 1913.

2. Stocks and Bonds.

The San Diego and South Eastern Railway Company's authorized capital stock consists of 16,500 shares of common stock of the par value of \$100.00 each, or a total authorized capitalization of \$1,650,000. The entire authorized capital stock was issued as the purchase price for the properties of the San Diego Southern Railway Company and the San Diego and Cuyamaca Railway Company, the immediate predecessors in interest of the present corporation. Stock to the par value of \$770,000 was paid for the Cuyamaca line and is now held by Los Angeles people, while stock to the par value of \$880,000 was paid for the San Diego Southern property, and is held by John D. Spreckels, the president of the present company.

There is no bonded indebtedness.

It seems pertinent to point out here the relation between the capitalization of this property and its value. The "reproduction value" of the entire operative property, as will appear later, is estimated by the Engineering Department of the Commission at \$2,285,274.61 and the "present value" at \$1,912,754.20, while the total capitalization has a par value of only \$1,650,000.00. This is an unusual state of affairs with public utilities. We find as a rule that the capitalization is largely in excess of either cost or reproduction value. Looking at the company from this point of view, its financial condition appears to be quite

satisfactory. It does not become necessary to trace the financial history of the predecessors of the present company back to the beginning, as the last consolidation of these roads undoubtedly squeezed out whatever water there may have been in former capitalizations.

It should also be added here that since the incorporation of the present company, on March 2, 1912, expenditures were made for additions and betterments totaling \$259,519.04, of which \$81,087.90 was expended for acquisition of rights of way, station grounds and real estate.

The company has declared no dividends since its organization, but the sum of \$39,191.42 appears as a credit charge against Profit and Loss in the annual report of the company for the year ending June 30, 1913.

3. Revenues and Expenses.

The principal operating revenue and operating expense figures of the railway company for the year ending June 30, 1913, as reported to the Commission, were as follows:

OPERATING REVENUES.

Freight Revenue	\$231,363.00	
Passenger Revenue	171,733.64	
All other Revenue	<u>25,597.34</u>	
Total Operating Revenues		\$428,693.98

OPERATING EXPENSES

Maintenance of Way and Structures . . .	\$ 86,997.14	
Maintenance of Equipment	75,163.85	
Traffic Expenses	7,404.08	
Transportation Expenses	178,103.88	
General Expenses	<u>30,151.02</u>	
Total Operating Expenses		\$377,819.97
Net Operating Revenue		50,874.01

The operating ratio of this Company is 88.13%.

The principal traffic statistics for the same year are shown below:

PASSENGER TRAFFIC

Number of Revenue Passengers carried	1,318,663
Number of Passengers carried one mile	9,606,109
Number of Passengers carried one mile per mile of road	127,928
Average distance carried, in miles	7.28
Total Passenger Revenue	\$171,733.64
Average amount received from each passenger, in cents	13.02
Average receipts per passenger per mile, in cents	1.788
Passenger Service Train Revenue per mile of road	2,521.37

FREIGHT TRAFFIC

Number of tons carried earning revenue	399,729
Number of tons carried one mile	6,107,390
Number of tons carried one mile per mile of road	81,334
Average distance haul of one ton, in miles	15.28
Total Freight Revenue	\$231,363.00
Average amount received for each ton of freight, in cts	57.880
Average receipts per ton, per mile, in cents	3.728
Freight Revenue per mile of road	3,081.14

TOTAL TRAFFIC

Operating Revenue per mile of road	\$5,709.07
Operating Revenue per train mile, in cents	94.185
Operating Expense per mile of road	5,031.56
Operating Expense per train mile, in cents	83.008
Net Operating Revenue per mile of road	677.51
Average mileage operated during year	75.09

The following principal commodities constitute the entire freight traffic handled during the fiscal year ending June 30, 1913, viz:

	Whole Tons	Per cent of total Freight Tonnage
1. Products of Agriculture	12,066	3.79
2. Products of Animals	312	.10
3. Products of Mines	317,422	82.38
4. Products of Forests	10,050	2.68
5. Manufactures	5,778	4.46
6. Merchandise	10,866	3.19
7. Miscellaneous	12,423	3.40
Total	368,917	100.00

4. Original Cost.

Under our definition of "original cost" as given heretofore, this item should be equal to the original book cost in accordance with the Interstate Commerce Commission's classifications. It appears that this company on March 2, 1912 acquired the properties of certain other railroad companies, as hereinbefore stated, for which it paid in capital stock of the San Diego and South Eastern Railway Company, the total purchase price being \$1,572,611.34. This total can be segregated as between certain accounts, as follows:

I. C. C. Acct.

No.		
36	Cost of Road Purchased	\$1,291,887.84
37	Steam Locomotives	57,896.00
39	Passenger Train Cars	101,000.00
40	Freight Train Cars	121,177.50
41	Work Equipment	650.00
	Total	\$1,572,611.34

There had been spent in the period from March 2, 1912 to June 30, 1912, the date of this valuation, for additions and betterments, the additional sum of \$66,179.36, making the total original cost of road and equipment, as of June 30, 1912, the sum of \$1,638,790.70. From this latter total the company in its annual report of June 30, 1912, deducted the item of \$5,316.48 for reserve "for accrued depreciation", leaving a net total of "Investment as of June 30, 1912 for Road and Equipment" of \$1,633,474.22. This latter total is the "original book cost" of this property.

In the final summary sheets as submitted by the company and as ascertained by the Commission's engineering department, (Exhibits "A" and "B"), the "original cost" column, however, is left blank. This was done for the reason that the cash value of the stock given in exchange for the property purchased could not be ascertained. It was also impossible to itemize the total "Cost of Road Purchased" of \$1,291,887.84 to the different accounts, so that a check by this Commission's engineering depart-

ment of the cash value of the individual items acquired by the purchase of the two older companies could not be made.

It is proper to say, however, that the original cost as represented above by the grand total of \$1,638,790.70 probably very closely approximates the actual cash value of the property as of the date of the appraisal. We come to this conclusion because of the fact that both the reproduction value and the present value are in excess of the Company's original cost figures.

5. Reproduction Value.

By referring to the railway company's final summary sheet, which is attached hereto as Exhibit "A", it will be noted that the company estimated the reproduction value for the entire line at \$2,189,603.69. The Commission's engineering department arrives at a total for the same item, as itemized in Exhibit "B", of \$2,285,874.61, which total, it appears, is \$96,270.92 in excess of the company's reproduction value figure. A comparison of Exhibits "A" and "B" will immediately show the principal reasons for this difference. It seems that certain accounts in the company's appraisal were underestimated, for instance, the accounts "Right of Way and Station Grounds", "Ties", "Track Laying and Surfacing", "Steam Locomotives", and "Passenger Train Cars". There are other accounts in which the engineering department's reproduction value estimates fall below those of the company. The difference is further caused by the fact that in the company's appraisal no allowance is made for interest during construction, while the engineering department has allowed 3% on classes 3 to 53, inclusive, and 5% on right of way and real estate, resulting in an amount of \$79,338.96. This was done on the assumption that it would take one year to reproduce this road and that the total cash outlay would be tied up for an average period of one-half year, and that interest should be allowed

during that period at the rate of 6% per annum. The expenditures for the right of way and other lands, however, would necessarily be tied up for a longer period than the average of one-half year, and for this reason a separate percentage allowance of 5% on these accounts was made.

In connection with the determination of a reproduction value for the company's right of way and station grounds, each unit of its lines was considered separately by the Commission's engineering department and divided into "zones" for applying unit present market values. The determination of unit values was ascertained by two methods, the first involving an investigation of recent sales of land adjoining the right of way, together with which were obtained detailed opinions of local informants and experts in real estate values in the various communities. A second method was resorted to and consisted of having local real estate men inspect carefully every portion of the right of way, and from their knowledge of land values, recent sales, asking prices, etc., determine independent unit present market values. The latter values were used in arriving at the reproduction value for these lands. The detail of all data obtained is shown in the valuation report submitted to the Commission by the engineering department.

In spite of the fact that the Commission's engineering department's reproduction value exceeds that of the company, the latter's engineer at the hearing in this case presented a statement of objections to the valuation as compiled by our engineering department. When the attention of the company's representatives was called to the fact of the engineering department's valuation being higher than theirs, the attorney answered that he did not wish to be understood as urging any objections to the engineering department's valuation as a whole but simply wanted to be put on record as not agreeing with all of its unit prices as a proper basis for other cases.

This being the case, we are disposed to let our engineering department's figures in the final summary sheet, as shown in Exhibit "B", stand, and find as a fact from the evidence in this case that the cost of reproducing in the condition in which they were acquired the items entering into the physical property of the San Diego and South Eastern Railway Company, as of June 30, 1912, is not in excess of the sum of \$2,285,874.61.

6. Present Value.

The present value, as reported by the railway company for the entire system, is a total of \$1,897,655.87. This Commission's engineering department reported the same item, as hereinbefore defined, to be the sum of \$1,912,754.20. The engineering department's figure is therefore \$15,098.33 higher than the company's reported total. Under the heading "reproduction value" it has been shown why the engineering department's estimate exceeds that of the company, and since the "present value" is simply the depreciated and appreciated reproduction value it follows that the explanations given under the former heading apply with equal force to "present value". The engineering department's increase is proportionately smaller, however, for the reason that our depreciation percentages in a number of accounts largely exceed those of the company.

The present value of the right of way, station grounds and real estate is made equal to the reproduction value as is usual in cases of this kind. The item of "grading" is increased as is the same item under "reproduction value" for the reason that grading is considered to appreciate with age. It should also be noted that the engineering department regularly allows the same amount for overhead expenses under the heading "present value" as it does under "reproduction value" - in other words, nothing is subtracted for depreciation in the items of engineer-

ing, law expenses, and interest. In ascertaining the depreciated reproduction value of such physical items as are subject to depreciation, the department as usual in valuation cases ascertained as far as possible the age of the particular item and applied such percentages of depreciation as the investigations covering this state have shown to be proper.

The railway company's objections in so far as they apply to "present value" have already been discussed under the heading "reproduction value".

We find from the evidence in this case that the "present value", as that term has heretofore been defined, of the physical elements of the operative property of the San Diego and South Eastern Railway Company, including engineering, law expenses, and contingencies, as of June 30, 1912, to be the sum of \$1,912,754.20.

The foregoing opinion and findings are hereby approved and ordered filed as the opinion and findings of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 30th day of March, 1914.

H. B. Ireland

W. J. Gordon

Max Thelen

Edwin O. Edgerton

Commissioners.

Name of Owner San Diego & South Eastern Railway Co.

Valuation as of June 30, 1912

Operating Co. do

FORM No. 45.

Division Entire Line

CALIFORNIA RAILROAD COMMISSION

Field Inspector

From _____ To _____

PHYSICAL VALUATION OF STEAM RAILROADS

Office Compiler

Miles, Main Line Track 73.54

FINAL SUMMARY SHEET

Date Compiled _____ 1912

Miles, Second Track _____

Joint Main Line _____ Miles

Miles, Yard Tracks, etc. 16.55

Joint Second Track _____ Miles

Total 90.09

Joint Yard Track, etc. _____ Miles

Total _____ Miles

EXHIBIT "A"

Class No.	Form No.	I.C.C. Acct. No.	CLASSES	ORIGINAL COST	REPRODUCTION VALUE	Cond. pr. ct.	PRESENT VALUE
1	1	2	Right of way and station grounds.		505687 19 104		524273 54
2	2	3	Real estate.		62574 00 105		65700 00
3	3	4	Grading.		178430 64 111		197932 88
4	4	5	Tunnels.				
5	5	6	Steel bridges and trusses.		4613 20 80		3777 13
6	6	6	Pile and frame trestles.		41855 88 69		28532 40
7	7	6	Culverts.		5376 53 61		3297 49
8	8	7	Ties.		157809 79 58		92483 30
9	9	8	Rails.		286612 36 70		199773 44
10	10	9	Frogs and switches.		19567 00 64		12509 40
11	11	10	Track fastenings and other material.		45821 76 73		33511 63
12	12	11	Ballast.		18786 16 100		18786 16
13	13	12	Tracklaying and surfacing.		57834 28 100		57834 28
14	14	13	Roadway tools.		3914 31 75		2936 43
15	15	14	Fencing right of way.		9426 97 80		7491 06
16	16	15	Crossings and signs.		2675 32 67		1786 28
17	17	16	Interlocking plants.				
18	18	16	Signal apparatus.				
19	19	17	Telegraph and telephone lines.				
20	20	18	Station buildings and fixtures.		17460 89 76		13250 15
21	21	18	Platforms, walks, paving and curb.		5899 97 75		4387 22
22	22	19	General office buildings and fixtures.				
23	23	20	Shop buildings and engine houses.		25340 53 53		13511 87
24	24	20	Transfer and turntables, cinder pits, etc.		1537 05 60		925 94
25	25	20	Miscellaneous shop buildings and structures.		5342 21 45		2410 00
26	26	21	Shop machinery and tools.		34348 58 66		23594 32
27	27	22	Water stations.		2652 00 71		1896 70
28	28	23	Fuel stations.		3339 00 73		2425 75
29	29	24	Grain elevators.				
30	30	25	Storage warehouses.				
31	31	26	Dock and wharf property.		6213 45 67		4130 54
32	32	27	Electric light plants.				
33	33	28	Electric power plants.				
34	34	29	Electric power transmission.		39885 88 82		32591 34
35	35	30	Gas producing plants.				
36	36	31	Miscellaneous structures.		4675 70 73		3406 25
			Total Classes 1 to 36, inclusive.		1547650 65 87		1353155 50
37		1	Engineering-----per cent. 1 to 36, inclusive.		77382 54 100		77382 54
38	37	32	Transportation of men and material.				
39	38	33	Rent of equipment.				
40	38	34	Repairs of equipment.				
41		35	Earning and operating exp. during construction.				
42		35	Injuries to persons.				
43		36	Cost of road purchased.				
			Total Classes 1 to 43, inclusive.		1625033 19 87		1430538 04
44	39	27	Steam locomotives.		92085 00 63		57896 00
45		28	Electric locomotives.				
46	40	39	Passenger train cars.		157414 21 80		126478 21
47	41	40	Freight train cars.		151160 00 84		126680 00
48	42	41	Work equipment.		1870 00 64		1193 00
49	43	42	Floating equipment.				
			Total Classes 1 to 49, inclusive.		2027562 40 86		1742785 25
50		43	Law expenses-----per cent. Classes 1 to 36, incl.		15476 50 100		15476 50
51	44	44	Stationery and printing.				
52	44	45	Insurance.				
53	45	46	Taxes.				
			Total Classes 1 to 53, inclusive.		2043038 90 86		1758261 75
54		47	Int. & Comm.-----per cent. Classes 1 to 53, incl.				
55	46	48	Other expenditures.				
56			Contingencies-----per cent. Classes 1 to 53, incl.		102151 94 100		102151 94
57	46		Stores and supplies on hand for use in California.		44412 85 84		37242 18
			GRAND TOTAL		2189603 69 86		1897655 87
			Average per mile for main line track.		29774 32 86		25804 40

Owning Company San Diego & South Eastern Railway Co.

FORM No. 48.

Submitted with Report of

Operating Company do.

Paul Thelen

Operating Division Native Line

CALIFORNIA RAILROAD COMMISSION

Date compiled September, 1913

PHYSICAL VALUATION OF STEAM RAILROADS

Valuation Unit

Line 1st Track 73.54 Mi.

From

Line 2d Track

To

Yard Tracks, Sidings, etc., 16.59 Mi.

County

Total 90.13 Mi.

FINAL SUMMARY SHEET

Valuation as of June 30, 1912...

EXHIBIT "B"

Class No.	Form No.	I.C.C. Acct. No.	CLASSES	ORIGINAL COST	REPRODUCTION VALUE	Cond. pr. ct.	PRESENT VALUE
37		1	Engineering		48643 59	100	48643 59
1	1	2	Right of way and station grounds		769741 09	100	769741 09
2	2	3	Real estate				
3	3	4	Grading		170972 23	109	186160 24
4	4	5	Tunnels				
5	5	6	Steel bridges and trusses		5663 70	63	3593 10
6	6	6	Pile and frame trestles		42964 04	73	31401 61
7	7	6	Culverts		5427 31	75	4098 19
8	8	7	Ties		161691 40	55	87886 03
9	9	8	Rails		268544 45	60	173343 27
10	10	9	Frogs and switches		17457 26	65	11227 96
11	11	10	Track fastenings and other material		44515 25	71	31815 78
12	12	11	Ballast		8948 63	82	7341 46
13	13	12	Tracklaying and surfacing		90365 63	63	56366 28
14	14	13	Roadway tools		4012 21	75	3009 15
15	15	14	Fencing right of way		3240 25	80	2594 76
16	10	15	Crossings and signs		2446 51	66	1608 28
17	17	16	Interlocking plants				
18	18	16	Signal apparatus				
19	19	17	Telegraph and telephone lines				
20	20	18	Station buildings and fixtures		19317 02	74	14261 65
21	21	18	Platforms, walks, paving and curb		5222 01	68	3548 50
22	22	19	General office buildings and fixtures		24127 19	54	12894 04
23	23	20	Shop buildings and engine houses				
24	24	20	Transfer and turntables, dinder pits, etc.		2699 55	60	1598 22
25	25	20	Miscellaneous shop buildings and structures		4452 17	68	3547 92
26	26	21	Shop machinery and tools		33360 38	72	23966 89
27	27	22	Water stations		2339 67	60	1402 38
28	28	22	Fuel stations		3013 24	57	1701 66
29	29	24	Grain elevators				
30	30	25	Storage warehouses				
31	31	26	Dock and wharf property		6391 90	70	4474 33
32	32	27	Electric light plants				
33	33	28	Electric power plants				
34	34	29	Electric power transmission		36241 17	82	29788 84
35	35	30	Gas producing plants				
36	36	31	Miscellaneous structures		9458 60	50	4700 46
38	37	32	Transportation of men and material				
39	38	33	Rent of equipment				
40	39	34	Repairs of equipment				
41	--	35	Earning and operating exp. during construction				
42	--	35	Injuries to persons				
43	--	36	Cost of road purchased				
44	39	37	Steam locomotives		87237 74	60	55241 95
45	--	38	Electric locomotives				
46	40	39	Passenger train cars		168742 72	70	119247 57
47	41	40	Freight train cars		139828 44	85	119234 54
48	42	41	Work equipment		1767 50	72	1272 60
49	43	42	Floating equipment				
50	--	43	Law expenses		9728 71	100	9728 71
51	44	44	Stationery and printing				
52	44	45	Insurance				
53	45	46	Taxes				
54	--	47	Int. & Comm.		42864 61	100	42864 61
55	45	48	Other expenditures		7144 10	100	7144 10
57	46	--	Stores and supplies on hand for use in California		37304 34	100	37304 34
GRAND TOTAL					2285874 61	84	1912754 20
Average per mile for main track					31083 42	84	26009 71