

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the matter of ascertaining
the value of the property of
Iron Mountain Railway Company,
in the State of California.
.....

Case No. 172

No Appearances

LOVELAND, Commissioner.

OPINION AND FINDINGS

This proceeding was brought on the Commission's initiative for the purpose of ascertaining various elements entering into the value of the property of Iron Mountain Railway Company. For the general procedure in these so-called railroad valuation cases and for a general description of the nature of the work performed by this Commission's engineering department in connection therewith, reference is hereby made to this Commission's Opinion and Findings in Case No. 206, being the matter of ascertaining the value of the property of Stockton Terminal and Eastern Railway Company. As in that case so here also I shall make findings of fact and shall not make a findings on the question of the value of the property irrespective of the purposes for which the value is ascertained.

The terms "reproduction value" and "present value" as used by the Commission are defined in said opinion and findings in case No. 206. As directed by the Commission, the Iron Mountain Railway Company filed with the Commission its inventory of the physical property and partial estimate of the original cost of reproduction value and present value thereof. It stated that its original cost records had been lost or destroyed. No attempt was made by the Company to furnish the Commission with final figures

as to cost and value, as provided on the Commission's inventory and appraisal form, but a letter filed with the Commission transmitting the inventory which was dated July 8, 1912 and signed by Mr. William F. Kett, President of the Company, advised that an estimate of the cost of the property had been made in 1896 aggregating \$315,250.00; also that certain amounts had been written off for depreciation since that date, leaving a value of \$291,000. which was carried on the books of the Company as representing the cost of construction and equipment.

The Commission's engineering department made a detailed examination of the property on the ground, based upon all of the facts which could be ascertained with respect to the physical elements entering into the operative property as of June 30, 1912, prepared and filed with the Commission a report dated September 14, 1912, giving its estimate of the reproduction value and the present value of the property as of June 30, 1912, based upon the condition in which the property was found at that date. The final summary sheet of this report/^{is} hereto attached and marked "Exhibit H".

A hearing was called before the Commission in this case on February 3, 1913, which was adjourned and subsequently reset for April 26, 1913. The case was promptly called before the Commission on the latter date. No appearances were made on the part of the Railway Company. A letter, however, had been addressed to the Commission, dated April 18, 1913 and signed by William F. Kett, President of the Company which stated that he believed "The valuation placed by the Commission's engineer on the physical property of the Iron Mountain Railway to be fair, and it is not the intention of the Iron Mountain Railway to protest against the acceptance by the Commission's ~~work~~ of its engineer's report."

In view of the foregoing statement, I therefore find as a fact the reproduction value, - as that term has heretofore been defined - of the operative physical property of Iron Mountain Railway Company is ~~represented~~ the sum of \$301,022.16

I further find as a fact that the present value of the operative physical property of Iron Mountain Railway Company, - as that term has heretofore been defined by the Commission as of June 30, 1912, is ~~xxxxxxxxxxxx~~ the sum of \$227,803.77.

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 2nd day of May, 1913.

John M. Castleman
W. H. ...
Edwin O. ...
Commissioners

EXHIBIT "A"

Name of Owner IRON MOUNTAIN RY. CO.

FORM No. 45.

Paul Thelen
Valuation as of June 30, 1912

Operating Co. do

CALIFORNIA RAILROAD COMMISSION

do Field Inspector

Division _____

PHYSICAL VALUATION OF STEAM RAILROADS

From Iron Mtn. to Yestack

FINAL SUMMARY SHEET

Miles, Main Line Track 10.65

Miles, Second Track 1.65

Miles, Yard Tracks, etc. 1.65

Total 12.30

Date Compiled September 14, 1912

Joint Main Line _____ Miles

Joint Second Track _____ Miles

Joint Yard Track, etc. _____ Miles

Total _____ Miles

Class No.	Form No.	I.C.C. Acct. No.	CLASSES	ORIGINAL COST	REPRODUCTION VALUE	Cond. P.C.	PRESENT VALUE
1	1	2	Right of way and station grounds.		1,290 00	100	1,290 00
2	2	3	Real estate.				
3	3	4	Grading.		113,123 46	100	112,872 96
4	4	5	Tunnels.		5,839 50	82	4,790 20
5	5	6	Steel bridges and trusses.				
6	6	6	Pile and frame trestles.		27,814 91	44	12,199 91
7	7	6	Culverts.		4,897 59	61	2,977 13
8	8	7	Ties.		16,718 95	44	7,352 88
9	9	8	Rails.		40,207 29	45	18,224 21
10	10	9	Frogs and switches.		1,055 05	33	351 68
11	11	10	Track fastenings and other material.		5,540 41	38	2,127 01
12	12	11	Ballast.				
13	13	12	Tracklaying and surfacing.		7,597 00	44	3,365 47
14	14	13	Roadway tools.		355 00	59	210 00
15	15	14	Fencing right of way.				
16	16	15	Crossings and signs.		15 80	55	8 62
17	17	16	Interlocking plants.				
18	18	16	Signal apparatus.				
19	19	17	Telegraph and telephone lines.				
20	20	18	Station buildings and fixtures.				
21	21	18	Platforms, walks, paving and curb.				
22	22	19	General office buildings and fixtures.				
23	23	20	Shop buildings and engine houses.				
24	24	20	Transfer and turntables, cinder pits, etc.				
25	25	20	Miscellaneous shop buildings and structures.				
26	26	21	Shop machinery and tools.				
27	27	22	Water stations.		1,130 00	36	404 00
28	28	23	Fuel stations.				
29	29	24	Grain elevators.				
30	30	25	Storage warehouses.				
31	31	26	Dock and wharf property.				
32	32	27	Electric light plants.				
33	33	28	Electric power plants.				
34	34	29	Electric power transmission.				
35	35	30	Gas producing plants.		599 50	57	340 00
36	36	31	Miscellaneous structures.				
			Total Classes 1 to 36, inclusive.		226,184 46	74	166,514 07
37	37	32	Engineering <u>5</u> per cent. 1 to 36, inclusive.		11,309 22	100	11,309 22
38	38	33	Transportation of men and material.				
39	39	33	Rent of equipment.				
40	40	34	Repairs of equipment.				
41	41	36	Earning and operating exp. during construction.				
42	42	36	Injuries to persons.				
43	43	36	Cost of road purchased.				
			Total Classes 1 to 43, inclusive.	229,002 04	237,493 68	75	177,823 29
44	44	37	Steam locomotives.		23,179 00	64	14,831 00
45	45	38	Electric locomotives.				
46	46	39	Passenger train cars.				
47	47	40	Freight train cars.		13,000 00	68	8,800 00
48	48	41	Work equipment.				
49	49	42	Floating equipment.				
			Total Classes 1 to 49, inclusive.		273,672 68	74	201,454 29
50	50	43	Law expenses <u>1</u> per cent. Classes 1 to 49, incl.		2,736 73	100	2,736 73
51	51	44	Stationery and printing.				
52	52	45	Insurance.				
53	53	46	Taxes.				
			Total Classes 1 to 53, inclusive.		276,409 41	74	204,191 02
54	54	47	Int. & Comm. <u>3</u> per cent. Classes 1 to 53, incl.		8,292 28	100	8,292 28
55	55	48	Other expenditures.				
56	56	49	Contingencies <u>5</u> per cent. Classes 1 to 53, incl.		13,820 47	100	13,820 47
57	57	46	Stores and supplies on hand for use in California.		2,500 00	60	1,500 00
			GRAND TOTAL		301,022 16	76	227,803 77
			Average per mile for main-line track.		28,264 99	76	21,383 41

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