

ORIGINAL
Decision No. 670

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of ascertaining
the value of the property of the
LAKE TAHOE RAILWAY AND TRANSPORTA-
TION COMPANY in the State of
California.

)
)
) Case No. 174.
)
)

Walter D. Bliss and George T. Klink for Lake Tahoe Railway
and Transportation Company.

THELEN, Commissioner.

OPINION and FINDINGS.

This proceeding was brought on the Railroad Commission's initiative for the purpose of ascertaining various elements entering into the value of the property of the Lake Tahoe Railway and Transportation 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 the Stockton Terminal and Eastern Railroad Company. As in that case, so here also I shall make findings of fact and shall not make a finding on the elusive question of the value of the property, irrespective of the purposes for which the value is ascertained.

I think it well at the outset to define certain terms which will be used herein.

The term "original cost" as used in this opinion means the actual expenditures, in cash or its equivalent, by the Railway Company for the physical elements entering into its operative property, as of June 30, 1912, to which are added overhead expenditures for engineering, law, interest and commissions and similar items.

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

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was acquired ~~and~~ the other operative physical property of the Railway Company 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 the value of the physical elements of the property, due to use, age, obsolescence and inadequacy. This might properly be called "depreciated reproduction value," and does not mean the ultimate fact of present value as that term is ordinarily used.

As directed by the Commission, the Railway Company filed with the Commission its inventory of property, together with a statement of the original cost, reproduction value and present value thereof. The final summary sheet of this report is attached to this opinion and marked "Exhibit A". This final ^{summary} sheet is fragmentary, contains no statement whatever concerning important items such as the reproduction value and present value of grading, overhead expenses, and other expenditures and for that reason is of but little value in connection with this inquiry. Nevertheless the sheet is attached for such value as it may have. It should be noted, however, that on the individual sheets of the inventory and appraisal forms, the Railway Company gave the details of certain items which are not entered in its final summary sheet. Some of these items were of assistance to this Commission's engineering department in preparing its estimate.

The Commission's engineering department also prepared a report concerning the original book cost, the reproduction value and the present value of the physical elements of the operative property of the railroad as of June 30, 1912. The final summary sheet of this report is attached hereto and marked "Exhibit B".

At the hearing the Railway Company accepted in general the estimate of this Commission's engineering department but made objections to the following items therein contained:

(1) The reproduction value and present value of right of way and station grounds.

(2) The reproduction and present value of grading.

(3) The reproduction and present value of floating equipment.

These objections will hereafter be considered in detail.

In connection with this inquiry I shall 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 Lake Tahoe Railway and Transportation Company was incorporated in December, 1898, under the laws of the state of California, to construct a line of railroad from Truckee, Nevada County, to Tahoe City, Placer County, a distance of 15 miles, more or less; also to own and operate freight and passenger boats on Lake Tahoe; and to build, maintain and operate, among other things, hotels and appurtenances necessary thereto.

Construction on the railway began in April 1899 and was completed in 1900. The Railroad bought the property of the Lake Tahoe Transportation Company, consisting principally of vessels navigating Lake Tahoe, wharves and machine shops, and also the rails and rolling stock of the Carson-Tahoe Flume and Lumber Company, which was operating a logging railroad.

Operation commenced in 1900 or 1901.

The railroad's track mileage consists of 14.70 miles of main line and 4.46 miles of siding, spurs and other tracks, making a total mileage of 19.16 miles. The gauge of the railroad is 3 feet. The Company also owns certain boats and steamers which

do a freight and passenger business on Lake Tahoe between Tahoe City and points on the Lake in California and Nevada. The Company also owns and operates extensive hotel and tavern facilities at Tahoe City, and owns in connection therewith considerable valuable real estate in addition to its operative property.

The railroad is operated principally for tourist travel during the summer time. Because of this fact, and of the severity of the winters in this altitude, the railroad is operated only during an average period of five months during the spring and summer. During the other portions of the year the steamship service is reduced to a weekly schedule.

2. STOCKS AND BONDS

The Railroad's authorized capital stock is 5000 shares of common stock of a par value of \$100 each, making a total par value of \$500,000. The entire authorized capital stock has been issued. 1000 shares of this stock, together with bonds, as hereinafter indicated, were exchanged for the property of the Lake Tahoe Transportation Company, including boats, wharves, marine ways, and certain other property at Tahoe City. We have no means of ascertaining the value of this property at the time it was acquired by the Railway Company. Another 1000 shares of capital stock were sold for cash and the proceeds thereof used to purchase the wharves and equipment of the Carson-Tahoe Flume and Lumber Company, and also to begin the construction of the railroad. We have no record of the amount of cash derived from the sale of this stock or of the value of the property received therefor. The remaining 3000 shares of stock appear to have been issued in December, 1902, as a stock dividend. In its annual report to this Commission for the year ending June 30, 1912, the Railway Company reports that it is unable to state the amount of ~~cash~~ cash or the value of the property secured by the issue of its capital stock.

The Railroad Company has an authorized bonded indebtedness of first mortgage 5% bonds, dated October 1, 1901, and

maturing October 1, 1931, interest payable semi-annually, totalling the face value of \$500,000. Of the bonds so authorized all have been issued, but the Company reports that bonds of this issue of the par value of \$31,000 are now held by it in sinking and other funds. Bonds of this issue of the face value of \$100,000 were issued, together with an equivalent par value of stock, as hereinbefore specified, in exchange for the property of the Lake Tahoe Transportation Company. The remaining bonds have been sold from time to time at par and less, the minimum amount realized being 93% of the face value, and the proceeds have been used in the completion of the railroad and ⁱⁿ the construction and equipment of the hotel and other buildings at Tahoe City, and in the purchase of land for the Company's resort at Tahoe City. In its annual report to this Commission for the year ending June 30, 1912, the Railway Company reports that it realized from the sale of its entire issue of bonds \$489,650.00 in cash. It should be remembered, however, in this connection, that bonds of the face value of \$100,000 were issued for property of the Lake Tahoe Transportation Company and that the correctness of the Railway Company's report as to the amount of cash realized from the issue of its bonds depends in part on the value of the property so acquired from the Lake Tahoe Transportation Company. We have no report as to the actual value of the property so acquired. It should be noted that the item of stocks and bonds covers both operative and non-operative property of the Railway Company, and that consequently unless some segregation is made, the item has very little bearing on the question which is the subject of this inquiry.

3. REVENUES AND EXPENSES.

The earnings of the Railway Company for the year ending June 30, 1912, on both operative and non-operative property, as reported to this Commission, were as follows:

Class of property	Gross Earnings	Expenses	Net Earnings
Railroad	\$43,569.46	\$35,180.45	\$ 8,389.01
Steamer	39,123.01	24,359.69	14,763.32
Hotel	131,967.98	111,949.52	20,018.46
Stable	7,219.93	6,830.76	389.17
Cook house	1,600.50	1,694.76	94.26 *
Small Boats	4,216.15	3,901.42	314.73
TOTAL	\$227,697.03	\$183,916.60	\$43,780.43

* This item is a credit.

Deductions from income for the year ending June 30, 1912, were as follows:

Taxes	\$ 3,265.47	
Interest on Bonded Debt	22,879.79	
Other interest	2,908.35	
Additions to sinking fund	6,000.00	
Discount on Bonds sold	3,350.00	
Miscellaneous adjustments	1,677.13	\$40,080.74

Subtracting this amount from net earnings leaves a total surplus for the year of \$ 3,699.69

Total Surplus on hand June 30, 1911 173,728.39

Total surplus on hand June 30, 1912 \$177,428.08

Above figures were based on a tabulated statement enclosed with a letter of September 3, 1912 from Mr. D. L. Bliss. However, the annual report made to the Railroad Commission under date of September 24th, 1912, showed operating expenses in connection with rail operations to be \$36,180.45, instead of \$35,180.45; expenses in connection with outside operations at \$149,736.15 instead of \$148,736.15; total net revenue in consequence of these two items \$41,780.43 instead of \$43,780.43. This results in a net corporate income of \$6,713.82 for the year, which, after being reduced by the profit and loss accounts by \$3,350.00 of the above table and by \$1,664.13 for a revised miscellaneous adjustments leaves a net profit from operation of \$1,699.69 instead of \$3,699.69.

4. ORIGINAL COST

By referring to Exhibit "A" it will be noted that the fragmentary original cost there given by the Railway Company totaled \$375,074.99. By referring to Exhibit "B" it will be noted that this Commission's engineering department's estimate of original cost, assuming correctness of Company's books, was \$630,793.22.

Referring to the Railway Company's estimate, it should be noted that a large number of important items are omitted, so that the estimate as a total is of very little value.

Referring now to this Commission's engineering department's estimate, it should be noted that the total of \$630,793.22 includes an item of \$247,736.54 for "other expenditures". It developed at the hearing that this item doubtlessly includes at least \$200,000 of capital stock issued as a capital stock dividend and not representing outlay of any cash whatsoever. It is consequently impossible in this case to find the original cost of the property as a whole and I shall make no finding thereon.

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 estimates the reproduction value at \$378,801.53. In this total, however, no item is included for grading, track fastenings and other material, floating equipment or overhead expenses. Consequently, the total so given can have but little value. By referring to Exhibit "B" it will be observed that this Commission's engineering department estimated a reproduction value totalling \$453,721.55. The Railway Company, while accepting most of the items in this total, objected particularly to the following three items:

1. Right of way and station grounds.
2. Grading
3. Floating equipment.

The Railway Company claimed that the reproduction value of its right of way from Truckee to Tahoe City should be estimated by applying front foot prices. It appears that the entire canyon of the Truckee River, from Truckee to Tahoe City, has been subdivided into lots, having an area of about two acres each and that efforts have been made by the owners to dispose of these lots. Of a total of 610 lots, 59 only have been sold. No lots at all

were sold during this last year. The lots so sold represent the best building sites and were sold at from 25% to 50% off the listed market value. From Truckee south, along at least one half the extent of the Company's right of way, only three lots have been sold. The Railway Company estimates a reproduction value of its right of way amounting to \$54,919.30, being on a basis of about \$655.00 per acre. This value is ascertained by taking a front foot value of \$5.00 per foot throughout the entire extent of the right of way.

The right of way was acquired by the Railway Company from the Truckee Lumber Company by deed dated March 6, 1909, following upon an agreement dated December 13, 1898. The agreement provided, in effect, that the Railway Company should construct a 3 foot narrow gauge railroad between Truckee and Lake Tahoe, by May 15, 1900, together with three spur tracks and any extensions for which the Lumber Company might furnish ties and labor. The Railway Company agreed that it would transport logs for the lumber company between Squaw Creek and Lake Tahoe, including towing in Lake Tahoe, for \$1.50 per thousand feet, board measure, and wood between the same points for 52 $\frac{1}{2}$ ¢ per cord. The Railway Company agreed that it would buy its ties from the Lumber Company for \$9.00 per thousand feet, board measure. The Lumber Company on its part, agreed that the Railway Company should have a perpetual right of way over all lots owned by the Lumber Company between Truckee and Lake Tahoe, and also through the Lumber Company's yard at Truckee, and that it would give to the Railway Company the hauling of all its logs and wood at the rate stated, in quantities not less than five million feet, board measure, per year, beginning in the year 1900.

On March 6, 1909, in pursuance of this agreement, the Lumber Company deeded to the Railway Company the latter's right of way without additional consideration. It thus appears that the Railway Company's right of way was acquired by it without

any cash payment whatsoever for the land. The item of \$513.90 reported by the Railway Company under the head of original cost for right of way and station grounds includes an item of \$87.50 which the Railway Company admits should be charged to operating expense. Consequently, the corrected item is \$426.40. No portion of this amount was expended in payment for land. The item represents an expenditure of some \$400.00 incurred in tearing down a building belonging to the Southern Pacific Company and obstructing the located alignment and a sum of \$26.40 for incidental expenses.

This Commission's engineering department estimated the reproduction value of right of way and station grounds at \$17,422.50. This item includes not merely the right of way between Truckee and Tahoe, but also a portion of the public commons used by the Railway Company at Tahoe City and other property used for station ground purposes at Truckee and Tahoe City. In seeking to ascertain the present market value of the right of way, this Commission's engineering department made exhaustive inquiries from persons familiar with the values of property in this vicinity. The estimates of these persons varied from \$10 per acre to \$3.00 per front foot. After giving careful consideration to the entire matter, the engineering department estimated the present market value of the right of way at \$25 per acre. Because of the damage which might be caused by segregation of the right of way from larger parcels of land and of an increased value due to the fact that the Railway owns a continuous strip of right of way, the department added 50% in most cases to the present market value to ascertain what it believed would be a fair sum to represent the cost of reproducing the property as of June 30, 1912.

The mere fact that acreage property is subdivided does not in itself necessarily increase the value thereof. Nor does the fact that property is held at a certain figure indicate its true value. In the present case it appears that none of these

lots have been sold during the last year and that those which were theretofore sold were largely the best sites and that they were sold at large percentages off the listed price. I am convinced that most of these lots will not be sold for many years to come for building sites, but that they will remain in their present condition as rough mountain land, worth certainly not to exceed \$8 or \$10 per acre for grazing purposes. I am convinced that this Commission's engineering department's estimate in this respect is a fair one and shall be guided by it.

Referring now to the reproduction cost estimated for grading, the Railway Company claimed that the original cost ~~was~~ had been \$45,204.68, and they urged that this amount be taken to represent the reproduction value. The estimate of this Commission's engineering department was \$22,889.77. This latter estimate was secured by taking the quantities for clearing, grubbing, earth excavation, loose rock excavation and solid rock excavation, overhaul and riprap reported by the Railway Company and applying thereto such unit prices as in the judgment of the engineering department were fair prices for this particular railroad. The Railway Company claimed that an unusually large number of boulders, both on the surface and embedded along the proposed right of way had been found in building the railroad and that allowance should be made by reason of this fact in estimating the cost of reproducing the grading. The Railway Company was unable to furnish definite information with reference to the amount of boulders so found or as to the increased difficulty resulting from their presence. The representatives of the Railway Company simply testified that they had heard that such boulders had been encountered and that by reason thereof the work had been rendered more difficult.

The Commission's engineering department allowed the following unit prices:

Clearing	per acre \$25.00
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Grubbing	per acre	\$25.00
Earth excavation	" cu yd	.25 $\frac{1}{2}$
Loose rock excavation	" " "	.53
Solid rock "	" " "	.96
Overhaul per 100 ft with free haul of 500 ft.		.01 $\frac{1}{2}$
Riprap	per cu yd	1.50

In using these unit prices, this Commission's engineering department intended the estimate of \$25.00 per acre for clearing to cover such increased difficulties as arose from the presence of surface boulders. The department intended the item of 25 $\frac{1}{2}$ ¢ per cubic yard for earth excavation to include such difficulties, if any, as arose from the presence of subsurface boulders, bearing in mind that the classification quantities contemplate that all boulders containing over three cubic feet are to be considered as solid rock at 96¢ per cubic yard, and all boulders containing over one cubic foot as loose rock at 53¢ per cubic yard.

In arriving at its unit prices used in this case, the engineering department availed itself of the prices for which a large number of contracts in country of a general character similar to that here involved were let and the work actually performed. Referring particularly to earth excavation, it appears that large amounts of earth excavation in country analogous to that here involved have been moved for the Southern Pacific Company and the Western Pacific Railway Company for the sum of 17¢ per cubic yard, and that varying other prices have also been paid, running up to a maximum of between 26¢ and 30¢ for work on the line of the Northwestern Pacific north of Willits, in difficult clay soil. It appears that between Cadiz and Parker, in San Bernardino county, over territory which, while comparatively flat, was nevertheless thickly covered with boulders, the Atchison, Topeka and Santa Fe Railway Company paid \$10.00 per acre for clearing and 18 $\frac{1}{2}$ ¢ per cubic yard for earth excavation. In addition to these prices the Santa Fe transported free contractors, men and materials and incurred certain other expenditures.

In considering this matter it should be borne in mind

that the original cost of doing this work was increased by the fact that the work was done in two seasons, with an intervening winter period. The Commission's engineering department's estimate of reproduction value, which estimate is accepted in these findings, is based on the theory that the work may be completed in one job during one season.

I am convinced that on this assumption, the amounts allowed in the estimate of this Commission's engineering department are fair and liberal and shall assume them in these findings to be correct.

The Railway Company contends that this Commission's estimate for reproduction value for floating equipment, viz., \$126,000 is too low. The Railway Company submitted the figure of \$131,735.39, which represents the Company's book charge for floating equipment and certain other items in addition thereto, including wharves, a breakwater at Tahoe, marine ways, grill room on the old wharf, and certain other items, making a total for these added items of approximately \$5,700.00. This Commission's engineering department, in estimating the reproduction value of floating equipment, credited the Railway Company with its entire original book cost of floating equipment proper, amounting to \$126,000. In the absence of an affirmative explanation, it is not to be assumed that the cost of reproducing property of a railroad company, is in excess of what the company paid therefor. In this case no affirmative facts were presented other than the statement that the Union Iron Works lost an indefinite amount of money on one of the vessels involved, to show that it would cost more than as of June 30, 1912, to reproduce this equipment than the amount paid therefor by the Railway Company. While the general statement was made that the cost of labor at the present time is in excess of its cost when these boats were constructed, it must also be borne in mind that the cost of certain materials has decreased, and also that the facilities for economic output

have been materially increased. For instance, a steam locomotive costs at the present time practically the same as the same locomotive would^{have} cost 20 years ago. In the absence of affirmative proof establishing the alleged increased cost in this case, I shall assume that the cost to reproduce this floating equipment is not in excess of the original cost thereof.

This disposes of the Railway Company's objections to the report of this Commission's engineering department. It should be clearly understood that this Commission regards the reports of its engineering department simply as estimates presented by employees who are skilled in their work and who have no interest in the subject matter one way or the other, but not as necessarily conclusive on the Commission. The Commission in each case hears the testimony of the Railway Company and then reaches a conclusion as best it may, bearing in mind both the testimony of the Railway Company and such estimates as may have been presented by its engineering department. In this case I find that there is no valid reason for increasing the estimate of the engineering department.

I find as a fact, from the evidence in this case, that the cost of reproducing in the condition in which it was acquired, the items entering into the operative physical property of the Lake Tahoe Railway and Transportation Company as of June 30, 1912, is not in excess of the sum of \$453,721.55.

6. PRESENT VALUE:

This Commission's engineering department reported the present value, as hereinbefore defined, to be the sum of \$315,029.96. The Railway Company's objections, in so far as they applied to present value, have already been discussed under the head of reproduction value. As usual in cases of this kind, the department gave the same estimate of present value for right of way, station grounds and real estate as it gave as an estimate for the present railroad value, under the head of reproduction value.

It should also be noted that the department regularly ~~xxx~~ allows the same amount for overhead expenses under the head of present value as it allows under the head of reproduction value. In other words, the department does not subtract anything for depreciation on overhead expenses.

In ascertaining the depreciated reproduction value of such physical items as are subject to depreciation, the engineering department, as usual in these cases, ascertained as far as possible, the age of the particular item and applied such percentages of depreciation as its investigations covering this State have shown to it to be proper.

With reference to grading, however, it should be noted that the engineering department has appreciated the item to the extent of 10% in excess of the estimated reproduction value thereof, except as to clearing, grubbing and riprap, which are estimated at 100%. The additional 10% takes account of the solidification and adaptation of roadbed which is not present under conditions of reproduction new. With reference to solid rock, an appreciation of 10% has been allowed, although the Commission is making further investigations in appreciation of solid rock and may not hereafter allow more than 5%.

I FIND ON 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 Lake Tahoe Railway and Transportation Company, including engineering, law expenses and interest during construction, and an item of 5% for contingencies as of June 30, 1912, is ~~xxxxxxxxxxxx~~ the sum of three hundred and fifteen thousand twenty-nine and 96/100 dollars (\$315,029.96).

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 6th day of May, 1913.

W. H. Loveland

H. W. Gordon

Edwin O. Edgerton

Max Thelen

Commissioners.

Name of Owner L. S. Ry. & T. Co.
 Operating Co. _____
 Division _____
 From Tahoe To Truckee
 Miles, Main Line Track 26.7
 Miles, Second Track _____
 Miles, Yard Tracks, etc. 4.2
 Total 30.9

FORM No. 45

Valuation as of June 30, 1912

CALIFORNIA RAILROAD COMMISSION
 PHYSICAL VALUATION OF STEAM RAILROADS
FINAL SUMMARY SHEET

Field Inspector _____
 Office Compiler _____
 Date Compiled _____
 Joint Main Line _____ Miles
 Joint Second Track _____ Miles
 Joint Yard Track, etc. _____ Miles
 Total _____ Miles

EXHIBIT "A"

Class No.	Furni. 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.	513 90	54919 30		59113 26
2	2	3	Real estate.	8474 00	52804 20		52804 20
3	3	4	Grading.	45204 68			
4	4	5	Tunnels.				
5	5	6	Steel bridges and trusses.				
6	6	6	Pile and frame trestles.	11928 34	17357 43		15522 75
7	7	6	Culverts.		1514 19		1362 89
8	8	7	Ties.	11243 98	18416 76		14512 87
9	9	8	Rails.	37343 20	46760 00		35070 00
10	10	9	Progs and switches.	843 02	1220 00		976 00
11	11	10	Track fastenings and other material.	1932 75			
12	12	11	Ballast.	5116 94	6140 32		6140 32
13	13	12	Tracklaying and surfacing.	14374 93	17249 91		17249 91
14	14	13	Roadway tools.		197 10		127 55
15	15	14	Fencing right of way.				
16	16	15	Crossings and signs.	107 89	129 47		116 53
17	17	16	Interlocking plants.				
18	18	16	Signal apparatus.				
19	19	17	Telegraph and telephone lines.				
20	20	18	Station buildings and fixtures.	15008 42	21011 92		18910 93
21	21	18	Platforms, walks, paving and curb.				
22	22	19	General office buildings and fixtures.				
23	23	20	Shop buildings and engine houses.	14213 70	19899 18		17909 27
24	24	20	Transfer and turntables, cinder pits, etc.				
25	25	20	Miscellaneous shop buildings and structures.				
26	26	21	Shop machinery and tools.	17831 23	30000 00		24000 00
27	27	22	Water stations.	1418 73	1418 73		1276 86
28	28	23	Fuel stations.				
29	29	24	Grain elevators.				
30	30	25	Storage warehouses.				
31	31	26	Dock and wharf property.	9427 52	11313 02		10181 72
32	32	27	Electric light plants.				
33	33	28	Electric power plants.				
34	34	29	Electric power transmission.				
35	35	30	Gas producing plants.				
36	36	31	Miscellaneous structures.				
Total Classes 1 to 36, inclusive.				195043 23	300651 53		275275 06
37	--	1	Engineering-----per cent. 1 to 36, inclusive.				
38	37	32	Transportation of men and material.				
39	38	33	Rent of equipment.		11500 00		5750 00
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.				195043 23	311851 53		281025 06
44	39	37	Steam locomotives.	16769 02	14000 00		8000 00
45	--	38	Electric locomotives.				
46	40	39	Passenger train cars.	8533 09	24200 00		13280 00
47	41	40	Freight train cars.	22351 66	27750 00		17700 00
48	42	41	Work equipment.	622 60	1000 00		700 00
49	43	42	Floating equipment.	131735 39			118561 26
Total Classes 1 to 49, inclusive.				375074 99	378801 53		439266 92
50	--	43	Law expenses-----per cent. Classes 1 to 36, incl.				
51	44	44	Stationery and printing.				
52	44	45	Insurance.				
53	45	46	Taxes.				
Total Classes 1 to 53, inclusive.							
54	--	47	Int. & Comm.-----per cent. Classes 1 to 53, incl.				
55	45	48	Other expenditures.				
56	--	--	Contingencies-----per cent. Classes 1 to 53, incl.				
57	46	--	Stores and supplies on hand for use in California.				
GRAND TOTAL							
Average per mile for main line track.							

Name of Owner L. A. Ry. & T. Co.
 Operating Co. _____
 Division _____
 From Tahoe To Truckee
 Miles, Main Line Track 24.7
 Miles, Second Track _____
 Miles, Yard Tracks, etc. 4.2
 Total 29.5

FORM No. 45

Valuation as of June 30, 1912

CALIFORNIA RAILROAD COMMISSION
 PHYSICAL VALUATION OF STEAM RAILROADS
FINAL SUMMARY SHEET

Field Inspector _____
 Office Compiler _____
 Date Compiled _____ 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. pr. ct.	PRESENT VALUE
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6	6	6	Pile and frame trestles.	11988 34	17357 43		15522 75
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17	17	16	Interlocking plants.				
18	18	16	Signal apparatus.				
19	19	17	Telegraph and telephone lines.				
20	20	18	Station buildings and fixtures.	15006 42	21011 92		18910 93
21	21	18	Platforms, walks, paving and curb.				
22	22	19	General office buildings and fixtures.				
23	23	20	Shop buildings and engine houses.	14213 70	19899 18		17909 27
24	24	20	Transfer and turntables, cinder pits, etc.				
25	25	20	Miscellaneous shop buildings and structures.				
26	26	21	Shop machinery and tools.	17831 23	30000 00		24000 00
27	27	22	Water stations.	1418 73	1418 73		1276 86
28	28	23	Fuel stations.				
29	29	24	Grain elevators.				
30	30	25	Storage warehouses.				
31	31	26	Dock and wharf property.	9427 52	11313 02		10181 72
32	32	27	Electric light plants.				
33	33	28	Electric power plants.				
34	34	29	Electric power transmission.				
35	35	30	Gas producing plants.				
36	36	31	Miscellaneous structures.				
Total Classes 1 to 36, inclusive.				195043 23	300351 53		275275 06
37	--	1	Engineering-----per cent, 1 to 36, inclusive.				
38	37	32	Transportation of men and material.				
39	38	33	Rent of equipment.		11500 00		5750 00
40	39	34	Repairs of equipment.				
41	--	35	Earning and operating exp. during construction.				
42	--	36	Injuries to persons.				
43	--	36	Cost of road purchased.				
Total Classes 1 to 43, inclusive.				195043 23	311851 53		281025 06
44	39	37	Steam locomotives.	16769 02	14000 00		8000 00
45	--	38	Electric locomotives.				
46	40	39	Passenger train cars.	8533 09	24200 00		13280 00
47	41	40	Freight train cars.	22351 66	27750 00		17700 00
48	42	41	Work equipment.	622 60	1000 00		700 00
49	43	42	Floating equipment.	131735 39			112567 86
Total Classes 1 to 49, inclusive.				375074 99	378801 53		439266 92
50	--	43	Law expenses-----per cent, Classes 1 to 36, incl.				
51	44	44	Stationery and printing.				
52	44	45	Insurance.				
53	45	46	Taxes.				
Total Classes 1 to 53, inclusive.							
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.				
57	46	--	Stores and supplies on hand for use in California.				
GRAND TOTAL							
Average per mile for main line track.							

EXHIBIT "B".

Name of Owner LAKE TAHOE RY. & TRANS. CO.
 Operating Co. Do
 Division Entire Line
 From Tahoe To Truckee
 Miles, Main Line Track 14.70
 Miles, Second Track ---
 Miles, Yard Tracks, etc. 4.46
 Total 19.16

BOTH COUNTIES
 FORM No. 45.

Valuation as of June 30, 1912
R. A. Thompson & Paul Thelen
 Field Inspector

CALIFORNIA RAILROAD COMMISSION
 PHYSICAL VALUATION OF STEAM RAILROADS
FINAL SUMMARY SHEET

Do Office Compiler
 Date Compiled September 20 1912
 Joint Main Line --- Miles
 Joint Second Track --- Miles
 Joint Yard Track, etc. --- Miles
 Total --- Miles

EXHIBIT "B".

Class No.	Form No.	I.C.C. Acct. No.	CLASSES	ORIGINAL BOOK COST	REPRODUCTION VALUE	Cond. pr. ct.	PRESENT VALUE
1	1	2	Right of way and station grounds.	1456 41	17422 50	100	17422 50
2	2	3	Real estate.	3350 00	2440 00	100	2440 00
3	3	4	Grading.	45204 68	22689 77	109	24650 24
4	4	5	Tunnels.				
5	5	6	Steel bridges and trusses.				
6	6	6	Pile and frame trestles.	11988 34	10564 79	80	8422 99
7	7	6	Culverts.		1309 98	50	654 99
8	8	7	Ties.	11243 98	17884 32	60	10730 59
9	9	8	Rails.	37343 20	44422 00	50	22211 00
10	10	9	Frogs and switches.	843 02	1170 00	50	585 00
11	11	10	Track fastenings and other material.	1932 75	4891 24	50	2445 62
12	12	11	Ballast.	5116 94	5830 90	80	4666 32
13	13	12	Tracklaying and surfacing.	14372 93	16108 00	55	8830 88
14	14	13	Roadway tools.	404 10	404 10	50	202 05
15	15	14	Fencing right of way.				
16	16	15	Crossings and signs.	107 89	152 00	60	91 20
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.	4000 00	4744 00	80	3795 20
23	23	20	Shop buildings and engine houses.	14213 70	11227 50	62	6994 55
24	24	20	Transfer and turntables, cinder pits, etc.		600 00	50	250 00
25	25	20	Miscellaneous shop buildings and structures.				
26	26	21	Shop machinery and tools.	17427 13	17061 00	65	11089 65
27	27	22	Water stations.	1418 73	1400 00	61	850 00
28	28	23	Fuel stations.				
29	29	24	Grain elevators.				
30	30	25	Storage warehouses.				
31	31	26	Dock and wharf property.	9427 52	9821 35	50	4910 67
32	32	27	Electric light plants.				
33	33	28	Electric power plants.				
34	34	29	Electric power transmission.				
35	35	30	Gas producing plants.				
36	36	31	Miscellaneous structures.	11008 42	12979 40	64	8299 81
			Total Classes 1 to 36, inclusive.	190861 74	203222 85	69	139743 26
37	--	1	Engineering <u>5</u> per cent, 1 to 36, inclusive.		10161 14	100	10161 14
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.	190861 74	213383 99	70	149904 40
44	39	37	Steam locomotives.	16769 02	20000 00	40	8000 00
45	--	38	Electric locomotives.				
46	40	39	Passenger train cars.	8533 09	13600 00	40	5440 00
47	41	40	Freight train cars.	22351 66	22200 00	36	10140 00
48	42	41	Work equipment.	622 60	3600 00	38	1375 00
49	43	42	Floating equipment.	131735 39	126000 00	72	91233 00
			Total Classes 1 to 49, inclusive.	370873 50	404783 99	66	266092 40
50	--	43	Law expenses <u>1</u> per cent, Classes 1 to 36, incl.		4047 84	100	4047 84
51	44	44	Stationery and printing.				
52	44	45	Insurance.				
53	45	46	Taxes.				
			Total Classes 1 to 53, inclusive.	370873 50	408831 83	66	270140 24
54	--	47	Int. & Comm. <u>5</u> per cent, Classes 1 to 53, incl.		12264 95	100	12264 95
55	45	48	Other expenditures.	247736 54			
56	--	--	Contingencies <u>5</u> per cent, Classes 1 to 53, incl.		20441 59	100	20441 59
57	46	--	Stores and supplies on hand for use in California.	12183 18	12183 18	100	12183 18
			GRAND TOTAL	630793 22	453721 55	70	315029 96
			Average per mile for main line track.	42911 10	30265 41		21430 61