

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of ascertaining the value	}	Case 181.
of the property of PACIFIC COAST RAILWAY		
COMPANY within the State of California.		
.....	}	

Appearances.

James Anderson, Chief Engineer, Pacific Coast Railway Company,  
E. W. Clark, Vice President, Pacific Coast Railway Company,  
J. M. Sims, Superintendent, Pacific Coast Railway Company,

GORDON, COMMISSIONER,

OPINION AND FINDINGS.

This proceeding was brought upon the Commission's initiative for the purpose of ascertaining various elements entering into the value of the property of Pacific Coast 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 the Commission's Engineering Department in connection therewith, reference is hereby made to this Commission's Opinion and Findings in Case 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 I shall make findings of fact and shall not make findings on the value of the property irrespective of the purposes for which the value is ascertained.

Findings will be made as to only the "Reproduction Value" and "Present Value" of the operative physical property owned by the Company, as these terms are defined and used by the Commission in said Opinion and Findings in Case No. 206.

As directed by the Commission the Pacific Coast Railway Company filed with the Commission the inventory of its physical property and the estimated "Reproduction Value" and "Present Value" thereof.

The final summary sheet of this inventory is attached to this Opinion and marked Exhibit "A". This summary sheet as originally filed

contained under heading "Original Cost" an amount which was stated to be the book cost of the property, the same as is shown <sup>in</sup> ~~in~~ its annual reports to the Commission as representing cost of construction and equipment. This original or book cost, however, was not based upon the actual cost of the property in cash, and obviously includes certain amounts, particularly under Account No. 47, representing adjustments in connection with transfers of property upon the basis of securities and does not represent the actual cash outlay which was necessary to complete and place the property in condition to operate. The Company stated that its original cost records were destroyed in the San Francisco fire in 1906, except those for a branch line built subsequently to that date. m.

The Commission's Engineering Department, therefore, has made no attempt and does not report the original cost of the property. The book cost above mentioned, however, was submitted for the information of the Commission as stated. This Department made a detailed examination of the property on the ground and, based upon the facts ascertained, together with inventory and statements submitted by the Company, arrived at estimates of the "Reproduction Value" and "Present Value" of operative physical property of the Company as of June 30, 1912, which estimates are contained in a report filed with the Commission, dated April 1, 1913. The final sheet of this inventory and valuation is attached to this Opinion and marked Exhibit "B", except that the figures contained in the original summary sheet, under heading "Original Cost" are omitted for the reasons above stated, viz.: that same were only the book cost as contained in the annual reports of the Company and in fact did not represent the actual original cost.

A hearing was held before the Commission in this proceeding on February 3, 1913, which hearing was adjourned and subsequently reset before the Commission on April 30, 1913. At the latter hearing the Company was represented by Mr. James Anderson, its Chief Engineer, Mr. E. W. Clark, its Vice President, and Mr. J. M. Sims, its Superintendent. Mr. James Anderson, speaking for the Company, stated that in his opinion the estimates of "Reproduction Value" and "Present Value" as submitted

by the Engineering Department of the Commission, were fair and that the Company had no wish to question them in any way, and were perfectly willing to accept them.

In view of these statements, and based upon the report filed by the Engineering Department of the Commission, I therefore find as a fact that the "Reproduction Value" as that term has heretofore been defined, of the operative physical property of Pacific Coast Railway Company, as of June 30, 1912, is ~~not to exceed~~ the sum of *M.* \$1,970,843.63.

I further find as a fact that the "Present Value", as that term is heretofore defined, of the operative physical property of Pacific Coast Railway Company, as of June 30, 1912, is ~~not to exceed~~ *M.* the sum of \$ 1,529,646.16.

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The foregoing Opinion and Findings is 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.

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*H. H. Ireland*

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*W. Gordon*

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*Edwin C. Edgerton*

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Commissioners.

Name of Owner **Pacific Coast Railway Co.**

Exhibit "A"

Valuation as of June 30, 1912

Operating Co. **Pacific Coast Railway Co.**

FORM No. 48.

Field Inspector

Division **All lines complete**

**CALIFORNIA RAILROAD COMMISSION**

From **Port S. Inlets All Terminals**

PHYSICAL VALUATION OF STEAM RAILROADS

Office Compiler

Miles, Main Line Track **105.05**

Miles, Second Track

Miles, Yard Tracks, etc. **12.62**

Total **117.67**

# FINAL SUMMARY SHEET

Date Compiled

Joint Main Line Miles

Joint Second Track Miles

Joint Yard Track, etc. Miles

Total Miles

Class No.	Form No.	I.C.C. Acct. No.	CLASSIFICATION	ORIGINAL COST	REPRODUCTION VALUE	Cond. pr. ct.	PRESENT VALUE
1	1	2	Right of way and station grounds.		223618 10	1.00	223618 10
2	2	3	Real estate.		12015 40	1.00	12015 40
3	3	4	Grading.		278543 45	1.03	288019 42
4	4	5	Tunnels. <b>None</b>				
5	5	6	Steel bridges and trusses.		2907 00	.90	2616 30
6	6	6	Pile and frame trestles.		54024 54	.80	43218 36
7	7	6	Culverts.		6035 95	.67	5365 75
8	8	7	Ties.		119735 65	.51	61549 55
9	9	8	Rails.		250176 39	.90	225158 72
10	10	9	Frogs and switches.		8350 00	.80	6680 00
11	11	10	Track fastenings and other material.		44517 70	.83	36780 64
12	12	11	Ballast.		23531 20	1.00	23531 20
13	13	12	Tracklaying and surfacing.		70930 00	1.00	70930 00
14	14	13	Roadway tools.		1981 59	.50	990 75
15	15	14	Fencing right of way.		85905 00	.73	62554 00
16	16	15	Crossings and signs.		2263 80	.52	1273 15
17	17	16	Interlocking plants. <b>None</b>				
18	18	16	Signal apparatus. <b>"</b>				
19	19	17	Telegraph and telephone lines. <b>"</b>				
20	20	18	Station buildings and fixtures.		25200 00	.60	15240 00
21	21	18	Platforms, walks, paving and curb.		2254 24	.53	1188 84
22	22	19	General office buildings and fixtures.		909 00	.55	504 50
23	23	20	Shop buildings and engine houses.		6760 20	.61	5469 76
24	24	20	Transfer and turntables, cinder pits, etc.		4300 00	.85	3670 00
25	25	20	Miscellaneous shop buildings and structures.		2580 00	.60	1530 00
26	26	21	Shop machinery and tools.		5305 00	.60	3178 00
27	27	22	Water stations.		9850 00	.72	7097 00
28	28	23	Fuel stations.		1000 00	.80	800 00
29	29	24	Grain elevators. <b>None</b>				
30	30	25	Storage warehouses.		39100 00	.88	34475 00
31	31	26	Dock and wharf property.		83140 00	.90	74826 00
32	32	27	Electric light plants. <b>None</b>				
33	33	28	Electric <del>power</del> lines. <b>None</b>				
34	34	29	Electric power transmission.		31074 08	.75	23305 56
35	35	30	Gas producing plants. <b>None</b>				
36	36	31	Miscellaneous structures.		2910 00	.61	1767 00
Total Classes 1 to 36, inclusive.					1400943 29	.88	1237355 30
37	37	32	Engineering $\frac{5}{100}$ per cent, 1 to 36, inclusive.		70047 16	1.00	70047 16
38	38	33	Transportation of men and material. $\frac{3}{100}$ 1 to 36.		42028 29	1.00	42028 29
39	39	34	Rent of equipment. <b>None</b>				
40	40	34	Repairs of equipment. $\frac{1}{100}$ 1 to 36.		14009 43	1.00	14009 43
41	41	35	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.					1527028 17	.89	1263438 18
44	44	37	Steam locomotives.		50396 79	.71	35635 90
45	45	38	Electric locomotives.		8400 30	.94	7892 20
46	46	39	Passenger train cars.		27100 00	.63	17000 00
47	47	40	Freight train cars.		97250 00	.69	67355 00
48	48	41	Work equipment.		3988 10	.76	3044 29
49	49	42	Floating equipment. <b>None</b>				
Total Classes 1 to 49, inclusive.					1714163 36	.87	1494355 57
50	50	43	Law expenses $\frac{3}{100}$ per cent, Classes 1 to 36, incl.		51424 89	1.00	51424 89
51	51	44	Stationery and printing.		5000 00	1.00	5000 00
52	52	45	Insurance.		3000 00	1.00	3000 00
53	53	46	Taxes.		20000 00	1.00	20000 00
Total Classes 1 to 53, inclusive.					1793588 25	.88	1573780 46
54	54	47	Int. & Comm. $\frac{10}{100}$ per cent, Classes 1 to 53, incl.		179358 82	1.00	179358 82
55	55	48	Other expenditures. <b>None</b>				
56	56	49	Contingencies $\frac{5}{100}$ per cent, Classes 1 to 53, incl.		89679 41	1.00	89679 41
57	57	50	Stores and supplies on hand for use in California.		37320 29	1.00	37320 29
GRAND TOTAL.					2099946 77	.895	1880138 98
Average per mile for main line track.					20377 94		18244 92

Name of Owner Pacific Coast Ry. Co.  
 Operating Co. Do  
 Division All lines in California  
 From Port San Luis All terminals  
 Miles, Main OCM Track 95.62  
 Miles, Second Track             
 Miles, Yard Tracks, etc. 20.08  
 Total 115.70

Exhibit "B"  
 FORM No. 45

CALIFORNIA RAILROAD COMMISSION  
 PHYSICAL VALUATION OF STEAM RAILROADS  
**FINAL SUMMARY SHEET**

Valuation as of June 30, 1912  
L. M. JOCK  
 Field Inspector  
Co  
 Office Compiler  
 Date Compiled JUN 10, 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
1	1	2	Right of way and station grounds.		172020	84 100	172020 84
2	2	3	Real estate.		1500	00 100	1500 00
3	3	4	Grading.		292074	69 100	292074 69
4	4	5	Tunnels.				
5	5	6	Steel bridges and trusses.		2907	00 60	1744 20
6	6	6	Pile and frame trestles.		60858	81 51	30963 88
7	7	6	Culverts.		8996	50 60	5382 97
8	8	7	Ties.		137862	84 56	77463 06
9	9	8	Rails.		286438	89 65	180048 63
10	10	9	Frogs and switches.		8514	52 67	5754 56
11	11	10	Track fastenings and other material.		32381	80 59	19489 87
12	12	11	Ballast.		35635	38 51	21731 94
13	13	12	Tracklaying and surfacing.		95727	90 66	62809 45
14	14	13	Roadway tools.		2531	16 50	1265 57
15	15	14	Fencing right of way.		69998	80 37	26102 96
16	16	15	Crossings and signs.		1773	30 56	985 95
17	17	16	Interlocking plants.				
19	23	19	Signal apparatus, poles & fixtures (See Acct. #29)		7916	75 55	4404 25
19	19	17	Telegraph and telephone lines.				
20	20	18	Station buildings and fixtures.		27262	50 62	16920 50
21	21	18	Platforms, walks, paving and curb.		4525	70 44	1985 26
22	22	19	General office buildings and fixtures.		899	00 60	542 00
23	23	20	Shop buildings and engine houses.		9875	20 90	7166 01
24	24	20	Transfer and turntables, cinder pits, etc.		4100	00 80	3400 00
25	25	20	Miscellaneous shop buildings and structures.		1944	24 67	1303 17
26	26	21	Shop machinery and tools.		9081	55 62	5621 06
27	27	22	Water stations.		10560	00 72	7659 20
28	28	23	Fuel stations.		969	62 80	775 70
26	26	22	Transmission Distribution System (See Acct. #29)		24595	20 55	18430 89
30	30	25	Storage warehouses.		40710	19 61	25017 64
31	31	26	Dock and wharf property.		110712	00 80	88569 60
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.		5849	30 73	4250 20
			Total Classes 1 to 36, inclusive.		1470723	68 74	1091389 05
37		1	Engineering <u>5</u> per cent, 1 to 36, inclusive.		73536	18 100	73536 18
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		36	Injuries to persons.				
43		36	Cost of road purchased.				
			Total Classes 1 to 43, inclusive.		1544259	86 74	1164925 23
44	40	37	Steam locomotives.		50396	79 70	35260 15
45		38	Electric locomotives.		8400	30 61	6621 50
46	40	39	Passenger train cars.		27100	00 60	15896 00
47	41	40	Freight train cars.		96250	00 68	65698 00
48	42	41	Work equipment.		13938	10 76	10546 70
49	43	42	Floating equipment.				
			Total Classes 1 to 49, inclusive.		1740345	05 74	1299147 58
50		43	Law expenses <u>5</u> per cent, Classes 1 to 36, incl.		17403	45 100	17403 45
51	44	44	Stationery and printing.				
52	44	45	Insurance.				
53	45	46	Taxes.				
			Total Classes 1 to 53, inclusive.		1757748	50 74	1316551 03
54		47	Int. & Comm. <u>5</u> per cent, Classes 1 to 53, incl.		87887	42 100	87887 42
55	46	48	Other expenditures.				
56			Contingencies <u>5</u> per cent, Classes 1 to 53, incl.		87887	42 100	87887 42
57	46		Stores and supplies on hand for use in California.		37320	29 100	37320 29
			GRAND TOTAL		1970843	63 74	1529646 16
			Average per mile for main line track.		20611	20	15957 25