

VALUATION DOCKET No. 1119  
DEEP CREEK RAILROAD COMPANY

*Submitted February 8, 1933. Decided April 15, 1933*

Final value for rate-making purposes of the property of the Deep Creek Railroad Company, owned and used for common-carrier purposes, as of December 31, 1927, found to be \$465,000, and of property used but not owned \$20.

REPORT OF THE COMMISSION

DIVISION 1, COMMISSIONERS MEYER, AITCHISON, AND LEE

BY DIVISION 1:

The Deep Creek Railroad Company, hereinafter called the carrier, is a corporation of the State of Utah. It owns and operates a single-track, standard-gage, steam railroad, extending from Wendover, Utah, to Gold Hill, Utah, a distance of 46.004 miles, of which 0.563 mile is located in Nevada. The carrier also owns and operates 1.725 miles of yard tracks and sidings.

By our order of August 12, 1932, entered in this proceeding, we completed the tentative valuation as of December 31, 1927, of the property of the carrier. Notice thereof was duly served upon the carrier and other interested parties in the manner and as required by law. The carrier filed a protest against the tentative valuation within the statutory period. The proceeding was assigned for hearing and due notice given. The carrier entered no appearance at the hearing and presented no evidence or brief in support of its protest.

At the hearing, a statement was submitted by an engineer of our Bureau of Valuation recommending increases in cost of reproduction new and cost of reproduction less depreciation of \$40,079 and \$27,703, respectively. These recommendations result from increases in the unit prices for ties and tracklaying and surfacing and the correction of certain clerical errors in the preparation of the tentative report. We approve the recommended changes. The final value heretofore found for property owned and used by the carrier will be increased to \$465,000, including therein \$1,800 for working capital, and the tentative report with the above modifications will be made final.

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## ORDER

*Entered April 15, 1933*

*It appearing*, That a notice of the tentative valuation of the property of the above-named carrier, heretofore made by the Commission under and in compliance with the authority conferred and the duties imposed upon it by section 19a of the Interstate Commerce Act, was duly given to said carrier and to the Attorney General of the United States, the Governor and the Public Utilities Commission of the State of Utah, and the Governor and the Public Service Commission of the State of Nevada, and that protest against said tentative valuation was filed with the Commission by said carrier within the 30-day period specified in paragraph (h) of said section 19a;

*It further appearing*, That a hearing on said protest was set for February 8, 1933, and that due notices thereof were given said carrier and the other parties above named;

*It further appearing*, That on the date fixed for said hearing no appearance was entered for said carrier or for any of the above-named parties and no brief was filed or argument made in support of said protest, and the matter was thereupon taken under advisement by the Commission; upon consideration thereof:

*It is ordered*, That the following be, and it is hereby declared to be, the final valuation of the property of the Deep Creek Railroad Company, as of December 31, 1927.

*Location and general description of property.*—The railroad of the Deep Creek Railroad Company, hereinafter called the carrier, is a single-track, standard gage, steam railroad, located in the States of Nevada and Utah. The main line extends southerly from Wendover, Utah, crosses and recrosses the Nevada-Utah State Line and terminates at Gold Hill, Utah, a distance of 46.004 miles, of which 0.563 mile is located in the State of Nevada, and 45.441 miles in the State of Utah. The carrier also owns 1.725 miles of yard tracks and sidings. Its road thus embraces 47.729 miles of all tracks, owned and used, as classified in appendix 1.

The carrier has joint use of station facilities at Wendover, Utah, owned by The Western Pacific Railroad Company.

*Capital stock and long-term debt.*—The carrier has outstanding, on date of valuation, a total par value of \$495,000 in stock and long-term debt, of which \$450,000 represents common stock, and \$45,000 nonnegotiable debt to the controlling company.

*Results of corporate operations.*—For the period from May 1, to December 31, 1917, the aggregate railway operating expenses were 55.6 percent of the railway operating revenues, for the period from January 1, 1918, to February 29, 1920, 124.7 percent, for the period from March 1, 1920, to date of valuation, 76.3 percent, and for the period of three years preceding date of valuation 82.4 percent. No dividends have been declared.

*Original cost to date.*—The original cost to date of the common-carrier property owned and used by the carrier, except land, for which the cost is not definitely ascertainable, is found to be approximately \$510,703. Further information will be found in appendix 2.

*Investment in road and equipment.*—The investment of the carrier in road and equipment, including land, on date of valuation, is stated in its books as \$518,394.06. With readjustments required by our accounting examination, this amount would be increased to \$518,548.12. This adjusted amount consists of \$514,032.78 recorded money outlay by the carrier; \$3,068.80 credit given the United States Railroad Administration in open account for money outlay by it; and \$1,446.54 value assigned to donated property, of which \$1,219.60 is applicable to land and \$226.94 to tracks. An undetermined portion of the \$1,219.60 is applicable to noncarrier land owned. Of the recorded money outlay by the carrier, \$7,004 represents the recorded cost of certain roadway machines and equipment not in service on date of valuation. Further information will be found in appendix 2.

*Cost of reproduction new and cost of reproduction less depreciation.*—The cost of reproduction new and cost of reproduction less depreciation of all common-carrier property, other than land and material and supplies, owned and used by the carrier are \$647,689 and \$489,877, respectively, classified as follows: In Nevada \$6,724 and \$4,900; in Utah \$630,022 and \$474,321; and not allocated to States \$10,943 and \$10,656.

These amounts, classified in conformity with the classification of expenditures for road and equipment, as prescribed by us, are shown in the summary sheets in appendix 1.

The prices used in arriving at cost of reproduction were determined from a study of costs during the period 1923–27.

*Cost of lands, rights of way, and terminals at time of dedication to public use, and their present value.*—The carrier owns and uses for common-carrier purposes 950.05 acres of land, all located in Utah, with a present value of \$2,166. The total original cost of these lands cannot be ascertained, as the necessary records are not obtainable, but the original cost of a portion thereof, so far as supported by the accounting records, is \$151.10. Other data on their cost will

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be found in appendix 2. The carrier also uses 13.66 acres of carrier land owned by private parties, all located in Nevada, with a present value of \$20.

*Property held for purposes other than those of a common carrier.*—The carrier owns and holds for noncarrier purposes 7.34 acres of land in Utah, which was acquired through donations. Further information will be found in appendix 2. Its present value is \$11.

The carrier owns and holds cash on hand and material and supplies in the amount of \$5,498. Of this amount, \$1,800 is necessary for its use as working capital and that sum is, therefore, included in the final value stated elsewhere in this report. The remainder, \$3,698, is owned and held by the carrier for noncarrier purposes.

*Aids, gifts, grants of rights of way, and donations.*—Of the lands included in the preceding statement of lands owned by the carrier, 933.73 acres of carrier lands owned and used, with a present value of \$2,084, and 7.34 acres of noncarrier land owned, with a present value of \$11, were acquired through grants by the United States and the State of Utah or donations by various companies.

We are not able to report the value of these lands at the time acquired. However, the carrier has reported such value as \$1,219.60, and that the acquisition expenses aggregate \$51.10.

We are not able to report any moneys or other considerations received from sales of any portion of lands conveyed as grants from governmental bodies, nor the amount or value of any concession or allowance given in consideration of any such grants by governmental bodies.

In addition, the carrier reported \$226.94 as the value of track material and labor donated to it by the Western Utah Copper Company.

*Material and supplies.*—The book value of the material and supplies on hand on date of valuation is shown in the records of the carrier as \$1,502.36.

*Final value.*—After careful consideration of all facts herein contained, including appreciation, depreciation, going-concern value, working capital, and all other matters which appear to have a bearing upon the values here reported, the values, for rate-making purposes, of the property of the carrier, owned or used, devoted by it to common-carrier purposes, are found to be as follows: Owned and used \$465,000; used but not owned, owned by private parties, \$20; total used \$465,020. The sum of \$1,800 is included in the value above stated as owned and used on account of working capital, consisting entirely of a stock of material and supplies.

No other values or elements of value to which specific sums can now be ascribed are found to exist.

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*Appendixes.*—Attached hereto and made a part hereof are appendixes 1 and 2. Appendix 1 gives the explanatory text and summary sheets showing allocation of mileage by States, and the classification of the cost of reproduction new and cost of reproduction less depreciation, above set forth, in conformity with the classification of expenditures for road and equipment prescribed by us.

Appendix 2 shows in detail the history and organization of the carrier; moneys received by reason of issues of stock and other securities, together with the syndicating, banking, and other financial arrangements attending their issue; the net and gross earnings; the development of fixed physical property; investment in road and equipment; the cost of lands, rights of way, and terminals; the general balance sheet statement and other pertinent information.

Reference is made to appendix 3, *Texas Midland Railroad*, 75 I.C.C. 1, 108, which is hereby made a part hereof, for a statement of the methods employed and of the reasons for the difference between the various cost values reported. Reference is also made in like manner to Appendix 3, *Northampton & B. R. Co.*, 149 I.C.C., 244, 263 for a statement of the method for determining working capital.

The accounting, engineering, and land reports, copies of which have been furnished to interested parties and the State officials of the States in which the carrier operates, give the details respecting the figures here reported, and are on file in the Bureau of Valuation of the Commission, open to public inspection, and subject to the direction of Congress. These reports are referred to for greater particularity as to the matters herein stated.

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#### APPENDIX 1

*Track mileage.*—The carrier owns and uses 46.004 miles of main track, and 1.725 miles of yard tracks and sidings, a total of 47.729 miles of all tracks, of which 45.441 miles of main track and 1.725 miles of yard tracks and sidings are located in Utah, and 0.563 mile of main track is located in Nevada.

*Traffic connections.*—The carrier has connection for interchange of traffic with the road of The Western Pacific Railroad Company at Wendover, Utah.

*Physical conditions affecting construction.*—The country traversed by this carrier for the first 37 miles is the arid salt-lake desert. The line traverses the foothills the last 8 miles in reaching Gold Hill. The soil is mostly salt with some granite and other hard stone.

*Economic conditions relating to traffic.*—The principal industries of this region are the raising of sheep and mining of gold and copper.

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*Physical characteristics of road.*—Grading is very light, averaging about 5,500 cubic yards per mile, of which 9 percent is classified as solid rock, 2 percent loose rock, and the remainder common material. There are no metal bridges on the line. Drainage is crossed by means of pile and frame trestles, and pipe and timber culverts. Crossties in the main track average about 2,700 per mile and are chiefly untreated fir, with some pine. The main line is laid principally with 52-pound and 60-pound relay rail. The tracks are ballasted with gravel.

*Equipment.*—The carrier owns and uses one steam locomotive, one freight-train car, and one passenger-train car.

*Engineering and general expenditures.*—Engineering has been estimated at 4 percent on road accounts 3 to 47. General expenditures, exclusive of interest, have been estimated at 2 percent on road accounts 1 to 47, except account 2. Interest during construction has been estimated for one-half the construction period of six months, plus three months, at 6 percent per annum on all road and general-expenditures accounts, except accounts 2 and 76. Interest on equipment has been estimated for three months at 6 percent per annum.

## SUMMARIES

*Owned and used, entire property*

Ac- count	Classes	Cost of reproduc- tion new	Cost of reproduc- tion less deprecia- tion
<b>I. ROAD</b>			
1	Engineering .....	\$23,311	\$23,311
3	Grading .....	90,143	89,876
6	Bridges, trestles, and culverts .....	8,878	5,545
8	Ties .....	127,251	64,626
9	Rails .....	142,179	125,117
10	Other track material .....	31,005	21,066
11	Ballast .....	35,029	24,520
12	Tracklaying and surfacing .....	104,664	73,251
13	Right-of-way fences .....	92	46
15	Crossings and signs .....	314	184
16	Station and office buildings .....	15,001	9,796
17	Roadway buildings .....	4,662	3,316
18	Water stations .....	9,200	6,554
26	Telegraph and telephone lines .....	11,213	8,231
37	Roadway machines .....	840	639
38	Roadway small tools .....	296	148
	Total, 1, and 3 to 47, inclusive .....	606,078	456,226
<b>II. EQUIPMENT</b>			
51	Steam locomotives .....	7,175	7,175
53	Freight-train cars .....	706	424
54	Passenger-train cars .....	2,900	2,900
	Total, 51 to 58, inclusive .....	10,781	10,499
<b>III. GENERAL EXPENDITURES</b>			
71	Organization expenses .....	12,122	9,089
72	General officers and clerks .....		
73	Law .....		
74	Stationery and printing .....		
75	Taxes .....	18,708	14,063
77	Other expenditures, general .....		
76	Interest during construction .....		
	Total, 71 to 77, inclusive .....	30,830	23,152
	Grand total, 1, and 3 to 77, inclusive .....	647,689	489,877

## SUMMARIES—continued

*In Nevada, owned and used*

Classes	Cost of re- production new	Cost of re- production less depre- ciation
<b>I. ROAD</b>		
Total, 1, and 3 to 47, inclusive.....	\$6,400	\$4,664
<b>III. GENERAL EXPENDITURES</b>		
Total, 71 to 77, inclusive.....	324	236
Grand total, 1, and 3 to 77, inclusive.....	6,724	4,900

*In Utah, owned and used*

Classes	Cost of re- production new	Cost of re- production less depre- ciation
<b>I. ROAD</b>		
Total, 1, and 3 to 47, inclusive.....	\$599,678	\$451,562
<b>III. GENERAL EXPENDITURES</b>		
Total, 71 to 77, inclusive.....	30,344	22,759
Grand total, 1, and 3 to 77, inclusive.....	630,022	474,321

*Not allocated to States, owned and used*

Classes	Cost of re- production new	Cost of re- production less depre- ciation
<b>II. EQUIPMENT</b>		
Total, 51 to 58, inclusive.....	\$10,781	\$10,499
<b>III. GENERAL EXPENDITURES</b>		
Interest during construction.....	162	157
Grand total, 1, and 3 to 77, inclusive.....	10,943	10,656

## APPENDIX 2

## INTRODUCTORY

The carrier is a Utah corporation, having its principal office at Salt Lake City, Utah. It is controlled by The Western Pacific Railroad Company through stock ownership. The records do not indicate that it controls any common-carrier corporation.

The property of the carrier has been operated since completion of construction by its own organization, excepting the period January 1, 1918, to February 29, 1920, when operation was by the United States Railroad Administration.

## CORPORATE HISTORY

The carrier was incorporated October 11, 1916, under the general laws of Utah to construct and operate a standard-gage steam railroad and telegraph and telephone lines in connection therewith for public use. The date of its organization was October 11, 1916.

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## DEVELOPMENT OF FIXED PHYSICAL PROPERTY

The road, all owned, of 46.004 miles, extending from a connection with the railroad of The Western Pacific Railroad Company at Wendover to Gold Hill, Utah, including 0.563 mile located in Nevada on land classified herein as used but not owned, was all constructed for the company by the Utah Construction Company, of Salt Lake City, Utah, from October, 1916, to May 1, 1917. The records reviewed do not indicate that the above contractor or its subcontractors were affiliated with the carrier. The materials used in construction were furnished largely by the carrier.

## HISTORY OF CORPORATE FINANCING

*Syndicating, banking, and other financial arrangements.*—The records do not indicate any syndicating arrangements. Funds for the greater part of construction of the property were obtained through the sale of capital stock. Other funds were obtained from The Western Pacific Railroad Company, for which the carrier incurred nonnegotiable debt.

*Capital stock.*—The authorized capital stock is \$450,000 par value, shares \$100 each, classified as common. The entire amount was issued at par for cash, and is actually outstanding.

*Nonnegotiable debt to affiliated companies.*—The carrier has incurred nonnegotiable debt to The Western Pacific Railroad Company, aggregating \$68,000, classified as notes in the amount of \$55,000 and open accounts in the amount of \$13,000. Of this, \$23,000 has been repaid, leaving \$45,000 owing on date of valuation. The consideration recorded as passed in the incurring and part repayment of such debt was cash.

*Short-term notes.*—The carrier has issued short-term notes of \$20,000 par value to date of valuation, all of which have been retired. The consideration recorded as passed in the issuance and retirement of these notes was cash.

## RESULTS OF CORPORATE OPERATIONS

*Income statement of the carrier.*—A condensed summary for the year ended on date of valuation and for the period May 1, 1917, to December 31, 1927, comprises railway operating revenues, year \$13,248.11, period \$356,722; railway operating expenses, year \$14,416.58, period \$258,240.14; railway tax accruals, year \$5,751.04, period \$49,900.38; uncollectible railway revenues, year \$2.58, period \$21.34; nonoperating income, year \$161.38, period \$7,108.67, including \$1,190 hire of equipment; deductions from gross income, year \$3,114.55, including \$414.55 hire of equipment, period \$57,640.84, including \$18,399.15 hire of equipment and \$3,684.81 joint-facility rents; resulting in a debit balance of \$9,875.26 for the year and \$1,972.03 for the period transferred to profit and loss.

The amount included in operating expenses representing the portion of the cost of ties and rail laid in renewal of other such property replaced has not been determined, but available data indicate the amount is inconsequential.

*Profit and loss statement.*—A condensed summary of the profit and loss accounts for the period May 1, 1917, to date of valuation, follows: Credits \$2,919.40, debits \$4,101.76, and debit balance as of date of valuation \$1,182.36. The credits consist of unrefundable overcharges \$186.48, donations \$1,446.54, and miscellaneous credits, being adjustments on cancelation of balance sheet accounts, \$1,286.38. The debits consist of net debit balance transferred from income \$1,972.03, surplus appropriated for investment in physical property \$1,446.54, loss on retired road and equipment \$210, miscellaneous debits, being classified as other miscellaneous debits, \$473.19.

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Under the present classification of accounts a credit item of \$154.06, recorded in the investment in road and equipment account, representing an adjustment of loss on retired road and equipment, would be transferable to the profit and loss account. If this item were so transferred the debit balance in profit and loss would be decreased by \$154.06 to \$1,028.30.

*Income statement of the United States Railroad Administration.*—A condensed summary for the period January 1, 1918, to February 29, 1920, comprises railway operating revenues \$119,425.83, railway operating expenses \$148,871.40, railway tax accruals \$14,024.12, uncollectible railway revenues \$69, nonoperating income \$3,495.18, deductions from gross income \$7,036.95, including \$1,657.30, hire of equipment, and \$4,643.02 joint-facility rents, resulting in a deficit of \$47,080.46.

*Profit and loss account of the United States Railroad Administration.*—A condensed summary from January 1, 1918, to February 29, 1920, follows: Credits \$349.14, debits \$47,497.77, and debit balance transferred to administration ledger control account \$47,148.63. The credits consist of miscellaneous credits, being classified as other miscellaneous credits, and the debits consist of debit balance transferred from income. \$47,080.46, and miscellaneous debits, being classified as other miscellaneous debits, \$417.31.

From May 1, to December 31, 1917, railway operating expenses were 55.6 percent of the railway operating revenues; during the period property was operated by the United States Railroad Administration, January 1, 1918, to February 29, 1920, they were 124.7 percent; from March 1, 1920, to December 31, 1927, they were 76.3 percent, and for the three years preceding December 31, 1927, they were 82.4 percent. No dividends have been declared.

#### INVESTMENT IN ROAD AND EQUIPMENT

The investment in road and equipment, including land, on date of valuation is stated in the books as \$518,394.06, analyzed as follows:

For original construction and equipment, road, recorded money outlay, including \$145,274.67 paid construction company, and a net credit of \$1,548.84 for revenues and operating expenses during construction, \$496,837.05, less retirements \$1,737.98, net \$495,099.07. Credit given the United States Railroad Administration in open account for recorded money outlay by it, recorded amount \$1,921.50, assigned value of donated lands and tracks, concurrent credit to profit and loss, recorded amounts for lands \$1,219.60, for tracks \$226.94, total \$498,467.11. Recorded money outlay for equipment \$14,578.34-----	513, 045. 45
For additions and betterments to roadway property, recorded money outlay \$4,411.31, less retirements \$55.94, net \$4,355.37. Credit given the United States Railroad Administration in open account for recorded money outlay by it, recorded amount \$1,147.30-----	5, 502. 67
Total of above items-----	518, 548. 12
Other item, credit, not in accordance with the present classification of accounts. Transferable to profit and loss account in adjustment of previous charge for loss on retired roadway property. Adjusted by carrier subsequently to date of valuation-----	154. 06
Total recorded as of date of valuation-----	518, 394. 06

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If the "other items" set out in the above general analysis were eliminated and if all the items then contained therein were taken at their recorded value, the balance in the investment in road and equipment account would be increased by \$154.06 to \$518,548.12.

This adjusted amount would include considerations other than cash recorded at \$4,515.34. Excepting \$1,446.54 value assigned to donated lands and tracks, the considerations other than cash represents credit given the United States Railroad Administration in open account for recorded money outlay by it.

The balance in the account, if adjusted to the above extent, would comprise \$514,032.78 of recorded money outlay by the carrier, including \$145,274.67 paid construction company; \$3,068.80 of credit given the United States Railroad Administration in open account for recorded money outlay by it; and \$1,446.54 of recorded value assigned to donated property.

The above outlays include \$996.22 for eight roadway machines and \$6,207.78 for one steam locomotive and one freight-train car, the amounts being the recorded costs of such property not inventoried. They include also the undetermined portion, applicable to noncarrier lands, the value of \$1,219.60 being assigned by the carrier to donated lands, classified herein as partly carrier and partly noncarrier. The carrier has not charged any amounts to miscellaneous property account that represent these noncarrier lands.

#### ORIGINAL COST TO DATE

The original cost to date of valuation of the common-carrier property owned and used by the carrier, except land for which the cost is not ascertainable, is approximately \$510,703.

Original cost to date of valuation of road and general expenditures, excluding land, roadway machines, and equipment, as recorded by the carrier is \$501,510.86, consisting of \$498,215.12 recorded money outlay expended by the carrier, including a net credit of \$1,548.84 for revenues and operating expenses during construction; \$3,068.80 expended by the United States Railroad Administration; and \$226.94 recorded value assigned to spur tracks donated. Adding to that amount the costs identifiable in the accounting records of the carrier for roadway machines and equipment inventoried as owned and used on date of valuation, as determined from returns to valuation order no. 8, as detailed hereinafter, including \$730 as the cost of two roadway machines inventoried as owned and used on date of valuation, the amount being the cost of reproduction new and representing substantially the cost of such property at time acquired, gives \$510,703.42 as the approximate original cost to date of road and equipment, including the general expenditures applicable thereto, exclusive of land. That amount is distributed to primary accounts by the carrier as follows:

#### I. Road:

Engineering .....	\$13, 281. 24
3 Grading .....	75, 180. 13
6 Bridges, trestles, and culverts.....	6, 731. 89
8 Ties.....	97, 592. 93
9 Rails .....	174, 350. 55
10 Other track material.....	28, 470. 79
11 Ballast.....	17, 396. 38
12 Tracklaying and surfacing .....	58, 549. 82
15 Crossings and signs.....	12. 42
16 Station and office buildings.....	9, 897. 23

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## I. Road—Continued.

17 Roadway buildings .....	\$2,075.66
18 Water stations .....	6,592.03
26 Telegraph and telephone lines .....	6,693.03
37 Roadway machines .....	822.00
38 Roadway small tools .....	369.47
40 Revenues and operating expenses during construction .....	(Cr.) 1,548.84
Total except land .....	496,466.73

## II. Equipment:

51 Steam locomotives .....	5,223.56
53 Freight-train cars .....	706.00
54 Passenger-train cars .....	2,441.00
Total .....	8,370.56

## III. General expenditures:

71 Organization expenses .....	382.85
72 General officers and clerks .....	3,320.29
73 Law .....	230.14
74 Stationery and printing .....	537.69
75 Taxes .....	1,310.40
77 Other expenditures, general .....	84.76
Total .....	5,866.13

Grand total except land .....

510,703.42

The cost of land owned and used for common-carrier purposes, as explained below, is not definitely ascertainable.

*For property used but not owned.*—The original cost of the 13.66 acres of land used but not owned, owned by parties other than common carriers, has not been ascertained. The owners of this land are unknown. The present value, as determined by the land section, is \$20.

*Cost of lands.*—The carrier reports amounts aggregating \$1,370.70 as the outlays by itself in connection with lands owned by it.

A check indicates that the reported outlays should be reduced by \$1,219.60, due to estimated costs being reported for donated lands.

The returns include certain lands classified as carrier and certain lands classified as partly carrier and partly noncarrier, received as donations.

The amounts aggregating \$151.10 reported as costs for the remaining lands owned, after making the change noted above, are made up of costs supported by accounting records. These lands are classified as carrier, owned and used.

All of the foregoing lands are located in Utah.

In addition to the foregoing, there have been inventoried to the carrier as used but not owned, certain lands located in Nevada.

*Cost of machinery and equipment.*—The carrier reports that it owns and uses five units of equipment and 10 roadway machines, with costs aggregating \$15,664.22.

A check indicates that the number of units of equipment should be reduced by two, that the units of roadway machines should be reduced by six, and that the costs should be reduced by \$7,201.66, the latter being the difference between an addition of \$1.17 for a clerical error in the item of steam locomotives, and deductions of \$7,202.83, of which \$996.22 is for eight roadway machines reported but not inventoried; \$4,900.78 is for one steam locomotive reported

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but not inventoried; \$65.83 is for overstatement of costs of steam locomotives; and \$1,240 is for one freight-train car reported but not inventoried. The reduction by six in the number of units of roadway machines represents the difference between the deduction of eight units above referred to, and an addition of two units inventoried but not reported.

Of the remaining \$8,462.56 of costs reported, \$92 represents machinery, consisting of two roadway machines with supported costs of \$92, and two roadway machines with no costs reported, and \$8,370.56 represents equipment, comprising one steam locomotive with supported costs of \$5,223.56, one freight-train car with supported costs of \$706, and one passenger-train car with supported costs of \$2,441. The two units of roadway machines, comprising two motor cars, shown above as inventoried, but for which no costs were reported, are estimated on the basis of 1923-1927 prices to have cost \$730.

#### MISCELLANEOUS PHYSICAL PROPERTY

The accounts do not record, as such, any investment in miscellaneous physical property on date of valuation. There have been classified herein, certain lands as carrier and certain lands as partly carrier and partly non-carrier, received as donations. The values assigned by the carrier to these lands are stated under original cost to date. The amount that would be includible in this account to represent investments in such noncarrier lands is not separately indicated by the records.

#### AIDS, GIFTS, GRANTS, AND DONATIONS

The carrier reports various parcels of lands classified as carrier and as partly carrier and partly noncarrier, donated to it by the United States Government, State of Utah, and various companies, with acquisition expenses of \$51.10, and value at time of acquisition of \$1,219.60.

The carrier also reports \$226.94 as the assigned value of track material and labor donated to it by the Western Utah Copper Company.

The carrier does not report, and its accounts do not separately record, any moneys or other considerations as received from sale of any portion of lands conveyed to it as grants by governmental bodies: nor do the accounts separately record any concession or allowance in consideration for any grants by governmental bodies.

#### MATERIAL AND SUPPLIES

The investment of the carrier in material and supplies on date of valuation is stated in its books as \$1,502.36.

#### LEASED RAILWAY PROPERTY

The carrier uses, as a site for office building, 224 square feet of land at Wendover, Utah, owned by The Western Pacific Railroad Company, term one year from June 15, 1917, continued from month to month; stipulated annual payment \$6. No rental has been accrued or paid for year ending on date of valuation.

The carrier jointly uses station facilities, and land for connecting tracks with owning company at Wendover, Utah, owned by The Western Pacific Railroad Company; term 10 years from April 1, 1917, and thereafter terminable on 12 months' written notice; no rental for use of land; stipulated payment for use of station facilities \$250 per month. The agreement also covers fixed charges for services of hostlers, boiler washers, and wipers, train and car inspection and water for locomotives. No rental has been accrued or paid for year ending on date of valuation.

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In addition to the foregoing, the carrier solely uses certain parcels of land owned by parties other than common-carriers, of 13.66 acres for right-of-way purposes, located in Nevada. The owners are unknown. No rental has been accrued or paid for the year ending on date of valuation.

### GENERAL BALANCE SHEET STATEMENT

The general balance sheet statement, as of date of valuation, follows:

ASSETS	
Investments, investment in road and equipment-----	\$518,394.06
Current assets:	
Cash-----	3,995.33
Traffic and car-service balances receivable-----	1,986.33
Net balances receivable from agents and conductors-----	195.66
Miscellaneous accounts receivable-----	625.61
Materials and supplies-----	1,502.36
Total-----	8,305.29
Unadjusted debits, rents, and insurance premiums paid in advance.	65.41
Grand total-----	526,764.76
LIABILITIES	
Stock, capital stock-----	450,000.00
Long-term debt, nonnegotiable debt to affiliated companies-----	45,000.00
Current liabilities:	
Traffic and car-service balances payable-----	13,810.62
Audited accounts and wages payable-----	10,647.98
Miscellaneous accounts payable-----	4.00
Unmatured interest accrued-----	600.00
Total-----	25,062.60
Unadjusted credits:	
Tax liability----- (Dr)	70.01
Accrued depreciation, equipment-----	6,230.31
Other unadjusted credits-----	277.68
Total-----	6,437.98
Corporate surplus:	
Additions to property through income and surplus-----	1,446.54
Profit and loss debit balance-----	1,182.36
Net-----	264.18
Grand total-----	526,764.76

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INTERSTATE COMMERCE COMMISSION REPORTS

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DECISIONS OF THE  
U.S. INTERSTATE COMMERCE COMMISSION  
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APRIL-JULY 1933

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REPORTED BY THE COMMISSION



UNITED STATES  
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