

**REPORT OF JOINT COMMITTEE
ON VALUATION OF OHIO PUBLIC
UTILITIES UNDER ORDER NO. 176
OF THE PUBLIC UTILITIES
COMMISSION OF OHIO, 1914**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649199426

Report of Joint committee on valuation of Ohio public utilities under order no. 176 of the Public utilities commission of Ohio, 1914 by Various

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VARIOUS

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OF OHIO
1914

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FOREWORD

For some years it has been the custom of the members of each class of utilities in the state to meet together in conventions for the purpose of discussing questions of mutual interest.

In the conventions which followed the issuance of Order No. 176 of The Public Utilities Commission, these associations appointed appraisal committees to supervise the preparation of appraisal forms for use by members of their associations, and to announce principles and instructions to be followed in making appraisals of their properties in response to the Commission's order.

Since many of the questions to be solved are common to all the utilities, it was decided at a meeting of the members of the various appraisal committees, held August 14, 1914, that economy of effort and expense could be secured by the appointment of a Joint Committee to determine upon the principles to be followed in arriving at correct valuations of the various utility properties. At this meeting the undersigned Committee was appointed.

The Committee has made a sincere effort to formulate and to present herein the principles which it believes to be sound and practical as applied to the "reproductive cost new, less depreciation" method of valuing public utilities. The Committee has pro-

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OF UTILITIES
IN CALIFORNIA

ceeded on the assumption that this is the method of valuation called for by the Commission in its Order.

Thanks are due distinguished members of the legal profession, expert accountants, engineers, and men of experience in all of these matters, for their attendance at the numerous meetings and their valuable assistance to the Joint Committee.

Respectfully submitted,

ROBT. LINDSAY, *Chairman*,
Vice President & General Manager,
The Cleveland Electric Illuminating Co.

FRANK C. DUNBAR,
District Attorney,
American Telephone & Telegraph Co.

ALLARD SMITH,
General Manager,
The Cleveland Telephone Co.

ROLLO R. STEVENS,
The Ohio State Telephone Co.

J. C. MARTIN,
President,
Ohio Water Works Association.

F. W. COEN,
Vice President & General Manager,
The Lake Shore Electric Railway Co.

M. B. DALY,
President,
The East Ohio Gas Co.

ANDREW P. MARTIN,
Secretary for Committee.

ORDER NO. 176 AND SUPPLEMENTAL ORDER.

By sections 499-8 to 499-14 of the General Code of Ohio (Laws 1913, pp. 808-812) it is required that the Ohio Public Utilities Commission, "for the purpose of ascertaining the reasonableness and justice of rates and charges for the service rendered by public utilities or railroads of this state, or for any other purpose authorized by law, shall investigate and ascertain the value of the property of every public utility or railroad in the state, used and useful for the service and convenience of the public" and "shall prescribe the details of the inventory of the property of each public utility or railroad in the state."

Acting under the authority conferred by this statute, the Commission, on March 19, 1914, issued its Order No. 176 requiring inventories and appraisals of the property of all public utilities in the state, and on April 25, 1914, issued a supplemental order upon the same subject. Both these orders are printed below. It is intended that the term "Order No. 176," as used throughout this report shall refer to both the original and supplemental orders.

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the matter of the investigation and ascertainment by the commission of the value of the property of public utilities and interurban railroads for the purpose of ascertaining the reasonableness and justice of the rates and charges for service rendered by public utilities and interurban railroads and for other purposes authorized by law. No. 176

The commission having under consideration the investigation and ascertainment of the value of the property of public utilities and of interurban railroads of the state of Ohio, for the purpose of ascertaining the reasonableness and justice of the rates