ORIGINAL CONSTRUCTION

ROCKY MOUNTAIN DIVISION

TRANS LINE

POLES & FIXTURES

Trans. Poles	6,830	
Combination Poles	51	
Pole Braces	27	
Cross Arms	13,346	
Guy Strand	467,447'	88.53'
Anchors	5,625	
Rock Anchors	274	
Length Line	363.6 Mi.	
No. Structures	6,291	
TOTAL COST	$309,627)	Poles & Fixtures
Cost Per Mile	$ 851.55)	

CONDUCTORS

Conductors	5,809,496 ft.	1100.3 Mi.
Ground Wire	2,304,378 ft.	436.4 Mi.
Insulators, Strings	20,643	
TOTAL	$678,891	Conductors
Per Mile	1,867	

COMPLETE LINE

Poles & Fixtures	$309,627
Conductors	678,891
Engineering	54,549
Right of Way	24,042
Move T&T Lines	61,309
Clearing	25,350
Foreign Wires	16,929
	$ 1,170,697

ORIGINAL CONSTRUCTION

ROCKY MOUNTAIN DIVISION

BONDING

Bonds	193,741
Long Bonds	3,037
Miles	437.6
TOTAL	$ 299,505
Per Mile	$ 684.42

ROCKY MOUNTAIN DIVISION

RETIREMENT

TROLLEY SYSTEM

SALVAGE:		
Copper		
#8 Copper	83,604#	
4/0 Cable	1,059,432	
4/0 Trolley	3,479,298	
500 MCM Cable	3,094,461	
700 MCM Cable	697,105	
Total Copper	8,413,900	
Salvage @ $.25/lb.		$2,103,495
Aluminum		
795 MCM Cable	84,097	
1590 " "	541,404	
Total Aluminum	625,501#	
Salvage @ $.1525/lb.		95,389
Steel		
Steel Cable	2,000,488#	
Bracket Arms	825,000	
	2,825,488#	
	1413 Tons	
Salvage @ $20/ Ton		28,260
TOTAL SALVAGE		$2,227,124
Cost to dismantle:		
Labor for retirement $2,400/ Mile x 443		1,063,200
Net Credit for Trolley		$1,163,924

TRANSMISSION LINE

ROCKY MOUNTAIN DIVISION

SUBSTATIONS	Transmission Line Miles Between	
Two Dot		
	33.466	
Loweth		
	28.992	
Francis		3 - 2/0 Hemp Core Cu. phase wires
	27.736	
Eustis		1 - 3/8" S.M. Steel ground wire
	41.435	
Piedmont		
	22.582	
Janney		
	29.625	
Morel		
Deer Lodge Shop Line	2.836	3 - 1/2" S.M.Steel Cable phase wire 1 - 1/2" S.M.Steel G. Wire
Cold Creek		
	33.098	
Ravenna		
	36.787	
Primrose		3- 2/0 H. Core Cu. phase wires
	34.305	
Tarkio		1- 3/8" S.M.Steel Gr.Wire
	37.770	
Drexel		
	21.492	
East Portal		
	16.437	
Avery		
TOTAL	366.561 Miles	

RETIRE TRANSMISSION LINE

Per Mile

MATERIAL

3 Miles	2/0 Hemp Core Copper @ 2,170#/Mile	6500#	@ .25	$1,625
1 Miles	3/8" S.M. Steel Cable	1550#	@ $20/Ton	15
50 Strings Insul. @ $/Str.				250
			GROSS SALVAGE	$1,890

Labor to Retire:

Climb poles and lower phases (guy when necessary)	36 man hours	
Recover Insulators	16	
Wind Conductors	24	
Cut down poles and handle	24	
Miscellaneous	16	
	116 Man Hours	
Labor @ $4.25/hour		$ 493
Supervision		40
Equipment		40
Expenses		74
		$ 674/ Mile

		Labor	Salvage	Net
Rocky Mountain Divn.	363.7	$235,000	$660,000	$425,000
Coast Division	137.8	89,000	250,000	161,000
TOTALS		$324,000	$ 910,000	$ 586,000

AT-275

ESTIMATED AVERY-OTHELLO TROLLEY CONSTRUCTION COSTS
at 1973 rates, including yards and sidings

	Labor	Material	Total	Cost/wired track mile
Trolley Construction Contractor rate-Labor estimate by contractor	$6,431,000	$4,696,000	$11,127,000	$42,000
Insurance(by contractor) Estimate by contractor			75,000	-------
Bridge and Tunnel attachments by RR forces, incl. equip and 40% delays *	46,000	22,000	68,000	-------
Pole Distribution(RR cost) *	53,000		53,000	-------
" " equip.			27,000	
Flagging protection(RR forces)*	76,000		76,000	-------
TOTAL TROLLEY	$6,605,000	$4,717,000	$11,426,000	$43,000

Notes:*-includes 26.22% labor additive

:Cost of relocation of communication line at points of conflict to be provided by communication dept.

SPECIAL NOTE: For co-ordination purposes- estimated labor and material cost: $33,000 per wired track mile, to relocate trolley on BN right of way in Butte-Missoula section. Estimate includes credit for copper from retired trolley, but does not include signal changes.

Electrical Engineer
Tacoma,WA 8-31-72 wb+grf

BRIDGE AND TUNNEL CONSTRUCTION COSTS
FOR ELECTRIFICATION AVERY*OTHELLO

Bridges			Material	Labor	Total
EE194A	830'	Conc. deck girder	5 x 200=$1000	5 x 125=$625	$1625
EE164	1410'	Deck girder	9 x 200=$1800	9 x 125=$1125	$2925
EE90A&B	888'	Conc. bridge	5 x 190=$950	5 x 125=$625	$1575
EE62	976'	Deck girder	6 x 200=$1200	6 x 125=$950	$2150
EE52	798'	Deck girder	5 x 190=$950	5 x 125=$625	$1575
EE50	634'	Deck girder	4 x 200=$800	4 x 125=$500	$1300
EE44	2978'	Pile trestle	19 x 175=$3325	19 x 125=$2375	$5700
					16850
10% for other attachments					1685
Total Bridge Attachments			$11036	$7499	
Labor Additive 26.22%				1966	
Total Bridges					$20501

Tunnels					
Tunnel 37	515'	23 attachments,tang.	23x 16=$368	23 x 42=$966	$1334
Tunnel 40	363'	16 attachments, 3°	16x16.50=$264	16 x 54=$864	$1128
Tunnel 41	2559'	113 attachments,tang.	113x 16=$1808	113 x 42=$4746	$6554
Tunnel 43	756'	33 attachments, 3°	33 x16.50=$544	33 x 54=$1782	$2326
Tunnel 44	704'	31 attachments,tang.	31 x 16=$496	31 x 42=$1302	$1798
Totals			$3480	$9660	
Labor Additive 26.22%				2533	
Total Tunnels					$15673
Equipment					7800
Expenses					10000
Delays 40%					$13,754
Total Cost, Bridges and Tunnels					$67,728

Electrical Engineer
Tacoma 8-29-72 wb

Conductor Inventory-Trolley System

	Rocky Mt. Div.		Coast Division		Total		
Copper	Miles	Lbs.	Miles	Lbs.	Miles	Lbs.	
No. 8 Solid	316.7	83,609	----	------	316.7	83,609	
No. 4 Solid	865.62	580,831	431.81	289,745	1,288.43	870,576	
4/0 Cable	307.26	1,059,432	146.11	503,780	453.37	1,563,212	
4/0 Trolley	1,028.16	3,479,293	540.27	1,828,274	1,568.43	5,307,567	
500 MCM	378.62	3,094,461	80.23	655,720	458.85	3,750,181	
700 MCM	60.84	697,105	90.79	1,040,226	151.63	1,737,331	
Totals		8,994,731 $3,238,103 @ 36¢/lb.		4,317,745 $1,554,388 @ 36¢/lb.		13,312,476	@ 36¢/lb = $4,792,491
Aluminum							
#2 Cable	7.0	2,303	----	------	7.0	2,303	
795 MCM	21.35	84,097	----	------	21.35	84,097	
1,590 MCM	68.68	541,404	57.51	453,351	126.19	994,755	
Totals		627,804 $69,058 @ 11¢/lb.		453,351 $49,869 @ 11¢/lb.		1,081,155	@ 11¢/lb. = $118,927
Steel							
3/8" Gr. Cable	363.73	563,782	137.81	213,612	501.54	777,394	
1/2" Mess. "	590.79	1,591,588	300.0	808,200	890.79	2,399,788	
1/2" Guys	100.0	269,400	60.0	161,640	160.0	431,040	
3/8" Guys	90.0	139,500	50.0	77,500	140.0	217,000	
Bracket Arms		825,000		450,000		1,275,000	
Steel Structures		-------		450,000		450,000	
Totals		3,389,270 ($33,893)		2,160,952 ($21,609)		5,550,222	@ 1¢/lb. = $55,502
Gross Salvage		$3,341,054		$1,625,866		$4,966,920	
Retirement Cost		2,123,756		1,035,444		$3,159,200	
Net Salvage		$1,217,298		$ 590,422		$1,807,720	

Notes: Retirement Cost at April 1973 wage rate per mile = $2450, includes 40% train delays; $55/structure or 2½ crew hrs./structure

AT-277

Electrification Dept. Tacoma whh 4-7-72

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Milwaukee Public Library

Tacoma, March 16, 1973
File: Gen. E-6-5

Mr. F. G. McGinn:

This week, meetings were held at Ellensburg, Missoula and Bozeman with all members of the electrification department to inform them why the decision was made to phase out electrification, what job protective benefits were afforded them by the Sept. 1964 agreement and to give them an opportunity to ask any questions. The meetings were in groups of about 25 men.

G. A. Kellow guided these meetings. Bob Hicks and Wayne Merritt did a commendable job of outlining the protective agreement and answering many questions on the application of the agreement.

I attended all of these meetings and observed some definite trends at each one about which I think you would like to know.

Without exception and at every meeting, even though the men did not like the news they received, they expressed gratitude to have many things explained to them and questions answered by someone out of Chicago rather than contend with uncertainty and a myriad of rumors.

The meetings assembled in a tense atmosphere. Kellow kept the meeting informal and open and on a first name basis. As information was presented and questions were answered, the meeting and luncheon took on a tone and spirit of relief and friendliness.

I also saw electrification people who had talked to each other on the phone for 20 years meet for the first time.

My observations lead me to believe that while we have staff meetings for supervisors, planned annual luncheon type meetings in groups of 25 for all railroad employees could benefit the railroad.

At the end of the last meeting, one substation operator summed it up: "The Railroad has never done anything like this before and we appreciate being informed."

cc: LMH LEL

Electrical Engineer

I. C. GAK - MG

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PHASE-OUT OF ELECTRIFICATION
TRANSITION TO FULL DIESEL OPERATION

MAJOR AREAS REQUIRING DEFINITION, TIMING, COORDINATION:

		Pages
I.	Employee Retention Displacement	2
II.	Diesel Requirements	3
III.	Physical Plant Salvage and Modification	4-7
IV.	Contracts	8
V.	Budget Impact	9

All of the above areas are interdependent and related. The following pages define the elements within each area. A CPM diagram is then developed to display timing and critical steps.

Phase-out of Coast Division first is logical in that no electric operation presently exists. A high utilization of electric locomotives and electric switch engines on the RM exists.

Tonnage per mile of track runs one-third above the Coast Division. More automation is present on the RM.

GF 2-23-73

GEN E-1-5

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I. EMPLOYEE RETENTION AND DISPLACEMENT

Hold Meetings with Employees Affected (Union Rep. Contact)

1. Complete meetings by March 23rd

2. Employees will want to know:

   Reasons for decision

   Projected time schedule and phase-out plans

   Opportunities in: Signals and Communications
   Maintenance of Way
   Mechanical Department
   Train Service

3. Outline September 1964 shop craft agreement for questions.

4. Labor Relations Department presentation will be most critical area of meeting.

Maintenance of Employment Cost

This will be projected from the CPM diagram.

Employee Requirements

Linemen will be required for dismantling and signal feeder construction.

Sub-Operators are required to prevent vandalism and theft and signal switching until disposal of substation machinery.

GF 2-23-73

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II. DIESEL REQUIREMENTS

1. Mechanical Department must define:

Type of engine for EF 4 replacement and cost

Type of engine for electric switcher replacement and cost

Additional fueling and maintenance facilities required

Time schedule by sections for phase-out of RM

Delivery date for engines

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III. PHYSICAL PLANT SALVAGE AND MODIFICATION

Major Elements (Applicable to Both Divisions)

1. Trolley and Signal Feeder System
2. Substation Buildings
   Grounds
   Machinery
   Bungalows
3. Transmission Line
   Oil Switches and Relays
   Steel Towers
4. Locomotives

1. Trolley and Signal Feeder

Signal

Leaving the signal feeder on the trolley poles will add to the cost in removing the trolley system. Since a new signal feed must eventually be built, it requires immediate consideration.

The power companies may be willing to build distribution at some points for signal feed. Maps are to be made of areas they can feed.

Trolley

Can be dismantled by selling in place
contract removal
railroad forces

Advantage	Disadvantage
Sell In Place	
No RR responsibility for loss or accidents.	Difficult to coordinate with RR operation.
Possible immediate payment for net salvage.	Requires performance bond.
	Requires RR flagging & switching
Contract Removal	
Contractor would furnish men and equipment.	Coordination with RR operation.
	RR forces might claim work.
	RR responsible for theft loss.
RR Forces	
Less Cost.	RR responsible for men & theft loss.
Least interference with RR Operation.	Purchase or lease of additional equipment required.

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2. Substations

Buildings

Mr. P. W. Scott's office should evaluate the building as warehouses or other uses that might attract traffic.

The railroad may have use for the buildings at some locations, i.e. Tac Jct. sub relative to the new yard, Primrose sub relative to the Missoula switch engine.

The power companies may have interest in acquiring some of the buildings.

Grounds

The power companies occupy substation grounds by authority in the power contract. The transmission line terminates on steel towers at the substations.

Machinery

Substation machinery can be sold in place or loaded into gondolas by company forces. The power company may wish to purchase some or all of the transformers.

Bungalows

Can be used by company forces.

Sold in place for removal or with land.

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3. Transmission Line

Three alternatives are theoretically possible for the 110 KV transmission line:

1. Retirement and Salvage

2. Lease to the Power Companies

3. Sale to the Private Power Companies or PUD's

The transmission line is too essential and valuable relative to its salvage value to even consider retirement.

The power companies would probably be reluctant to lease the line but would do so if they had no other choice. The writer knows of no advantage to the railroad in leasing the line compared to sale of the line previously estimated at $3.5 million value.

Assuming the line will be sold, the following list gives some protective elements and considerations to be incorporated into the line sale agreement.

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PROTECTIVE FEATURES AND AREAS OF CONSIDERATION
FOR TRANSMISSION LINE SALE

1. A clause must be incorporated in the sales agreement to protect the railroad's signal and communication circuits from inductive interference. The static or ground wire enhances the protection of these circuits from line to ground faults. This wire could be eliminated in upgrading the line. The [illegible] will need protection [illegible]

2. The line runs through the substations and to circuit breakers located in the substations at some locations. If the power company does not buy the substation buildings at these locations, provisions for the power company to by-pass the substations and relocate the circuit breakers and relays must be defined.

3. Until a timetable for diesel locomotive acquisition and phase-out of electrification can be made, recognition must be given that extension of the Rocky Mountain Power contract beyond May 1975 and the Coast contract beyond July 1976 may be necessary.

4. Points of conflict of the line R/W with future industrial development and railroad operation must be defined by field inspection.

5. That portion of the transmission line from East Portal substation to Avery, Idaho (all primarily in the State of Idaho) would be purchased by Washington Water Power Company. Because the line terminates at Avery and traverses inaccessible rough terrain and because of the small electric power revenue at Avery without electric traction load, WWP may elect to build a lower voltage line up the St. Maries River Valley from the west instead of purchasing this section.

6. The transmission line dividing point between WWP and Puget Power is at Beverly, just east of the Columbia River. This would afford Puget Power a direct connection into the BPA switching station above Beverly (the largest concentration of electric power in the world).

7. Steel structures on the Beverly bridge carry the line across the Columbia River. Ownership and control of these bridge attachments should be defined by Mr. Worley's office.

8. Provision for railroad signal feeder line attachments to transmission line poles will need to be defined.

[illegible]

CF 2-1-73

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Milwaukee Public Library

IV. CONTRACTS

In addition to the power contracts, electrification use contracts must be examined relative to termination and ownership provisions.

Pacific Coast (G.N.)

Right to install Electrification Maple Valley to Seattle.
Cost: $500 per month
Install 35 poles at Van Asselt $35 per year.
If electrification abandoned, P. C. has 3 months option to purchase.
Milwaukee must pay all taxes, assessments on electrification.
Milwaukee expense to clear new spurs, etc.
Milwaukee has right to use such spurs by paying proportion of cost.

Contract effective until 2006

O.W. (U.P.) Seattle Passenger Station

Agreement of Oct. 4, 1923 - Effective 12-1-23 Amended 2-27-41
Milwaukee has right to install electrification.
O.-W. has right to use facilities.
O.-W. has right to purchase, but must allow Milwaukee to use.
If Milwaukee defaults on payments for 6 months, U.P. may terminate contract.
Milwaukee must remove facilities and return O.-W. tracks, etc. to original condition.

Argo

Milwaukee furnishes power at $2.50 per month, flat rate.
Approved by P.C. with proviso that pole line on P. C. property cannot be used for this purpose only.

Tacoma Joint Line

O.W. owns 50% track, signals, and communications.
Milwaukee owns electrification 100%.

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Madison Public Library

_____
(Location)

_____
(Date)

Mr. _____:

This is to advise you that you are being recalled to service, and you are to report to Mr. _____ (Supervisor), at _____ (Location), not later than _____ (Time).

The class of work as well as the position for which you are being employed to fill is temporary as approximately _____ it is anticipated that such position and work will be terminated due to the abandonment and/or discontinuance of the electrified system on this Carrier. It is to be understood, however, that there is no guarantee your employment will last until that date and it may extend beyond that date.

_____
(Title)

Acknowledged:

_____

Chicago - May 25, 1973

Mr. W. L. Smith:

There are some additional items of interest to report concerning the phase-out of the electrification on the Coast Division:

Transmission Line

In a discussion with Mr. Stoll, it was agreed that the railroad should take a positive approach with the power companies by setting a price on the transmission lines and making a firm offer to the power companies. To assist in this matter, the Electrification Department will determine the replacement cost at current prices of the transmission lines and structures. Additionally, they will consider the present condition of the line to determine a reasonable value of the present line at reproduction costs. This information will be furnished to Mr. Stoll's office where the estimated value of the land and leases will be added and the overall price for the transmission line determined.

Sub-Station Buildings and Grounds

Mr. Stoll's office will canvass all departments on the railroad to determine if there might be a need for any of the sub-station facilities for railroad operating purposes. Given this information, arrangements can then be made to dispose of the facilities as opportunities are available. There will be a need to correlate the Real Estate Department's activities with the Electrification Department so that the phase-out and release of the sub-stations and land can be coordinated with the disposal of the properties.

F. K. Kellow

cc: WJQ FGM BJW LWH EJS RFK RKM BEL GRF CCD HHM FAU

Chicago - May 29, 1973

Refer to: S - Wash. - General
Electrification

Mr. P. W. Scott
Western Director REE&RD
Seattle, Washington

Attached is a copy of Mr. Kellow's letter of May 25 concerning possible sale of our electric transmission lines to the electric power companies.

George Frazier of the Electrification Department will be supplying your office and mine with the replacement cost of the transmission lines and structures as indicated in Mr. Kellow's letter and Pierce Davis will want to develop the present-day value of the right of way involved.

When this has been done, you, George Frazier, Pierce Davis and I will want to sit down together to discuss all of the factors involved and determine an asking price to permit negotiations to be opened with the power companies. I will personally want to be involved in those negotiations.

Steps are already being taken, as you know, for determining just what substations or other buildings will be required for railroad-operating purposes so that we can evaluate facilities which are to be made available for sale. As soon as that information is available, I will be in touch with you again.

(SIGNED) E. J. STOLL

EJS/rcb

cc: Mr. G. A. Kellow .... Paul Scott told me on the phone today that he has had an application from the Washington State Highway Department for the purchase of our Hyak, Washington, substation. Undoubtedly we will have very few of these buildings which will have a potential, but when we can obtain information I would like to pursue them as much as possible.

E.J.S.

603

CHICAGO MILWAUKEE ST. PAUL
& PACIFIC RAILROAD COMPANY

JUN 7 1973

OFFICE OF
GENERAL MANAGER

Deer Lodge - June 5, 1973
File: A-13

Mr. Q. W. Torpin:

On Wednesday, May 23rd, I made an inspection trip along with Mr. P. E. Johnson, General Foreman-Trolley; Mr. David C. Johns, Manager Transmission and Disposition Systems, Montana Power Company; Mr. W. F. Haller, Substation Design Engineer, Montana Power Company, and Mr. Jack Heidt, Manager of Rates, Montana Power Company. We covered the territory from Butte to Two Dot inspecting the transmission line enroute between these two stations.

The men from Montana Power Company seem to be favorably impressed with the quality of the transmission line. They did express some concern about access to the line from highways or other roads.

If and when our electrification is discontinued and we do decide to sell the transmission line to Montana Power, I feel that we would have to do one of two things:

1. Enter into some type of contract arrangement whereby we would maintain the line with our personnel and bill them accordingly;

2. Allow the Montana Power maintenance personnel to operate on our railroad with a conductor-pilot or some other type of arrangement whereby their men would be qualified on our operating rules.

S O Jones
Superintendent

SOJ/o

Seattle - June 21, 1973

File: ~~603~~ 362

Messrs. G. A. Kellow
G. R. Frazier
F. G. McGinn

Attached for your information is copy of letter from Superintendent Jones dated June 5 pertaining to an inspection trip covering power transmission lines from Butte to Two Dot.

QWT/jo
Attachment

RECEIVED
JUN ... 1973

July 12, 1973

File: Project 1210

Mr. G. A. Kellow:

COAST TRANSMISSION LINE SALE

This information is furnished in response to your May 25 letter and Mr. Stoll's May 29 letter requesting information to use for a negotiating price on the Railroads 100KV transmission line.

To define inclusions, all values given pertain to the physical line independent of the R/W. To sell the line as a complete operating unit requires the following auxilliary equipment:

Steel dead end towers at the substations
Oil circuit breakers 100KV
Disconnect switches 100KV
Station lighting arresters
Associated protective relay devices

The replacement cost of the auxilliary equipment is within the order of error of the line replacement cost estimate.

A new tabulation is attached giving original cost detail and estimated replacement cost.

Broadly speaking, 1973 line replacement cost for labor and material is estimated at $2,500,000.

By extrapolating a field survey made pole by pole over 69 miles of the line crossing the Cascades, it is estimated that the cost to put the present line into a good condition that would result in normalized maintenance is $400,000.

Negotiation with Puget Sound Power and Light can be started as soon as right of way costs are determined. They would like to do some work on the line before winter and I cannot over emphasize the necessity of progressing the sale rapidly.

Negotiation with Montana Power should follow if we are to avoid work involving the interstate highway program. Such work can require many man-hours in this office and from our field forces.

GRF/kw
cc: EJS
PWS

G R Fraser

100KV TRANSMISSION LINE DATA
Coast Division

PHYSICAL DATA

Line Length: 137.64 Survey Miles (Cedar Falls to Taunton)

Material: 2585 Poles
1917 Anchors
885,000 Pounds Copper

COST DATA

Unit	Original Cost	Date Installed	Estimated 1973 Replacement Cost
137.64 Miles 100KV Line	$529,828.00	1918	$2,500,000.00 R/W not included
Auxilliary Equipment			
4 Oil Circuit Breakers and Equipment	$70,000.00	1941-1945	$100,000.00
5 Sets 115KV Lighting Arresters	$20,000.00	1946	$25,000.00
Relays, type CR-CRC-CO	$14,000.00	1946	$14,000.00
9 Steel Dead End Towers	$6,000.00	1918	$18,000.00
Auxilliary Total	$110,000.00		$157,000.00

Subject: RM
Transmission Line Sale

Tacoma, Aug. 8, 1973
File: Project 1310-1310

Mr. P. W. Scott
Attn. P. W. Davis:

For information related to sale of our transmission line in Idaho, I am attaching a line inspection report from the Forest Service officer in the area.

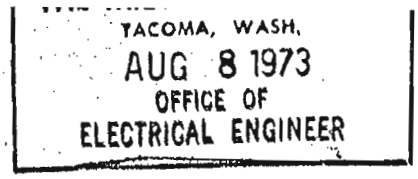
Obviously the Railroad does not wish to spend money clearing the line of timber, acquiring an additional easement width or installing new poles at this stage in the Electrification phase out.

At the same time a reliable power feed must be maintained into Avery. Maintaining a line under this condition puts a strain on our limited line crew and line foremen, particularly in the winter months. Neither is the power company in a position to take corrective action.

This is another reason that negotiation for sale of the line must be progressed.

Signed G. R. FRAZIER

grf
cc: GAK EJS w/rep.



R1-5110-5 (Revised 11/65)

George - Suggest Id better Pile some slash. (e)

ANNUAL POWERLINE INSPECTION CHECKLIST

(Reference FSM 5113.33)

Section: From AVERY to ROLAND

St. Joe	Avery	—	6-28-73
Forest	District	Project name or No.	Date of inspection

Items inspected	Adequate Yes	Adequate No	Remarks
HAZARDS ON OR ADJACENT TO RIGHT-OF-WAY			
1. Forked, dead, rotten or catface trees?	✓		
2. Exposed pole-size trees subject to windfall?		✓	(SEE ATTACHMENT)
3. Trees leaning toward line?	✓		
4. Branches or limbs which overhang or contact line?	✓		
5. Branches, limbs or shoots which, with several years' growth, will contact line or be within 4 feet of 12,000-volt lines or equal to distance between wires for higher volt lines?	✓		
6. Clearing slash adequately disposed of?		✓	(SEE ATTACHMENT)
ADDITIONAL REMARKS:			
7. Dry grass or other flammable materials within 10 feet around poles or towers having switches, transformers, fuses, dead ends, takeoff lines, line junctions, telephones or lightning arresters where men often work?	✓		
8. Flammable materials within switch yards?			N/A
HAZARDS AROUND POWER COMPANY IMPROVEMENTS			
9. Power houses?			N/A
10. Residences and other buildings?			N/A
11. Dumps?			N/A
12. Incinerators?			N/A

ADDITIONAL REMARKS:

THE MILWAUKEE ROAD
TACOMA, WASH.
AUG 8 1973
OFFICE OF
ELECTRICAL ENGINEER

Items inspected	Adequate: Yes	Adequate: No	Remarks
MECHANICAL DEFECTS OF POWERLINE (Identify by pole if possible)			
13. Rotten or broken poles, stubs or crossarms?		✓	(SEE ATTACHMENT)
14. Loose stub bands or bolts?	✓		
15. Loose crossarm braces?		✓	(SEE ATTACHMENT)
16. Loose bolts or missing nuts on pole or tower?	✓		
17. Loose insulator pins?	✓		
18. Leaky insulators?	✓		
19. Broken or loose line ties at insulators?	✓		
20. Cracked or broken insulators?	✓		
21. Loose or broken guy wires?	✓		
22. Buckled members of towers?	✓		
23. Excessive sag in conductors, particularly where span crosses ridge?	✓		
FIRE PREVENTION BY COMPANY EMPLOYEES			
24. Observe safe smoking rules?	✓		
25. Careful with lunch fires?	✓		
26. All debris burning covered by permits?	✓		
27. Careful with blasting, welding, and soldering?	✓		
28. Careful in storage of flammables and explosives?	✓		
29. Spark arresters on trucks, tractors, and other internal combustion equipment?	✓		
30. Spark arresters on stovepipes and chimneys?	✓		

Jack Gerdts
Signature of company official

Wade Erwin
Signature of Forest officer

ADDITIONAL REMARKS:

INSTRUCTIONS: Inspector to check "Yes" or "No" in adequate column. If not adequate, cover "Remarks" to indicate action needed or omit items not required and note "Not Applicable." Prepare original and one carbon and have company representative sign both. Retain one and leave other with the company.

Attachment to Form R1-5110-5

Item No.

2. There is one stand of pole-sized timber that could endanger the line. This area is located above the Roland Tunnel and consists of 1½ to 2 miles of small trees. The line runs within tree length of a thick stand of lodgepole pine. If the line is planned to stay where it is at the present for the next five years, I would suggest more right-of-way be acquired and the trees removed.

6. There are two areas which have been cleared under and adjacent to the powerline. Both areas need to have the slash piled and burned. The piling should be completed by the end of July and the burning should be completed this fall after we receive sufficient moisture.

13. Most of the poles were set back in the early and late 1920's. Some have been replaced, but quite a few of the original poles are still in use. The outside of the poles show indications of rot. I would recommend that all of the older poles be drilled to find out how much rot they consist of. I will drill a few in the next week or so and inform the Railroad what I find.

A number of crossarms were found to be in poor condition. Most of the problem is where the bolt enters the pole. This is approximately two feet from the top of the pole. Some of the poles are split from the top down about two or three feet. The bolts holding the crossarms are located in this split and could not possibly be at full strength holding

the crossarm to the pole. This is another indication of how old the poles are. I am going to recommend that the poles be repaired or replaced before next summer.

15. We found one brace that was not connected to the pole. This should be repaired immediately. Indications show the braces should be checked closer because of the split poles.

Seattle - August 9, 1973

File: G - Retirement of Electrification System (Wash. - Ida. - Mont.)

Mr. G. R. Frazier:

Reference Mr. Kellow's letter of May 25 to Mr. Smith, Mr. Stoll's of May 29 to me, and yours of July 12 to Mr. Kellow regarding sale of our 100 KV transmission line between Cedar Falls and Taunton, Washington.

From the data which accompanied your letter of March 23 to me, the nominal length of this right of way is 137.814 miles. Of this total length, 107.5 miles, or approximately 78%, is on Railroad right of way, the remaining 22% being on privately owned or Forest Service land.

I would estimate the present value of this right of way at $386,500.

It is my thought that in the event of a sale of this transmission line, we should assign the easements, deeds or other instruments by which we hold right of way on privately owned or Forest Service land, to the buyer. This could be done in one instrument, including by reference an exhibit which would list the numerous instruments involved. To cover the location of the approximately 107.5 miles of line on our operating right of way, we should give the purchaser an easement right to construct, operate, maintain and repair an electric transmission line, consisting of poles, guys and anchors, etc., describing the beginning and ending points of the line, and identifying the sections between these points. This is the method used in the 1955 sale of our 100 KV line between Snoqualmie Falls and Tacoma Junction, Washington.

PAUL W. SCOTT, Western Director
Real Estate, Economic & Resource
Development Department

By: P. W. DAVIS

Western Manager - Real Estate

PWD:lb

cc: Mr. E. J. Stoll
Mr. G. A. Kellow

Chicago - August 20, 1973

Refer to: S - Wash. - General
Electrification

Mr. P. W. Scott
Western Director - REE&RD
Seattle, Washington

Referring to Pierce Davis' letter of August 9 addressed to George Frazier concerning retirement and possible sale of our 100-KV transmission line between Cedar Falls and Taunton, Washington, to Puget Sound Power & Light Company:

I now have the worksheets whereby Messrs. Merrill and Frazier developed and discussed a prior offer to Puget Power, Washington Water Power and Montana Power Companies - which information we will need to analyze before making any approach to the Power Companies. My biggest concern is the change in conditions under which we are negotiating today when a complete line abandonment and discontinuance of electrification is involved compared to the conditions which existed in March of 1972 when we were contemplating continuance of electrification.

In the present instance, the Power Companies may not have sufficient customers to justify the continued maintenance of the transmission line, while under the original conditions there was a built-in major customer justifying the service.

I've been working with Warren Ploeger, attempting to establish a meeting with him and representatives of the Port of Tacoma either on the 13th or 14th or the 17th or 18th of September. As soon as that date has been affirmed, I'll get in touch with you and we'll set up a date when we can get together to affirm our own understanding with respect to these lines and their value. We'll want George Frazier to be present with us, and in the case of Puget Power I would hope that during that week we could also have a meeting with Harold Abramson.

(SIGNED) E. J. STOLL

RECEIVED
AUG 21 1973

EJS/rcb

cc: Mr. G. A. Kallow
Mr. G. R. Frazier - Tacoma

Tacoma, Aug. 24, 1973
File:Project 1210
Your File: S-Wash-
General-Electrification

Mr. E. J. Stoll:

With regard to the concern you expressed about the power company's having sufficient customers to justify continued maintenance of the transmission line:

Puget Power has assured me that they want this line with or without electrification. The power they wheel over the line has always exceeded our Railroad's load and we have even had to limit them from exceeding the thermal limits of the conductors. They do have sufficient customers on the line feeding a growing load at Snoqualmie Pass and the Kittitas Valley.

This line also provides the security of an alternate feed during storm outages. However, as Puget Power's network grows, the line can be either built around or built into their system and negotiations have been so protracted and for reasons previously listed, I believe the sale must be progressed for proper planning of maintenance of this line.

In considering a sale price, we have several bench marks. One is Mr. Davis' R/W appraisal of $386,500. After conversation with a line contractor and reviewing a line construction contract, I feel another bench mark, my replacement cost estimate for the line of $2.5 million may have been about 20% low, which would make the replacement cost $3 million. We are also faced with the figure of $1,176,000 for the line previously discussed with Puget.

Puget has made analysis of the maximum power transfer capability of the line in their network for present and future systems. This may influence what they are willing to pay. They have said that construction demands for capital makes a method of payment other than a lump sum attractive to them.

grf
cc: GAK PWS

Electrical Engineer

Chicago - August 28, 1973

Refer to: S - Wash. - General
Electrification

Mr. G. R. Frazier
Electrical Engineer
Tacoma, Washington

Thanks for your letter of August 24 calling my attention to certain items in connection with the pricing of our transmission line in connection with negotiations with Puget Sound Power & Light Company.

As soon as I have been able to firm up my scheduled trip to the Seattle-Tacoma area, I'll let you know because I want to talk with you and Pierce Davis and very possibly will want you to attend a meeting with us and with representatives of Puget Power to open negotiations.

(SIGNED) E. J. STOLL

EJS/reb

cc: Mr. P. W. Scott - Seattle
Mr. G. A. Kellow

Subject: RM Transmission Line Sale

Tacoma, Aug. 28, 1973
File: Project 1310

Mr. E. J. Stoll:

Notice has been given for cancellation of our 58 year old energy contract with Montana Power. They called yesterday inquiring about our future plans for the transmission line. On your projected trip in mid-September, when Mr. Harold Abramson will be contacted, you may wish to also open negotiations with Montana Power Co. while you are here. The transmission lines rank second in potential dollars from electrification salvage.

The attached list shows original cost and our estimated replacement cost. Considering the climatic conditions of the Coast line compared to the Montana line and the general condition of the RM line, we have made a rough estimate of $1 million to put the line into a normalized maintenance condition.

We do not yet know if Water Power is interested in the line in Idaho.

We estimate new replacement cost for that portion of the line in Montana at 7.5 million dollars and R/W value was previously estimated at $785,000. A price of $2.4 million was proposed for this line in early 1972.

grf
cc: GAK FWS

Electrical Engineer

100 kV Transmission Line
Rocky Mtn. Div.
Exclusive of R/W

Principal Data

Line Length 358.97 miles (Two Dot to Morel, Gold Creek to Avery)

Harlowton to East Portal Material

6534 Poles
5477 Anchors
2,227,737 lbs. of Copper

East Portal to Avery Material

347 Poles
422 Anchors
92,820 lbs. of Copper

Original Cost and Estimated 1973 Replacement Cost

Location	Date Installed	Original	Replacement
Montana	1915	$982,851	$7,550,000
Idaho	1915	$ 82,899	$ 345,000
Totals		$1,065,750	$7,895,000

Auxilliary Equipment

Quantity	Item	Date Installed	Replacement Cost
10	Oil Circuit Breakers	1936-1948	$ 178,000
14 Sets	Lightning Arresters 115kV	1936-1945	50,000
	Relays, type CR-CRC-CO	1936-1945	16,000
23	Steel Deadend Towers	1915	20,000
Total auxilliaries			$ 264,000

Note: Above does not include 2.841 miles of steel conductor line to Deer Lodge Shops.

S. A. Kellow

Seattle - Sept. 13, 1973

W I R E

FGM - Chgo

Mail Copy: EJS GAK WLS RFK BJW LWH CCD HHM - Chgo
BEL - Seattle
GRF - Tacoma
FAU - Milwaukee

My letters of April 13 and August 9 requesting advice as to which of the electrification facilities should be retained for operating use. We are negotiating now with PSP&L Co. for sale of the Taunton to Cedar Falls 100 KV transmission line. Puget has some interest in acquiring some of the substation buildings. We will be negotiating shortly with Montana Power for sale of transmission line which may include some of these buildings. Mr. Upton has requested retention of the Avery substation building and I feel the Tacoma Jct. buildings should be retained for the present for possible use in connection with the new yard at Fife. Would appreciate prompt advice if any other of these facilities are needed for operating dept. use. Orig. FGM. Mail Copies EJS GAK WLS RFK BJW LWH CCD HHM BEL GRF FAU. D-10

PWS 11:45 am

WIRE
11:00 a.m.

CHICAGO, Sept. 14, 1973

Mr. Paul W. Scott
Seattle, Washington

Mail Copy:- EJS GAK WLS RFK LWH CCD HHM BEL GRF FAU

Your wire D-10 dated Sept. 13 re negotiating with Montana Power for sale of transmission line which may include some of the substation buildings.

We should retain the substations at Tacoma Jct. and Avery. At this time it is questionable whether we should retain the substation at Primrose.

Original PWS Mail Copies:- EJS GAK WLS RFK LWH CCD HHM BEL GRF FAU.

M-70

F. G. McGinn
Vice President-Operation

Tacoma, Oct. 2, 1973
File: Project 1210

Mr. Q. W. Torpin:

Sale of the Coast Division transmission line to Puget Sound Power and Light Co. is expected to be completed in early January 1974. The Railroad has considerable experience with joint occupancy of its R/W with utilities. There are some special requirements on the Coast Division, however, that the engineering and operating departments need to agree to and define for Mr. Ploeger's office to use in drawing up a sales agreement. Here are some suggestions.

1. Steel Transmission Arches on Beverly Bridge crossing Columbia River

PSPL will own and maintain cross arms, insulators and line conductors. The Railroad will own and maintain the steel supports and necessary attachments to the bridge.

Railroad maintenance cost of these structures to be paid by PSPL.

Changes in the transmission conductor size and voltage which result in a change in support loading requires Railroad approval.

Should Railroad discontinue use of Beverly Bridge, a crossing easement over the Columbia River is guaranteed by the Railroad, but support structures are then the responsibility of PSPL.

2. Transmission Line Clearances for Work

PSPL will de-energize the transmission line at no cost to the Railroad when it is necessary for the Railroad to have a safe working clearance. The time will have to be agreeable to both parties and the Railroad must keep such interruptions to a minimum. PSPL will de-energize line whenever it is necessary to restore railroad service in case of derailment or catastrophe.

3. Signal Feeder Attachment to Transmission Structures

If in the opinion of PSPL, signal feeder attachments to their transmission poles do not interfere with the operation, PSPL will allow attachment of signal feeder cables of construction approved by them at no cost to the Railroad. (Such attachments presently exist across horseshoe cutoffs and around some snowsheds.)

The Railroad will, without cost, allow PSPL to sell power from these signal feeders, if in the opinion of the Railroad, no operating intereference results. (The Railroad presently serves a microwave station, a water monitoring station and a pipeline cathodic protection device from its signal feeder.)

4. Signal and Communication Protection--as defined by Mr. Wylie

5. Transportation of PSPL Men & Equipment by the Railroad

There will be times when PSPL can gain access to the transmission line between Cedar Falls and Easton only from the Railroad's R/W. Puget's requirements for such transportation will probably be frequent at first when it is anticipated they would have a contractor rebuilt the line to a higher voltage. The line would then be stable and reliable with inspection performed by helicopter and airplane. Puget might also wish to build a cat road if environmentalists and the Railroad permit.

It appears that we can follow Federal Highway Administration Policy and Proceedure Manual 30-3 for requirements of the Railroad Company in relation to protection of its traffic from hazards due to operations by PSPL or its contractors and for defining conditions under which flagging protection shall be required.

The Railroad will agree, after a two week notice to the Division Superintendent, to provide transportation to PSPL employees or its contractors to otherwise inaccessible locations. PSPL will be billed for Railroad labor and surcharge costs as established in P&PM 30-3.

The Railroad will furnish available motor cars or hi-rail equipment at rental rates established by the Railroad. The Railroad will also agree to use a PSPL Rail Vehicle for this purpose if it is of approved Railroad design and opsrated by a qualified Railroad employee.

6. Railroad Liability for Line Damage

I assume that other agreements of joint occupancy have defined what liability the Railroad assumes for damage caused by derailments and Railroad caused fires, and what liability the Railroad assumes for resulting line outages. PSPL liability to the Railroad for damage must also be defined. In the sale of the line from Renton to Tacoma, the Railroad was held harmless for all such liability.

Since it is anticipated PSPL will have a contractor working on easement land and on our R/W, it may be worth mentioning what has been noted in some typical line construction contracts of the power companies. Regarding R/W and adjoining land, they make stipulations requiring the contractor to abide by permits and regulations and concerning trespassing, material storage and obstruction, cleaning up the premises, using bridges and culverts, soil erosion, stream pollution and fire responsibility. Perhaps a broad hold harmless clause would protect the Railroad from a multitude of situations.

Since Mr. Kellow is heading up the phase-out, please respond with your suggestions and opinion to him.

J. R. Frazier
Electrical Engineer

grf
cc: FGH GAKBJW RKM WEP
NES EJS WHP DIW PWS PWD
MTS FPP

Refer to: S-Wash.-General (Transmission Line)
S-Mont.-General " "
S-Idaho-General " "

Mr. G. R. Frazier
Electrical Engineer
Tacoma, Washington

Referring to your letter of August 28 (your file: Project 1310) concerning the possible sale of our electric transmission line in the State of Montana to Montana Power Company:

In your letter you have indicated that the replacement cost for that portion of the line in Montana is approximately $7.5 million based on present-day values. It will be important at our next discussion of this proposal that we also know the depreciated value of this line, which will establish the dollar signs which we will want to use in submitting our proposal to Montana Power.

We are going to be faced with a rather difficult problem, since we already know that WWP does not wish to acquire that portion of the line from East Portal to Avery and it is anticipated that Montana Power cannot purchase this portion of the line because it has no right of service. It will be desirable, however, for us to know the replacement cost of this portion of the line in Idaho and its depreciated value because we may need to negotiate with WWP for a rental value and to put the burden of maintenance on WWP for approximately one year while WWP makes its plans and provides service from Marble Creek to Avery. Will you please develop this information for our further negotiation.

As you know, we are attempting to schedule a meeting with representatives of Montana Power at Butte on Wednesday, October 24. We'll keep you advised of the date so that you can plan to be present.

As soon as we have scheduled a new date for a review of the proposal with PSP&L at Bellevue, you'll be advised because on that trip I will want to spend at least a half day with you, Pierce Davis and Paul Scott to review in depth the many factors involved, as we did with the PSP&L project, in order to determine the strategy to be used in the October 24 meeting.

(SIGNED) E. J. STOLL

EJS/rcb

cc: Messrs.
G. A. Kellow
P. W. Scott - Seattle
P. W. Davis - Seattle

CHICAGO - October 8, 1973
Refer to: S - Idaho - General
Electric Transmission Line

Mr. R. K. Merrill:

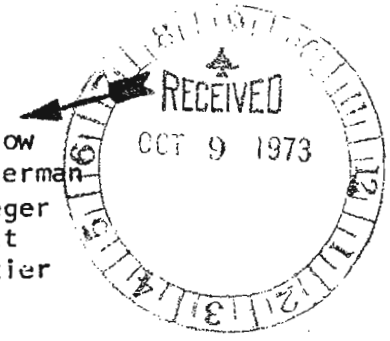
You have a copy of Electrical Engineer George Frazier's letter of September 24, 1973 concerning termination of agreement of February 9, 1966 with Washington Water Power Company for taking of electric energy from our line at Avery, Idaho to serve local users.

I believe that you have available to you the original of the 1966 agreement and that you will wish to have it reviewed by a member of your staff and will arrange for the necessary termination notice in accordance with that agreement.

If you desire this office to handle the actual notification to Washington Water Power, please advise any special wording which you desire in the termination notice or letter and I will arrange for the necessary notification.

I believe that we should notify Washington Water Power in accordance with that agreement in order to assist us in negotiations which are now going on with Montana Power Company for the sale of that portion of the line in the State of Montana. At a meeting in Spokane on September 6, Paul Scott and I were advised by Harold Harding, Vice President and Donald Olson, Chief Engineer of Washington Power Company, that WWP has no interest in purchasing that portion of our line in the State of Idaho. They also advised us verbally that WWP does have an obligation to serve Avery and since it has no intention of acquiring that portion of our transmission line which presently provides power to Avery, that it will be necessary for WWP to extend its line easterly from Marble Creek to Avery, which will require approximately one year's time for necessary acquisition of right-of-way, accumulation of materials and construction purposes.

EJS/jmr



(SIGNED) E. J. STOLL

cc: G. A. Kellow
B. E. Lutterman
W. H. Ploeger
P. W. Scott
G. R. Frazier

CHICAGO - October 8, 1973
Refer to: S - Wash. - General
PSP&L (Transmission Line)

Mr. G. R. Frazier:

Referring to yours of October 2, 1973 addressed to Mr. Q. W. Torpin concerning special conditions which need to be reviewed and considered in the development of an agreement with Puget Sound Power and Light Company in anticipation of reaching an understanding with that company for the sale of our electric transmission line between Taunton and Cedar Falls, Washington.

I think that it is important that Mr. Torpin review these specific items which you have called to his attention and any others which he may have in mind and that his report and recommendations be made directly to Mr. McGinn for review and approval since it is now specifically agreed that we are to proceed with the sale of the line. I am sure that Mr. Kellow will want to be kept advised of actions and activities which are taking place in connection with the phase out of electrification, but from this point on, I do not believe that he will wish to be involved in the details involved in the negotiations and documentation.

In Item 1, you indicate that should the Railroad discontinue the use of its Beverly Bridge, that we would guarantee a crossing easement over the Columbia River for PSP&L. I think that this may be a little bit too strong a statement because I doubt that we are in any position to guarantee such a river crossing if, in fact, our bridge is to be removed. This is something which we will have to review very carefully with the Law Department and which this department will do when we reach that particular part of the negotiations.

I appreciate the work which you have done in calling attention to these specific items involved. It is essential that these be considered and reviewed as early as possible so that we will be in a position to discuss them further at an early meeting with PSP&L representatives.

EJS/jmr

(SIGNED) E. J. STOLL

cc: F. G. McGinn
B. J. Worley
R. K. Merrill
G. A. Kellow
B. E. Lutterman
Q. W. Torpin
W. H. Ploeger
P. W. Scott

G. A. KELLOW

Chicago - October 15, 1973

File S-1217

Mr. Q. W. Torpin
Seattle, Washington

We have had an opportunity to review Mr. G. R. Frazier's letter of October 2 addressed to you concerning sale of the Coast Division transmission line to Puget Sound Power and Light Company, which will be completed in early January 1974.

Attention is called to Item 5 involving transportation of PSPL men and equipment, or its contractor, to inaccessible locations, which apparently contemplates the Railroad furnishing track motor cars or hi-rail equipment for operation over the track to reach such points.

Are you handling with Mr. Lutterman as to arranging for the preparation of appropriate agreement to cover the proposed operation of these vehicles on the track which will define the operation of this equipment and take into consideration personal injury and property damage?

We note there are also other items that should be covered by agreements with PSPL that are covered by Items 1, 2, 3 and 4, which will involve PSPL and its contractor on Railroad property.

ORIGINAL SIGNED
F. G. McGINN

RECEIVED 1973

cc: Mr. R. K. Merrill
Mr. B. E. Lutterman
Mr. G. A. Kellow
Mr. B. J. Worley
Mr. E. J. Stoll
Mr. L. V. Anderson
Mr. G. R. Frazier

The Milwaukee Road Collection
Wisconsin Public Library

Chicago, January 16, 1974

File 062

Mr. G. A. Kellow:

Referring to the attached report dated January 11 from Mr. W. J. Harris with copy of final draft report prepared by the Department of Transportation's Task Force on Electrification.

George Frazier was our representative in connection with preparation of this report.

You will note Mr. Harris requests review of this material and comments to him by January 21, 1974.

With return of attached, may I have the benefit of your views so that I may make reply to Mr. Harris.

F. McGinn

Att.

Chicago - January 17, 1974

Mr. F. G. McGinn:

You sent me the attached file concerning a report prepared by the Department of Transportation Task Force on Electrification and asked for my comments.

The report is quite general and talks about the advantages and disadvantages of electrification. There is no economic support either for or against electrification.

The conclusions are also broad and general and I can see no reason to disagree with them. The recommendations of the task force are also reasonable in that basically they suggest that more research and study is needed.

RECOMMENDATIONS

The Task Force recommends actions to be undertaken by government and industry in the interest of achieving substantial gains in national transportation efficiency as well as promoting energy-effective transportation strategies. These recommendations take into account that the Nation is embarking upon 'Project Independence' and that, of all modes of transportation, only rail can be feasibly converted from petroleum fuel to coal or nuclear-fueled electric energy. The word "industry" is meant to include the railroads, electric utilities, electric manufacturers and suppliers, financial institutions and others concerned with railroad electrification.

1) The Department of Transportation should be given appropriate planning and funding authority to cooperate with industry in the development and financing of railroad electrification to achieve substantial improvements in national transportation efficiency

2) The Department of Transportation should undertake a cooperative research and development program with industry to continue to advance the technology of railroad electrification.

3) Legislation dealing with railroad improvements should include assistance for railroad electrification projects where such projects are relevant to the improvement of national transportation.

CONCLUSIONS

The Task Force on Railroad Electrification was established to review and consider the major factors associated with electrification and to propose government and industry policy as to the development of railroad electrification. It did not undertake to deal with the questions of whether, where, when or why to electrify specific lines since these are economic and operational issues best left to individual railroad managements.

Based on studies available to it, the Task Force concludes:

1) Railroad electrification is the only available alternative to diesel-electric operations on high-density, long-haul railroad lines;
2) Electrification offers the only feasible means to utilize coal or nuclear power for intercity movements of general freight and passengers;
3) Modern rail electrification technology is available for application;
4) While electrification has been shown to have a positive rate of return on the projected investment, electrification of high-density lines has not been widely adopted by American railroads because of more pressing capital requirements or more attractive investment opportunities;
5) Railroad electrification presents a number of as yet unresolved regulatory problems for railroads and utilities; and
6) The development of railroad electrification in an orderly and efficient manner to achieve substantial improvements in national transportation efficiency, can be best facilitated by a joint government-industry program.

Chicago - March 18, 1974

Refer to: S - Idah - General
Transmission Line

Mr. G. R. Frazier
Electrical Engineer
Tacoma, Washington

Referring to your letter of March 11 (your file Gen. P-1-73) concerning retirement of our electric transmission line in Idaho:

Since Washington Water Power is constructing its transmission line from Calder to Avery in accordance with its prior advice to us that it would take this step, it appears to me that we will shortly be in a position to arrange for retirement of the transmission line within the State of Idaho.

As you and I already know, neither Washington Water Power nor Montana Power Company has any interest in the portion of the line in Idaho, and therefore as soon as the Washington Water Power transmission line has been connected to facilities at Avery you should be in position to arrange for the retirement which, hopefully, will be prior to the winter season in 1974.

EJS/rcb

cc: Messrs.
F. G. McGinn
B. J. Worley
G. A. Kellow
D. L. Wylie
Q. W. Torpin - Seattle
P. W. Scott - Seattle

Tacoma, March 26, 1974
File: RM Hi-line Sale

Mr. B. J. Worley:

Provisions pertaining to interstate highway relocations that the railroad requires in the transmission line sale agreement to be signed in June should be furnished Mr. Ploeger. These provisions pertain to relocations both in process previous to the sale as well as after. It also involves the transmission line on and off the R/W.

A quitclaim deed will be conveyed to Montana Power for the 32% of the line off our R/W and presumably they will deal independently with the State in such relocations. The railroad's only concern would be how the relocation would affect inductive interference on the communication line.

For the 68% of the transmission line on our R/W, Montana power will acquire a permanent right to maintain a line. The State Highway Dept. would then deal with Montana Power for engineering of the relocation. The railroad would then require approval of the relocation if within our R/W.

Our policy has been to relocate the transmission line as far from our track centerline as is practical, but our experience has been that the Forest Service will not allow the state to cut a clearing for a new line R/W and the line is relocated even closer to our tracks. This is a condition to avoid in the future.

The subject has been briefly discussed with Jim Couture, Manager of Real Estate for Montana Power and with Ted Striebel.

How will the line sale affect pending agreements with the State Highway Dept? Are any construction projects involving highway relocations scheduled before July 1974?

J R Frazier
Electrical Engr.

grf
cc: PGM QWT OAK
WHP EJS

Mr. G. A. Kellow

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

Real Estate, Economic and Resource Development Department

516 West Jackson Boulevard • Room 286 • Chicago, Illinois 60606

(312) 236-7600

E. J. STOLL
Vice President-Real Estate, Economic and Resource Development

B. H. BOBBITT
Director-Real Estate, Economic and Resource Development

P. R. SMITHMEYER
Manager-Real Estate

March 27, 1974

Refer to: S - Montana - General
Transmission Line
Montana Power Company

A I R M A I L

Mr. W. W. Talbott, Vice President
The Montana Power Company
40 East Broadway
Butte, Montana 59701

Dear Bill:

This will confirm the understandings reached at the meeting in your office on Wednesday, March 20, 1974, and be the basis for a proposal which I am willing to recommend for approval by our management and Board of Directors for sale of our 100 KV transmission line in Montana to your company.

DESCRIPTION: The sale will consist of the Railroad Company's 100 KV electric transmission line approximately 350.0 miles in length, of which about 102.6 miles is located off the Railroad Company's mainline right of way and the remaining 247.4 miles is located on the Railroad Company's right of way.

The term "transmission line" shall include transmission wires, poles, anchors, relays and switches, but not the substations and buildings.

There are three sections of the line, generally identified as follows:

Two Dot to Morel	183.8 Miles
Deer Lodge Tap	2.8 "
Gold Creek to East Portal	163.4 "
	350.0 Miles

SALE PRICE: The full sale price of the line and right for continued location as constructed will be $3,250,000.

PAYMENT: The full payment will be made to the Milwaukee Road by certified check on or before June 30, 1974, upon delivery to the Power Company of appropriate conveyances and agreements executed by authorized officers.

CONVEYANCES:

1. Off Railroad Right of Way. The transmission line will be conveyed by bill of sale. Property rights will be conveyed by quitclaim deeds or assignment of agreements. It is understood that approximately 9 miles of the line is located on National Forest land by authority of written agreements. These agreements will be assigned if possible, although both parties understand that it may be necessary for the Power Company to apply for entirely new permits.

2. On Railroad Right of Way. The transmission line will be conveyed by bill of sale. An appropriate agreement will grant authority to the Power Company to retain the transmission line at its present location on Railroad right of way in perpetuity.

BOARD RESOLUTION: A certified copy of the resolution by the Railroad Company's Board of Directors authorizing the sale will be provided at any closing.

MORTGAGE RELEASES: Releases of all applicable Railroad mortgages will be provided at any closing.

ANNUAL CHARGES: In addition to the agreement permitting continued maintenance of facilities on Railroad right of way, there will be another agreement executed by the parties establishing conditions of access and other obligations - which agreement among other things will provide for payment by the Power Company to the Railroad of $24,700 annually, payable on or before July 1st of each year with the first payment being due and payable on July 1, 1974.

This annual payment will be subject to renegotiation each five years for the succeeding 5-year period, but in no event will the charge be less than for the previous 5-year term. If the parties are unable to reach a negotiated understanding for the succeeding 5-year term, such agreement will be determined by arbitration.

This annual charge is in payment for rights granted by the Railroad Company for use of portions of the right of way and in some instances trackage as means of access to the line for maintenance purposes, as further described elsewhere in this proposal.

ACCESS RIGHTS: The agreement will permit the Power Company to use existing roadways or portions of Railroad Company right of way for access to the transmission line wherever possible for maintenance purposes.

The agreement will also provide for the Railroad Company to supply equipment capable of operating on rails, together with authorized Railroad personnel to operate said vehicles, to provide access to portions of the line accessible only by rail. The Power Company will pay to the Railroad Company the cost of labor and equipment use charges when such use is required in accordance with scheduled charges provided by the Railroad Company.

LIABILITY: The Power Company will assume all liability for and hold the Railroad Company harmless for any of its employes, agents or assigns when on Railroad Company right of way.

INSURANCE: The Power Company will carry insurance. Such insurance shall be in the form of a standard Railroad protection insurance policy in the following minimum amounts:

PUBLIC LIABILITY	
Bodily Injury	$ 500,000.00 per person $1,000,000.00 per accident
Property Damage	$ 500,000.00 per occurrence $1,000,000.00 per policy period

Certificates of such insurance shall carry an endorsement indicating that the Railroad is a co-insured party thereunder, and said certificates of insurance and endorsements thereto shall be filed with the Railroad.

WEED AND BRUSH CUTTING: The agreement will provide that the Power Company will cut, control and dispose of all weeds, brush and other growth on the right of way which would interfere with the maintenance and safe operation of the transmission line.

RELOCATION: The agreement will provide that if it is necessary to relocate or raise portions of the line to permit construction of trackage to serve industry or to meet the requirements of public agencies for highway or other public purposes, the Power Company will make such alterations at its expense.

If the Railroad Company should require relocation or alteration of a major section of the transmission line to permit major construction or alteration of Railroad operating trackage solely for its own purposes, both parties will negotiate an appropriate apportionment of costs.

The Railroad Company will provide location for relocation of portions of the transmission line on Railroad right of way.

COMMUNICATION AND SIGNAL INTERFERENCE: The Railroad Company and Power Company Chief Engineers will determine the extent of interference from the existing transmission line, as presently operated, on the Railroad Company's communication and signal facilities. If greater interference is experienced because of changes made in the transmission line or its operation by the Power Company, then the Power Company will assume the cost of corrective action necessary to correct the situation.

REMOVAL OF PORTION: If the Power Company should remove and retire portions of the transmission line from Railroad right of way, then upon delivery of a release on that portion of the right of way from the agreement the annual charges will be reduced on a proportionate basis.

SUBSTATIONS: It is understood that the Power Company has no desire to use the Railroad Company's substation buildings or equipment. There are some electric tie lines through these substations which the Power Company will remove. There are some existing Power Company facilities on Railroad right of way near the substations which will be retained and others may be required to permit discontinuance of use of Railroad substations. These existing and required facilities will be permitted under the general agreements. All such necessary encroachments and permitted uses will be identified and delineated within one year of completion of the conveyance, and any future desired encroachments by the Power Company will be considered as new applications under regular procedures.

SERVICE CONNECTIONS: The Railroad Company will require service for signal circuits and for other facilities. Mutual and regular arrangements will be made for suitable electric service to meet Railroad requirements.

I believe that this adequately outlines the general terms and basis for preparation of documents to implement the transaction.

If you agree with the general understandings as outlined, will you please so indicate by signing and returning to me the attached duplicate copy of this letter. It is important that we have a written understanding of the proposal before I will be in a position to submit the proposal to our officers and Board for consideration. If the proposal is to be on the agenda for our Board meeting on April 18, I will need your approval on or before April 10.

It's been a real pleasure to work with you and your associates on this proposal.

Best personal regards to you.

Sincerely,

EJS/rcb
Acknowledgment attached

SIGNED E. J. STOLL

TERMS AS HEREIN STATED ACKNOWLEDGED AND AGREED TO:

THE MONTANA POWER COMPANY

By_____

Title_____

Date_____

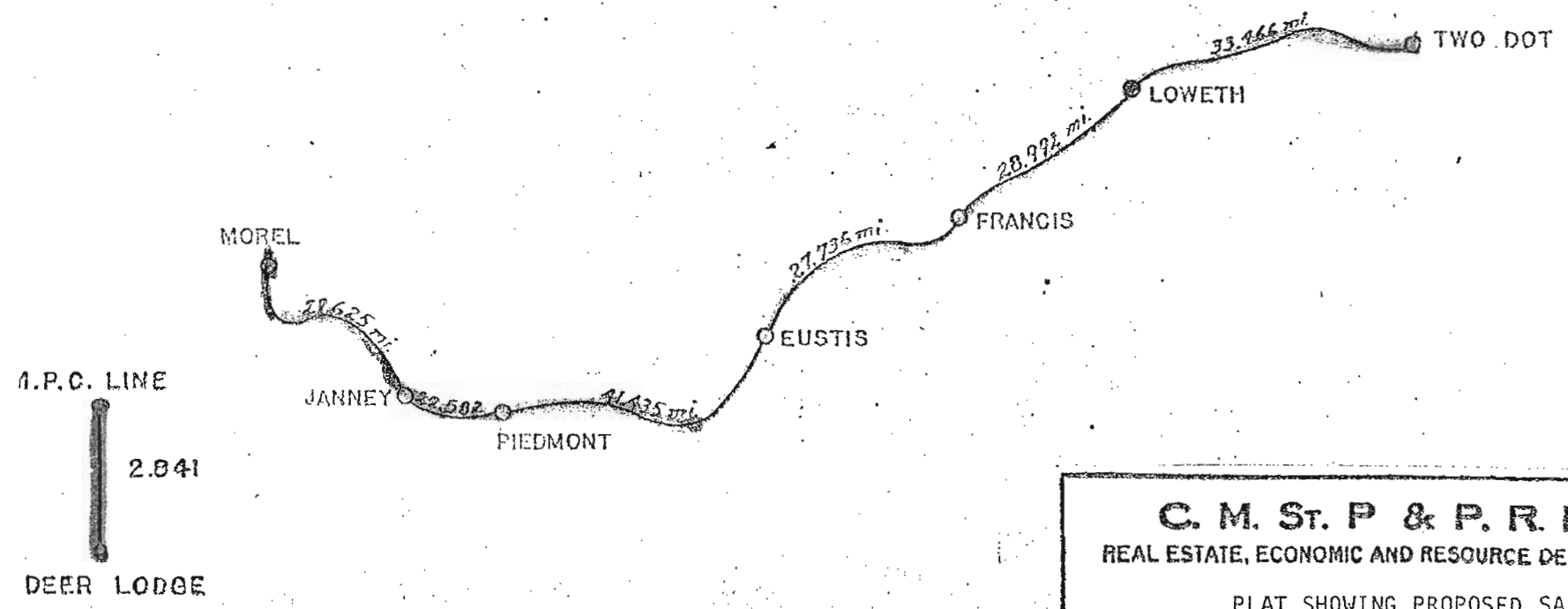
bc: Messrs.
W. L. Smith
F. G. McGinn
G. A. Kellow
B. J. Worley
R. F. Kratochwill
R. K. Merrill
B. E. Lutterman - Seattle
W. H. Ploeger - Seattle
P. W. Scott - Seattle
G. R. Frazier - Tacoma

LOCATION OF SUBSTATIC 3 AND HIGH TENSION TR 'SMISSION LINE

ROCKY MOUNTAIN DIVISION — C.M. ST.P. & P.R.R. CO.

DISTANCE MEASURED ALONG TRANSMISSION LINE

MOREL — TWO DOT
183.836 MILES
TAP
2.841 MILES



O — RAILWAY SUBSTATIONS

The Milwaukee Road
Electrification Dept.
Seattle, Washington
October 16, 1956
RJD
Revised June 21, 1973 MPF

C. M. ST. P & P. R. R. CO.
REAL ESTATE, ECONOMIC AND RESOURCE DEVELOPMENT DEPT.

PLAT SHOWING PROPOSED SALE OF
100 KV ELECTRIC TRANSMISSION LINE SHADED IN RED
TO
MONTANA POWER COMPANY
IN

MONTANA

TOWN | COUNTY | STATE

SCALE — FEET PER INCH

April 9, 1974
DATE

CHICAGO, ILLINOIS

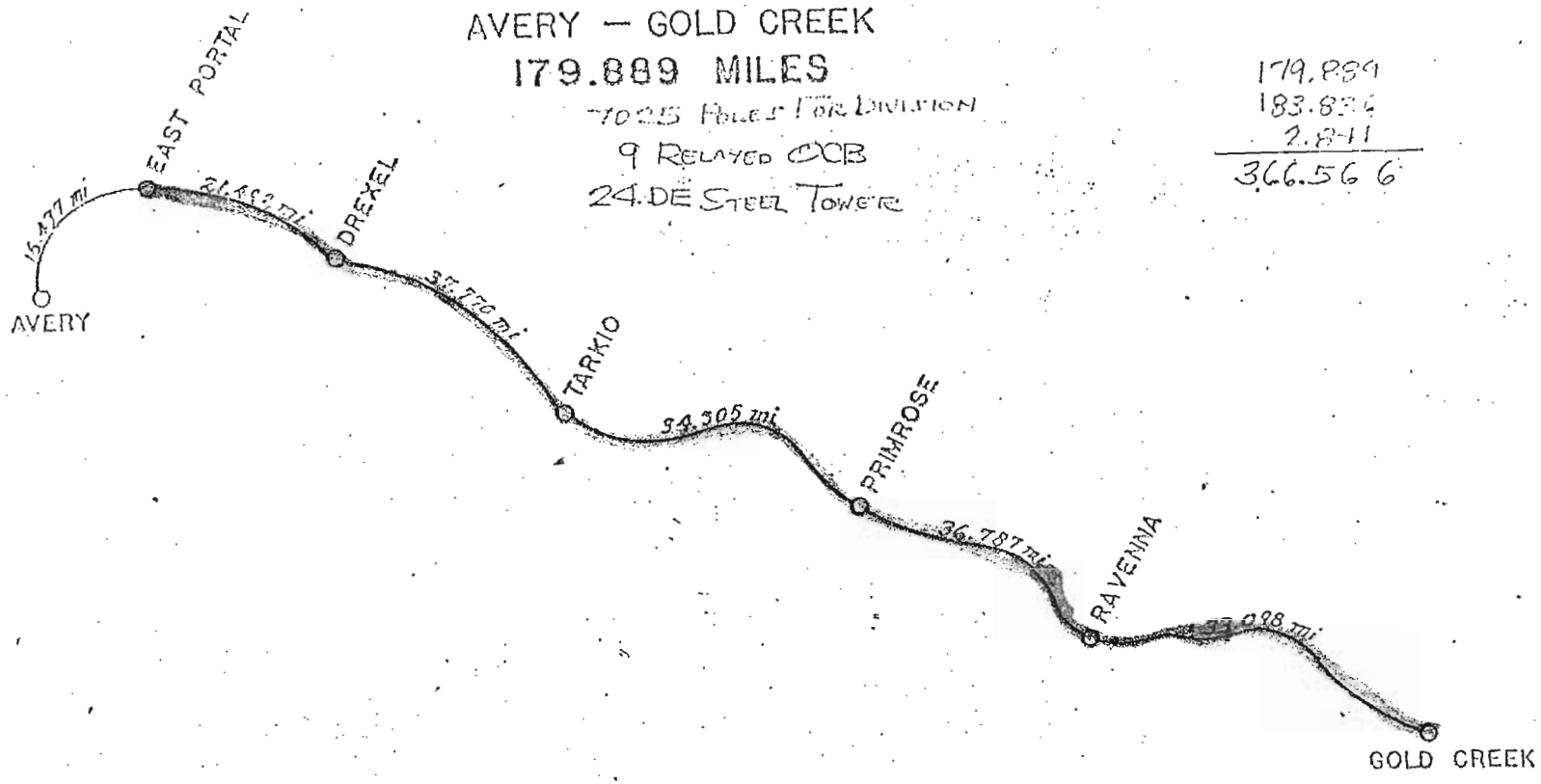
LOCATION OF SUBSTATIONS AND HIGH TENSION TRANSMISSION LINE
ROCKY MOUNTAIN DIVISION – C.M. ST P. & P.R.R. CO.

DISTANCE MEASURED ALONG TRANSMISSION LINE

AVERY – GOLD CREEK
179.889 MILES

7025 Poles Per Division
9 Relayed OCB
24 DE Steel Towers

179.889
183.834
2.811
366.566



O – RAILWAY SUBSTATIONS

The Milwaukee Road
Electrification Department
Seattle, Washington
October 16, 1956
RJD
Revised Dec. 21, 1971 WH

C. M. ST. P & P. R. R. CO.
REAL ESTATE, ECONOMIC AND RESOURCE DEVELOPMENT DEPT.

PLAT SHOWING PROPOSED SALE OF
100 KV ELECTRIC TRANSMISSION LINE SHADED IN RED
TO
MONTANA POWER COMPANY
IN

MONTANA

TOWN | COUNTY | STATE

SCALE ___ FEET PER INCH

April 9, 1974
DATE

CHICAGO, ILLINOIS

Mr. G. A. Kellow

Chicago - April 9, 1974

Refer to: S - Mont. - General...Transmission Line
Montana Power Company

Mr. W. L. Smith:

Our electric transmission line in Montana will no longer be required for railroad purposes after about mid-June, 1974. Our contract with Montana Power Company for supplying power for traction purposes has been terminated effective July 5, 1975.

Negotiations with Montana Power Company have resulted in a proposal for the sale of the 350.0 miles to Montana Power Company for a cash consideration of $3,250,000. There are three sections of the line, generally identified as Two Dot to Morel - 183.8 miles, Deer Lodge Tap - 2.8 miles, and Gold Creek to East Portal - 163.4 miles (total - 350.0 miles). These three sections are indicated on the attached sketch dated October 16, 1956, revised December 21, 1971, and shown by red color.

The sale is to consist of the Railroad Company's 100 KV electric transmission line, of which about 102.6 miles is located off the mainline right of way - with the remaining 247.4 miles located on our right of way. The transmission line shall include transmission wires, poles, anchors, relays and switches, but not the substations and buildings. The sale price averages $9,286 per mile and is the result of extensive negotiations with representatives of the Power Company. About $595,000 of the consideration represents land values for those portions of our property which will be used for continued maintenance of the power line either on our right of way or on properties outside of our right of way which will be turned over to the Power Company.

It is anticipated that the transmission line will be conveyed by bill of sale and any property rights which we have outside of our normal right of way will be conveyed by quitclaim deeds or by assignment of agreements. About 9 miles of the line is located on National Forest land by authority of written agreements. These agreements are not assignable and it will be necessary for the Power Company to apply for entirely new permits for these portions of the line. On Railroad right of way, the transmission line will be conveyed by bill of sale and an appropriate agreement will grant authority to the Power Company to retain the transmission line at its present location as long as it continues in service. If the line should be relocated at the Railroad Company's request, we will provide space on our right of way for relocation of the transmission line.

The Power Company will be granted the right to use existing roadways or portions of our railroad right of way for access to the transmission line wherever necessary for maintenance purposes. In some instances it will only be possible to obtain access to the transmission line by operation on our tracks, and in those instances Railroad personnel will operate vehicles at the expense of the

Power Company to provide access. The Power Company will assume all liability for and hold the Railroad Company harmless for operations carried on on our property and the Railroad Company will be covered as a co-insurer under the Power Company's blanket insurance policy.

The Railroad and Power Company will determine the extent of interference from the existing transmission line as presently operated on the Railroad Company's communication and signal facilities. If greater interference is experienced because of changes made in the transmission line or its operation by the Power Company, then the Power Company will assume the cost of corrective action necessary to correct the situation.

The Power Company has agreed to pay an annual consideration of $100 per mile or $24,700 annually for the total encroachment on Railroad right of way as its proportionate cost of right-of-way maintenance expense for fencing, use of roadways not under the power line, and other incidentals. This additional annual charge will be fixed for the first 5-year term, but will be subject to renegotiation at the end of each 5-year period.

The Power Company will continue to provide service to the Railroad Company as a regular electric customer at points where necessary for signal circuits or other facilities.

There are no operating, engineering, traffic or legal objections to the sale of this electric transmission line and the right-of-way rights involved. The proposal has been accepted by officers of Montana Power Company, subject to approval by their Board of Directors and the Federal Power Commission. No delay is anticipated on the part of Power Company management in obtaining approval from either its Board or the Power Commission.

I recommend Board approval for this sale on the terms outlined above. It is anticipated that the sale will be closed at Butte, Montana, on June 27, 1974.

EJS/rcb
att. (print)

(SIGNED) E. J. STOLL

cc: Messrs.
F. G. McGinn
B. J. Worley
R. F. Kratochwill
G. H. Kronberg
G. A. Kellow
B. E. Lutterman - Seattle

G. A. KELLOW - 708

Chicago, April 9, 1974

Refer to: S - Mont - General
Electric Transmission Line
Montana Power Company

Mr. R. F. [redacted] - 746

Referring to my letter proposal for the sale of the 100 KV electric transmission line in the State of Montana to Montana Power Company.

In January, 1972 Mr. R. D. Argue in Paul Scott's office at Seattle, developed the value of the right of way involved in the electric transmission line for use in connection with our negotiations for disposal of the transmission line. I am attaching a copy of Mr. Argue's letter of January 12, 1972 addressed to me together with the attached detail statement of analysis for the right of way values, which were used in establishing the actual figure used in negotiations. At the bottom of Mr. Argue's letter of January 12th is indicated a right of way assembly factor of 1.5 which is a very modest and normal assembly factor used by most appraisers in assigning a value to a right of way as compared to the normal fee value of property if it is being sold as ordinary real estate.

Using this 1.5 assembly factor and multiplying Mr. Argue's easement value of $392,799.00 by that factor, we come up with a recommended sale price of $589,199.00. This is the right of way easement value which was used by Mr. R. K. Merrill in his discussions with the Montana Power Company in March of 1972.

Included in the total sale price of $3,250,000.00, which I have agreed upon with Montana Power Company representatives, is an amount of $595,000.00 assigned to real estate and based upon the appraisal figures as developed by Mr. Argue. The average real estate price per mile is $1,700. We can, therefore, make the following calculations:

On railroad right of way		
247.4 miles @ $1,700	=	$420,580.00
Off railroad right of way		
102.6 miles @ $1,700	=	$174,420.00
Total		$595,000.00

You will note from Mr. Argue's letter that he has called attention to the fact that our easements for the transmission line on private property are 40 ft. in width and that he has assumed a width of 40 ft. for the transmission line on railroad right of way, however, it is not our intent to grant a specific definite width of easement on railroad right of way but rather we will grant an easement for an unspecified width with the right to operate and maintain the transmission line on railroad right of way. A 40 ft. width was assumed on railroad right of way, however, in determining the value of the right which would be granted.

We are now in the process of calculating the original cost of the easements for that portion of the line which lies off of Railroad Company right of way and also for the portion lying on railroad right of way. As soon as this information is available, it will be furnished to you for your analysis of gain or loss on the real estate portion of this transaction.

EJS/ns

cc: Messrs. W. L. Smith - 866
G. A. Kellow - 708
P. W. Scott - Seattle

Seattle, Wash
January 12, 1972

File: S - Electric Transmission Lines
General

Mr. E. J. Stoll
Vice President
Chicago, Illinois

Please refer to your letter of December 24th to Mr. R. K. Merrill in regard to an appraisal of our transmission line right of way in the States of Washington, Idaho and Montana.

In reaching an opinion of value, I have broken down the transmission line right of way into segments as shown on the attached sheet. The value per acre or per square foot is my estimate of the fee value of land adjoining the transmission line right of way and the dollar value for that particular segment was determined by using a 40 ft. wide easement strip. All of our transmission line easements across private property are 40 ft. wide. I have assumed such a width where the transmission line is on Railroad right of way; however, if a sale of our line is made any easement on Railroad right of way would have to be for an unspecified width with the right to operate and maintain a transmission line and including a satisfactory "hold harmless" clause.

I recommend we use 50% of the market values shown on the attached sheet as the value of the transmission line easement. In other words, we would assign our easement rights across private property in Washington to Puget Sound Power & Light Company; to Washington Water Power in Idaho and to Montana Power Co. in Montana. Where the transmission line is on Railroad right of way, we would have to prepare appropriate easements to each of the three power companies.

My estimate of the total fee value of right of way in all three States is $1,187,314. This breaks down as follows:

State	Fee Value	Easement Value
Washington	$586,438	$ 182,214
Idaho	15,788	7,644
[redacted]	[redacted]	[redacted]
	1,187,314	$ 593,657

All concerned are receiving copy of the valuation figures.

Western Director
Real Estate, Economic & Resource
Development Department

RDA/md
cc: Messrs. R. K. Merrill
E. J. Worley
C. R. Frazier
[redacted]

LOCATION	ACRES OR ☐'	*VALUE/ACRE-☐'	AMOUNT	REMARKS
...NOW FALLS – W. CLE ELUM	209.3 AC.	$500.00/Ac.	$119,150.00	EXCLUDES ELLENSBURG & KITTITAS
...T. ELUM	6.2 AC.	1,000.00/Ac	6,200.00	
...CLE ELUM – E. KITTITAS	141 AC.	500.00/AC	70,500.00	
ELLENSBURG				
R.R. Sta. 2963+72 – 2985+15	314,280 ☐'	25¢/☐'	78,570.00	
" " 2985+15 – 3016+94	127,160 ☐'	40¢/☐'	50,864.00	
" " 3016+94 – 3047+55	126,440 ☐'	30¢/☐'	37,932.00	
KITTITAS	2.6 AC.	1,000.00/AC.	2,600.00	
E. KITTITAS – BEVERLY	129.86 Ac.	50.00/Ac.	6492.00	
BEVERLY – TAUNTON	115.2	100.00/AC	11,520.00	
			$ 386,428.00 ±	
MONTANA – IDAHO				
FIVO DOT – W. BRUNO	143.6 Ac.	$200.00	$ 28,720.00	EXCLUDES THREE FORKS
BRUNO – RINGLING	69.6 Ac.	75.00	5,220.00	
RINGLING – LOMBARD	179.9 Ac.	150.00	35,980.00	
LOMBARD – WILLOW CREEK	108.8 AC.	250.00	27,200.00	
THREE FORKS	12.7 AC.	1,000.00	12,700.00	
WILLOW CREEK – PIEDMONT	129.9 Ac.	250.00	32,475.00	
PIEDMONT – NEWCOMB	128.9 Ac.	150.00	19,335.00	
NEWCOMB – ALLOY (BUTTE)				TOTAL AREA BEING 8.2 ACRES DETERMINED BY GEORGE FRAZIER.
R.R. Sta. 534+50 – 626+42	367,680 ☐'	.08¢/☐'	29,414.00	
" " 626+42 – 769+33.5	571,680 ☐'	.10¢/☐'	57,680.00	
" " 769+33.5 – 817+65	193,280 ☐'	.30¢/☐'	57,984.00	
" " 817+65 – ALLOY	591,760 ☐'	.05¢/☐'	29,568.00	
ALLOY – MOREL	89.7 AC.	400.00	35,880.00	
MONT. POWER CO. (TAP) TO DEER LODGE	13.9 AC.	500.00	6,950.00	
GOLD CREEK E. MISSOULA	291.6	400.00	116,640.00	
MISSOULA				
R.R. Sta 165+00 – 0+00	618,600 ☐'	25¢/☐'	154,650.00	
W. MISSOULA – E. SUPERIOR	285.7 AC.	300.00	85,710.00	
SUPERIOR	4.9 AC.	1,000.00	4,900.00	
W. SUPERIOR – AVERY	299.4 AC.	200.00	*59,880.00	
			$ 1,187,314.00 ±	

*VALUES ARE AN AVERAGE FOR AREAS SHOWN UNLESS OTHERWISE INDICATED.
VALUES WERE DETERMINED BY REVIEWING PREVIOUS SA... FILES WHERE RESEARCH HAD BEEN DONE IN THE FIELD, AND SALES MADE BY MILWAUKEE LAND CO. TIMBER.

1-17-72

bc: Messrs. W. L. Smith - 866
G. A. Kellow - 708
G. R. Frazier - Tacoma
P. W. Davis - Seattle

April 10, 1974

Refer to: S - Wash - General
Transmission Line
Puget Sound Power & Light Co.

Mr. Harold Abramson
Vice President
Puget Sound Power & Light Company
Puget Power Building
Bellevue, Washington 98009

Dear Harold:

It was good to talk with you last week when I was in Seattle. I wanted you to know that we have reached an agreement with Montana Power Company for sale of our 100 KV transmission line in Montana and to determine if your Company is still interested in our transmission line in Washington.

If you have no interest in the line, then we would like to make our plans to recover the copper since, as you are well aware, it has a very high market price at this time.

I was pleased that you do have some interest in the line and I will anticipate further word from you in the near future concerning your desire to reopen negotiations.

You are well aware, of course, of the fact that we are fast recovering the copper from the trolley wire and that we do not have large line crews available anymore for emergency repairs to the transmission line which may cause some difficulty in your providing power to your customers.

RECEIVED
APR 11 1974

Sincerely,

(SIGNED) E. J. STOLL

EJS/ns

bc: Measrs. W. L. Smith - 866
G. A. Kellow - 708
G. R. Frazier - Tacoma
P. W. Davis - Seattle

April 10, 1974

Refer to: S - Wash - General
Transmission Line
Puget Sound Power & Light Co.

Mr. Harold Abramson
Vice President
Puget Sound Power & Light Company
Puget Power Building
Bellevue, Washington 98009

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If you have no interest in the line, then we would like to make our plans to recover the copper since, as you are well aware, it has a very high market price at this time.

I was pleased that you do have some interest in the line and I will anticipate further word from you in the near future concerning your desire to reopen negotiations.

You are well aware, of course, of the fact that we are fast recovering the copper from the trolley wire and that we do not have large line crews available anymore for emergency repairs to the transmission line which may cause some difficulty in your providing power to your customers.

Sincerely,

(SIGNED) E. J. STOLL

RECEIVED
APR 11 1974

EJS/ns

Chicago, April 18, 1974

Mr. E. J. Stoll:

This refers to letter of April 9, file S-Mont.-General... Transmission Line Montana Power Company, regarding negotiations with Montana Power Company which have resulted in a proposal for the sale of 350.0 miles to Montana Power Company, for a cash consideration of $3,250,000. The sale is to consist of the Railroad Company's 100 KV electric transmission line, of which about 102.6 miles is located off the mainline right of way, with the remaining 247.4 miles located on our right of way.

It is understood that the Power Company has agreed to pay an annual consideration of $100 per mile or $24,700 annually of the total encroachment on Railroad right of way as its proportionate cost of right of way maintenance expense, etc.

Our Board of Directors at its meeting today approved the said sale, and I will execute the necessary documents when they have been prepared.

cc: Messrs. F. G. McGinn
B. J. Worley
R. F. Kratochwill
G. H. Kronberg
G. A. Kellow
B. E. Lutterman

Memorandum for file:

At the Board meeting April 18, Mr. Kaplan inquired as to the advisability of scrapping the transmission line as opposed to selling given the high level of price for copper.

The negotiated sale price with Montana Power is $3.25 million. The transmission line contains approximately 2.2 million pounds of copper. In order to receive an equivalent price to the proposed sale price, we would have to get a net of approximately $1.48 per pound for the copper. To accomplish this, would require a gross sale price of approximately $1.60 per pound in order to offset the cost to us of the recovery. The current price in today's Wall Street Journal for May copper is at a new high of $1.35 per pound. The best price we have been able to secure so far in the sale of copper from the catenary is $1.24 per pound during April. It doesn't appear reasonable to speculate on a market of $1.60 per pound for the time it would take to dismantle the transmission line and this was taken into consideration during the negotiations which led up to the sale price agreed upon with Montana Power.

W. L. S.

April 23, 1974

cc-Mr. William J. Quinn
Mr. G. A. Kellow
Mr. R. K. Merrill

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

Real Estate, Economic and Resource Development Department

516 West Jackson Boulevard • Room 286 • Chicago, Illinois 60606

(312) 236-7600

E. J. STOLL
Vice President-Real Estate, Economic and Resource Development

B. H. BOBBITT
Director-Real Estate, Economic and Resource Development

P. R. SMITHMEYER
Manager-Real Estate

April 29, 1974

Refer to: S - Mont. - General
Transmission Line
Montana Power Company

Mr. W. W. Talbott, Vice President
The Montana Power Company
40 East Broadway
Butte, Montana 59701

Dear Bill:

This will confirm my phone conversation with you, at which time I advised you that our Board of Directors at its meeting on April 18 approved the sale of our electric transmission line in the State of Montana to your company for a purchase price of $3,250,000 in accordance with our letter understanding of March 27, 1974.

I was pleased to have your phone advice that your Board of Directors has approved the transaction, and I am asking Pierce Davis and George Frazier to expedite preparation of the sale agreement to reflect the conditions outlined in the letter understanding. We will hope that an early date we will be able to furnish you with an initial draft of the proposed agreement for your review and comment prior to arranging for execution.

Sincerely,

(SIGNED) E. J. STOLL

EJS/rcb

bc: Messrs.
W. L. Smith
F. G. McGinn
B. J. Worley
R. F. Kratochwill
G. H. Kronberg
G. A. Kellow
B. E. Lutterman
W. H. Ploeger) See
G. R. Frazier) attached
P. W. Scott) Notation
Q. W. Torpin

Messrs.
W. H. Ploeger
G. R. Frazier
P. W. Scott

It is extremely important that we move forward as promptly as possible on the preparation of the agreements in connection with this project, as we have set a date of June 27, 1974, for the closing to take place at Butte.

All of our plans in connection with budgeting are based on having this transaction closed on June 27 and it is therefore essential that if you require assistance through the Law Department or any other department of the Railroad that you request it and that every effort be made to expedite this transaction.

E. J. S.

May 9, 1974

Refer to: S - Montana - General
Transmission Line
Montana Power Company

Mr. W. W. Talbott, Vice President
The Montana Power Company
40 East Broadway
Butte, Montana 59701

Dear Bill:

Thanks for your note of May 1 concerning your purchase of our 100 KV transmission line in Montana.

I have talked with Pierce Davis and Paul Scott on the phone and believe that all of the documents covering that portion of the line located "off railroad right of way" will be in the mail to you on or before Friday of this week.

I hope that you will be able to have your lawyers give this matter preferred handling so that there will be no delay in our closing as scheduled, on June 27.

Sincerely,

(SIGNED) E. J. STOLL

EJS/rcb

bc: Messrs.
P. W. Scott - Seattle
W. H. Ploeger - Seattle
G. A. Kellow
G. R. Frazier - Tacoma

.....Attached is a copy of Mr. Talbott's letter of May 1 for your information. This will also confirm my conversation with you and Pierce Davis. I hope that the documents requested have gone forward in accordance with our understanding. What is the status of the agreement and other documents required in connection with this project?

E.J.S.

S. Ment. Transf
(Transmission line)

THE MONTANA POWER COMPANY
GENERAL OFFICES: 40 EAST BROADWAY, BUTTE, MONTANA 59701 · TELEPHONE 406 / 723-5421
SERVING YOU IS OUR BUSINESS

W.W. TALBOTT
VICE PRESIDENT

May 1, 1974

Mr. E. J. Stoll
Vice President
Chicago, Milwaukee, St. Paul
and Pacific Railroad Company
Room 286
516 West Jackson Boulevard
Chicago, Illinois 60606

Dear Ed:

On Tuesday, April 23rd at the monthly meeting of The Montana Power Company Board of Directors a resolution was approved authorizing our purchasing the Milwaukee 100 KV transmission line for $3,250,000.

Our operating people have met with George Frazier to start working out some of the details involved in the transfer of the line.

A very time consuming matter has been brought to my attention by our legal department. All the "Off Railroad Right of Way" easements and agreements must be reviewed and approved by the legal department before the transaction can be completed. Anything you can do to expedite making these documents available will help in keeping the purchase on schedule.

Sincerely,

WW Talbott

W. W. Talbott

WWT/pc

Chicago - May 23, 1974

Refer to: S - Mont. - General
Transmission Line
Montana Power Company

Messrs.
W. H. Ploeger - Seattle
J. E. Nelson - Seattle
P. W. Scott - Seattle
G. R. Frazier - Tacoma

If we are to close the Montana Transmission Line sale to Montana Power Company on Thursday, June 27, as presently scheduled, I believe it is imperative that we review the draft of the contracts on Thursday, May 30, when I expect to be in Seattle.

I note that Messrs. Frazier, Davis and Nelson or Simpson discussed this matter at a conference on May 13. I will look forward to meeting with all of you on the 30th either in Paul Scott's office or the new conference room.

(SIGNED) E. J. STOLL

EJS/rcb

cc: Messrs.
W. L. Smith
R. K. Merrill
B. J. Worley
R. F. Kratochwill
G. A. Kellow
J. F. Simpson - Seattle
P. W. Davis - Seattle

Tacoma, Washington
May 29, 1974

Transmission Line Sale
Montana

Mr. J. Fred Simpson:

How sale of the transmission line relates to termination of the power contract, to our continuing need for power and to MPC's continuing need for some of our facilities has not been discussed. Two years advance notice has been given for cancellation of our power contract terminating July 1, 1975. Sale of the transmission line may also terminate the contract. Unless carefully handled, this could delay closing the sale.

I propose that sale of the line proceed as planned. To provide for those transitional and interim needs, MPC and the Railroad can make a transitional agreement separate from the sale contract. This would provide time for MPC to acquire material and make numerous physical changes in abandoning our facilities.

This was discussed with Dave Johns and I sensed it has been an area of concern to him. He seemed favorable to the idea. I believe MPC is fearful that they might be subject to some undetermined lease charges for our facilities during the interim phase out. If the Railroad did propose lease charges, then MPC would probably want to charge the Railroad for transformer losses and could delay the sale. Assessing the amount for a lease charge would be difficult.

A less complicated approach and one that would smooth the way for the sale is for the Railroad and MPC to jointly agree on a target date for MPC to abandon our facilities (18 months would be in order). The present contract would continue as present method of billing would not change and MPC would continue to use needed facilities (in some cases for serving the Railroad). Each billing location would come under published industrial rates as MPC completed a power feed independent of our facilities. The old contract rates would disappear gradually until none are left

The disadvantage to the Railroad would be a possible delay in salvaging some of our transformers but the overwhelming advantage of having the interest on 3.25 million dollars and being out from under maintaining the line is incentive to consummate the sale on the agreed date.

Electrical Engineer

GRF/kw
cc: Messrs. L. J. Stoll
P. W. Scott
G. A. Kellow

Chicago - September 10, 1974

Refer to: S - Wash. - General
PSP&L - Transmission Line

Mr. George Frazier
Tacoma, Washington

Re yours of September 2 concerning desirability of expediting negotiations with PS&PL for sale of our electric transmission line in Washington:

I am sure that you are well aware of the fact that I have been told by Vice President Knight that Puget is anxious to continue and complete negotiations for the purchase of this line but that Puget is waiting for information which was requested of you and Pierce Davis.

You have copies of my recent urgent letters to Paul Scott and Pierce Davis requesting that you and Pierce work together to supply the information needed as promptly as possible to permit reopening of negotiations. It appears to me that the best way to solve the problem outlined in your letter of September 2 to Mr. Kellow is for you and Pierce Davis to devote as much of your time as possible to the preparation and furnishing of the maps required. It would be helpful, of course, to supply Puget with the type of sale documents which we will use in connection with the sale of the line, but on the other hand I would imagine that we will have no choice except to use the same type of agreement which was used when we sold our line from Renton to Tacoma Junction - which Puget already has.

(SIGNED) E. J. STOLL

EJS/rcb

cc: Mr. G. A. Kellow
Mr. P. W. Scott
Mr. P. W. Davis

Chicago - September 11, 1974

Mr. E. J. Stoll:

You have a copy of George Frazier's letter of September 2nd relating to the sale of the Coast transmission line. As I read the letter, I don't see that there is anything specific that can be done other than progressing the sale of the line as quickly as possible.

cc: Mr. G. R. Frazier

From your letter, I concluded there was nothing I could do to help you. If I am wrong, let me know.

PERSONAL & CONFIDENTIAL

Sept. 2, 1974
Tacoma, Wash.

Project file 1210

COAST TRANSMISSION LINE SALE

Mr. G.A. Kellow:

Evidence from an operating viewpoint of the need to complete the transmission line sale is increasing and there is not satisfactory progress being made.

There may be an over reaction in the line dept. because of a death and a fatality which recently occurred but there are anticipated operating problems that dictate achieving our objective.

This office has received complaints from the IBEW about the deteriorating condition of the line and the increasing danger of climbing some of the poles.

The line crews asked me to meet with them Aug. 26th and pointed out that the crews have fewer experienced linemen although they do have more helpers than before. With the crews down to two linemen plus a foreman, there is always a day over the week-end when two qualified men are not available for emergency call.

The meeting took place a week after one of our line foreman died of a heart attack in one of our most inaccessible portions of the line over the Cascades. The men were rightly concerned about how they would be transported out if something happened to them on the job. The steep slope in this area gives access only by a rope going hand over hand. These men who had to bring the body out had no liter basket and had a very difficult time. A helicopter could not go in because of the fog.

Pole condition is sometime difficult to determine by visual inspection. There is also a different attitude with the phase-out. Our crews did maintain this line for 50 years with no different equipment. The changing factors must be recognized.

Pierce Davis, Bill Brodsky and myself met with Puget Power officials on Aug. 28th. My approach to them was that the great bulk of power flowing over our line has always been for their interchange, that they required a higher degree of reliability

than the Railroad and that with our reduced number of qualified lineman, that I didinot believe we would accomplish our usual pre-winter maintenance.

Puget expressed concern about union jurisdiction if they take over all or part of the maintenance. It was pointed out that the burden of paying time claims would fall on the Railroad and that we could make a letter of understanding with the IBEW in this area.

They also expressed opinion that there were probably more items of maintenance than we felt necessary. They agreed to make a field inspection of some of the trouble spots before responding with a resolution.

With regard to weakening our bargining position, the physical condition of the line is a fact for anyone to inspect and observe and will not be changed by opinion. I don't wish to be in a position of sending men in to repair the line when the snow is its usual 10 feet deep because of maintenance that should be performed.

I will forward Pugets response to you.

To progress the sale, the Railroad must present an Easement and Agreement which defines the broad considerations and operating definitions. Puget is entirely in the dark about this. Pierce Davis is progressing the deed and bill of sale for the easements. Concurrently the agreement must be progressed.

The primary need I see is for the operating,engineering and law depts. to formulate an agreement for presentation.

cc Mr. E.J. Stoll

George Frazier

Tacoma, Washington
September 23, 1974

File: Project file 1210
Washington Transmission
Line

Mr. G. A. Kellow:

As additional information to my September 2 letter, Puget Power has agreed that they will have a contractor set a dead-end transmission structure in an area of heavy snowfall at Snoqualmie Pass. Because of the importance of the line to them, they have also agreed to furnish brush-cutting crews to work each side of the pass. A release of liability form is being prepared by our Law Department for the work.

Our own crews will be setting two dead-end structures in snow country next week and transporting the brush cutters.

Work has also been performed by our crews on the east slope of Snoqualmie Pass.

This relieves my immediate concern of critical items requiring action before winter.

J. R. Frazier

f/cq

cc: E. J. Stoll
P. W. Davis

Chicago - December 3, 1974

Refer to: S - Idaho - General
Transmission Line

Mr. G. R. Frazier
Electrical Engineer
Tacoma, Washington

Re yours of March 11 to Mr. McGinn (your file Gen. P-1-73) concerning retirement of our electric transmission line in Idaho:

In your letter of March 11 you indicated that Washington Water Power Company expected to complete its installation of a transmission line from Calder to Avery late in the summer of 1974 or early fall.

In my letter of March 18 I called attention to our prior information that neither Washington Water Power nor Montana Power Company had any interest in our Idaho transmission line, which would mean that we would be in a position to retire that line as soon as WWP had made its necessary connection from the West.

Has WWP completed its line? Are arrangements being made to supply our signal needs between the Idaho line and Avery, and are we preparing to remove the transmission line?

(SIGNED) E. J. STOLL

EJS/rcb

cc: Messrs.
F. G. McGinn
B. J. Worley
G. A. Kellow
W. H. Ploeger - Seattle
D. L. Wylie
Q. W. Torpin - Seattle
P. W. Scott - Seattle

Tacoma - January 2, 1975

File: 3026-4

Your File: S - Idaho - General
Transmission Line

Mr. E. J. Stoll:

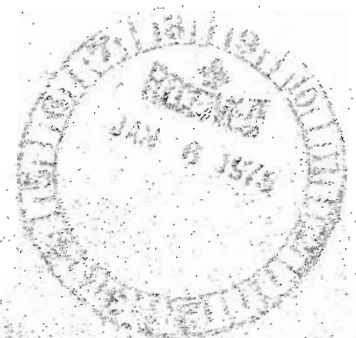
This refers to your December 3 letter concerning the transmission line between East Portal and Avery. This line is presently the only source of power into Avery. The transmission engineer for Washington Water Power has given a date of January 6 for completion of the line from St. Maries.

Signals in this section, at present and in the future, can be supplied from either East Portal or Avery.

Removal of this line will probably take place in the summer of "75".

J R Frazier

cc:
F. G. McGinn
B. J. Worley
G. A. Kellow
W, G, Ploeger
D. L. Wylie
Q. W. Torpin
P. W. Scott



RAS:
Sale of Transmission Line File
I need the file

Tacoma - February 13, 1976

File: Washington Division Transmission Line

Mr. R. J. Worley:

As discussed briefly when you were on the Coast that a temporary lease may be necessary with Puget Power and that if the mortgage requirements will not satisfy Puget Power, a long term lease may be arranged. The attached chart lists items that might differ under a lease arrangement from a sale arrangement. All of the items that should be included should be defined, and if all concerned have some additional input it would be helpful to Mr. Ten Powers.

C. E. Frazier

ARFile

Attachment

cc: R. J. Stoll
W. S. Hoover
J. F. Simpson
T. F. Powers
D. L. Wylie

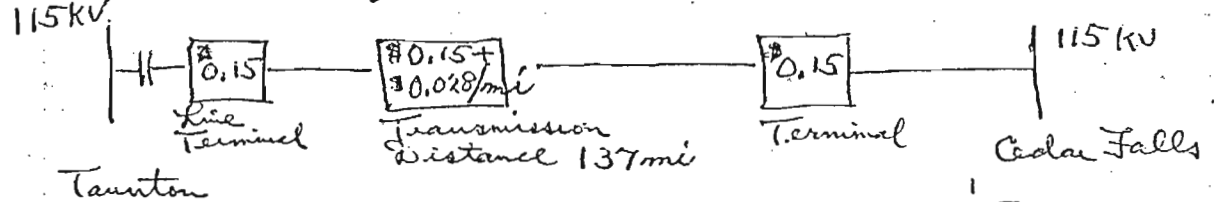
COMPARISON

-WASHINGTON-
TRANSMISSION LINE FUTURE

	SALE:	LEASE:
Dollars	- Value of cash equals interest cost to borrow.	- Interest cost in lease.
Maintenance Costs	- Buyer responsibility. Requires RR personnel, equipment, and flagging for access to 40% of line. - Power Company might build some roads.	- All costs are paid by Power Co. and the costs are a function of required reliability. Level variable to Power Co. desires. - RR has faster access and is working other lines in area. - Power Co. has larger crew. - Combination best, including contractor.
Depreciation	- None for RR.	- Costs paid by Power Co.
Capitalization	- None for RR.	- In RR property--Additions would be made.
Taxes	- Assumed by Power Co.	- Determine.
Easements on R/W " off R/W	- Mortgage rights to be determined. - Assigned where assignable. (Does original grantee have more secure rights than successor?	- Retained by RR. - Retained by RR.
Jurisdiction, Fed. Power Commission	- Customary.	- Would RR be subject to Electric Utility Regulations?
Jurisdiction, St. Utilities Comm.	- Capitalized value requires Commission approval.	- Commission passes lease costs as an operating cost of Power Co.
Sub-Station Bldgs.	- (within 50 feet of track-not for sale, requires line by-passing)	- Buildings could be leased and line & equipment remain in them.
Operation	- Clearance for derailments given by Power Co. personnel.	- In either case possibly RR could obtain own clearance from Power Co.

"Trial" Wheeling 2-6-76

Assume that BPA owned a 115KV line like that now owned by the RR, 137 miles long between Taunton & Cedar Falls, and further assume that any industry, RR, or Utility wanted to wheel the full capacity of the line from E to W:



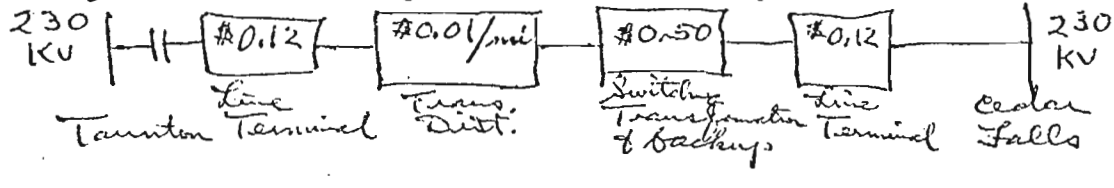
$$0.15 + (0.028)(137) = \$3.83 + 0.15 + 0.15 + 0.15 = \$4.28/\text{KW/year}$$

@ present rate of $(\$4.28/\text{KW/year})(50{,}000\text{ KW}) = \$192{,}000/\text{year}$ max.

At 15% ownership cost this would compare with an investment of $\frac{\$192{,}000}{0.15} = \$1{,}280{,}000$ for the line.

Assuming the wheeling rate increased 35% (which it could, as it's now being reviewed), the $192,000/year would increase to $(192{,}000)(1.35) = \$260{,}000/\text{year}$ max.

Assume that BPA owned a 230KV line between Taunton & CF (with heavy conductor like Bittern) and any Industry, RR or Utility wanted to wheel the full capacity of the line from E to W:



$$= 0.12 + 1.37 + .50 + .12 = \$2.11/\text{KW}$$

$(478{,}000\text{ KW})(\$2.11/\text{KW/year}) = \$1{,}010{,}000/\text{year}$

A 35% increase in wheeling rates would raise this to $(1.35)(1{,}010{,}000) = \$1{,}360{,}000/\text{year}$ max.

From GF 3/76

Tacoma, Oct. 2, 1973
File: Project 1210

Mr. Q. W. Torpin:

Sale of the Coast Division transmission line to Puget Sound Power and Light Co. is expected to be completed in early January 1974. The Railroad has considerable experience with joint occupancy of its R/W with utilities. There are some special requirements on the Coast Division, however, that the engineering and operating departments need to agree to and define for Mr. Ploeger's office to use in drawing up a sales agreement. Here are some suggestions.

1. Steel Transmission Arches on Beverly Bridge crossing Columbia River

PSPL will own and maintain cross arms, insulators and line conductors. The Railroad will own and maintain the steel supports and necessary attachments to the bridge.

Railroad maintenance cost of these structures to be paid by PSPL.

Changes in the transmission conductor size and voltage which result in a change in support loading requires Railroad approval.

Should Railroad discontinue use of Beverly Bridge, a crossing easement over the Columbia River is guaranteed by the Railroad, but support structures are then the responsibility of PSPL.

2. Transmission Line Clearances for Work

PSPL will de-energize the transmission line at no cost to the Railroad when it is necessary for the Railroad to have a safe working clearance. The time will have to be agreeable to both parties and the Railroad must keep such interruptions to a minimum. PSPL will de-energize line whenever it is necessary to restore railroad service in case of derailment or catastrophe.

3. Signal Feeder Attachment to Transmission Structures

If in the opinion of PSPL, signal feeder attachments to their transmission poles do not interfere with the operation, PSPL will allow attachment of signal feeder cables of construction approved by them at no cost to the Railroad. (Such attachments presently exist across horseshoe cutoffs and around some snowsheds.)

The Railroad will, without cost, allow PSPL to sell power from these signal feeders, if in the opinion of the Railroad, no operating interference results. (The Railroad presently serves a microwave station, a water monitoring station and a pipeline cathodic protection device from its signal feeder.)

4. Signal and Communication Protection--as defined by Mr. Wylie

5. Transportation of PSPL Men & Equipment by the Railroad

There will be times when PSPL can gain access to the transmission line between Cedar Falls and Easton only from the Railroad's R/W. Puget's requirements for such transportation will probably be frequent at first when it is anticipated they would have a contractor rebuild the line to a higher voltage. The line would then be stable and reliable with inspection performed by helicopter and airplane. Puget might also wish to build a cat road if environmentalists and the Railroad permit.

It appears that we can follow Federal Highway Administration Policy and Procedure Manual 30-3 for requirements of the Railroad Company in relation to protection of its traffic from hazards due to operations by PSPL or its contractors and for defining conditions under which flagging protection shall be required.

The Railroad will agree, after a two week notice to the Division Superintendent, to provide transportation to PSPL employees or its contractors to otherwise inaccessible locations. PSPL will be billed for Railroad labor and surcharge costs as established in P&PM 30-3.

The Railroad will furnish available motor cars or hi-rail equipment at rental rates established by the Railroad. The Railroad will also agree to use a PSPL Rail Vehicle for this purpose if it is of approved Railroad design and operated by a qualified Railroad employee.

6. Railroad Liability for Line Damage

I assume that other agreements of joint occupancy have defined what liability the Railroad assumes for damage caused by derailments and Railroad caused fires, and what liability the Railroad assumes for resulting line outages. PSPL liability to the Railroad for damage must also be defined. In the sale of the line from Renton to Tacoma, the Railroad was held harmless for all such liability.

Since it is anticipated PSPL will have a contractor working on easement land and on our R/W, it may be worth mentioning what has been noted in some typical line construction contracts of the power companies. Regarding R/W and adjoining land, they make stipulations requiring the contractor to abide by permits and regulations and concerning trespassing, material storage and obstruction, cleaning up the premises, using bridges and culverts, soil erosion, stream pollution and fire responsibility. Perhaps a broad hold harmless clause would protect the Railroad from a multitude of situations.

Since Mr. Kelley is heading up the phase-out, please respond with your suggestions and opinion to him.

J. R. Frazier

Electrical Engineer

grf

cc: PGM GAMEJW RHM WEF
NES EJS WHP DLW PWS FWD
MHS FPP