

to have any bearing upon present value, the extent of depreciation of the plant must be considered; *Kennebec Water Dist. v. Waterville* (1902), 97 Me. 185; moreover, there must be assurance that there were no fraudulent transactions and that the money was legitimately and wisely spent in the construction. *Brunswick, etc., Water Dist. v. Maine Water Co.*, supra. In the few cases in which original cost is considered to be the controlling element, the value of the franchise is added. *Montgomery County v. Schuylkill Bridge Co.*, supra; *Clarion Turnpike Co. v. Clarion County* (1896), 172 Pa. St. 243; *West Chester, etc., Co. v. Chester County*, supra. The objection to this test is that it may force the State to pay for an antiquated plant an amount greatly exceeding the cost of a modern and more efficient system. The second test—cost of reproduction—has received less consideration from the Courts, seemingly on account of its severity; see, *Matter of Water Com'rs.* (1903), 176 N.Y. 239, and in some cases has been entirely rejected. *Montgomery County v. Schuylkill Bridge Co.*, supra; *Metropolitan Trust Co. v. H. & T. C. Ry. Co.* (1898), 90 Fed. 683. Value is thus determined in the competitive business field, but this rule is less applicable to public service callings because the capital can generally be less easily diverted to other channels, and more especially because they are subject to regulation and supervision. Here, likewise, the franchise must be separately considered. See, *Nat'l. Water Works Co. v. Kansas City*, supra. The third and fourth tests are very similar and both superficial, though sometimes considered. *Mifflin Bridge Co. v. Juniata County*, supra. Under these tests value depends upon the income received, which is governed by the rates charged. But since the rates which may lawfully be charged may only be a fair return upon the value of the property, it is begging the question to say that value then depends upon rates. See *Brunswick, etc., Water Dist. v. Maine Water Co.*, supra. If the rates are assumed reasonable, the results reached by these methods will, of course, approximate the valuation upon which the rates are theoretically based. The fact that the plant is a "going concern" is