Decision No. 14993.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of LAKE TAHOE RAILWAY & TRANSPORTATION COMPANY and SOUTHERN PACIFIC COMPANY for authority for Lake Tahoe Railway & Transportation Company to execute a lease to Southern Pacific Company of its railroad and appurtenances pursuant to Sec. 51 (a) of the Public Utilities Act.

Application No. 11155.

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E. J. Foulds, for Southern Pacific Company. H. F. Droste, for Lake Tahoe Railway & Transportation Company.

SQUIRES, COMMISSIONER:

<u>OPINION</u>

Lake Tahoe Railway and Transportation Company, a corporation, and Southern Pacific Company, a corporation, filed the above entitled application with the Commission on the 26th day of May, 1925, asking for authority for Lake Tahoe Railway and Transportation Company to execute a lease to Southern Pacific Company of its railroad and appurtenances from Truckee, Nevada County to Tahoe Tavern and Tahoe City, Placer County, California.

A public hearing was held on this application in San Francisco, on June 1, 1925.

The railroad owned by Lake Tahoe Railway & Transportation Company connects with Southern Pacific Company's main line (Ogden Route) at Truckee and operates to Tahoe Tavern. This railroad is at present constructed with a three foot gauge, thereby making it necessary for all passengers, mail, express and freight to be transferred. Approximately 7500 passengers and 176 cars of

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froight are transferred from the standard (4 feet 8% inches) gauge main line of the Southern Pacific to the narrow gauge at Truckee each year. During the summer season, about three tons of mail, express and baggage are transferred each trip.

The lease which the parties propose to execute provides for a term of 95 years, at a nominal rental, of the railroad facilities of the Lake Tahoe Railway and Transportation Company to Southern Pacific Company, which Company will not only bear all cost of maintenance and operation but will also bear the entire cost of all improvement to the line, including its reconstruction from a marrow gauge to a standard gauge railroad.

Southern Pacific Company proposes to reconstruct this line with standard gauge so that its trains can operate through to Tahoe Tavern, thereby removing the objectionable transfer and reducing the delay to passengers and freight at Truckee. This work of reconstructing the line to a standard gauge railroad can be done, it is estimated, within sixty days after the necessary authority for the lease is obtained and traffic will not be interrupted while that work is being done.

Southern Pacific Company further proposes to operate the railway to Tahoe throughout the entire year, instead of only in the summer months, and this line in effect will be operated as a branch line and a part of the Southern Pacific system.

The traveling public will be better served when this line is made standard gauge and through service is inaugurated. It appears, therefore, that this application should be granted.

The following form of order is recommended:

ORDER

Lake Taboe Railway & Transportation Company and Southern Pacific Company having applied to the Commission for permission for

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Lake Tahoe Railway & Transportation Company to execute a lease to Southern Pacific Company of its railroad between Truckee, Nevada County, and Tahoe Tavern and Tahoe City, Placer County, State of California, a public hearing having been held, the Commission being apprised of the facts, the matter being under submission and ready for decision,

IT IS HEREBY ORDERED that permission and authority be and it is hereby granted to Lake Tahoe Railway & Transportation Company to lease to Southern Pacific Company its railroad and appurtenances between Truckee, Nevada County, and Tahoe Tavern and Tahoe City, Placer County, State of California, as shown by the map (Exhibit 5) attached to the application, subject to the following conditions:

(1) Within thirty (30) days after the execution thereof, a certified copy of each lease referred to above shall be filed with the Commission.

(2) The granting of this application shall not be construed to give permission to the applicants to relocate existing tracks or construct new tracks across any public streets, roads or highway.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

For all other purposes the effective date of this Order shall be twenty (20) days after the date thereof.

Dated at San Francisco, California, this <u>3ⁿ⁴</u> day of

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