

IRA

Decision No. 16956

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CORONA AND SANTA FE RAILWAY COMPANY,)
a corporation, and THE ATCHISON,)
TOPEKA AND SANTA FE RAILWAY COMPANY,)
a corporation, for authority to)
lease the line of railroad and)
appurtenances of the former company,)
together with all rights, privi-)
leges and franchises thereto per-)
taining to the latter company.)

Application No. 12816

In the Matter of the Application of)
CORONA AND SANTA FE RAILWAY COMPANY,)
a corporation, (hereinafter called)
"applicant") for authority to issue)
stock under the provisions of)
Section 52 of the Public Utilities)
Act of the State of California.)

Application No. 12817

Platt Kent, for applicant.

BY THE COMMISSION:

O P I N I O N

In Application No. 12817 the Corona and Santa Fe Railway Company asks permission to issue and sell at par 495 shares (\$49,500.) of its common capital stock to The Atchison, Topeka and Santa Fe Railway Company and issue and sell five shares (\$500. par value) to the directors of applicant. Reference will hereafter be made to the purposes for which the company desires to expend the proceeds.

In Application No. 12816 the Corona and Santa Fe Railway Company asks permission to lease its line of railroad, which it intends to construct, to The Atchison, Topeka and Santa Fe Railway Company. A copy of the proposed lease is filed in Application No. 12816 as applicants' Exhibit "B".

At the hearing had before Examiner Fankhauser the two applications were consolidated for hearing and decision.

The Corona and Santa Fe Railway Company was organized on or about February 15, 1926, with an authorized capital stock issue of \$50,000. The company desires to use the proceeds obtained from the sale of the \$50,000. of stock to pay in part the cost of constructing a line of railroad from a point approximately one mile northwest of Alberhill, Riverside County, California, said point being the end of the existing tracks of The Atchison, Topeka and Santa Fe Railway Company; thence running in a north-westerly direction through a part of Riverside County, California, to a point approximately three quarters (0.75) of a mile south of Porphyry, Riverside County, California, said point being also the end of the existing tracks of The Atchison, Topeka and Santa Fe Railway Company, a total distance of about 14.6 miles more or less.

The cost of the proposed line of railroad is estimated at \$981,704. This estimated cost is segregated by applicant as follows:-

Engineering	\$35,453.
Right of Way.	92,840.
Grading	328,700.
Bridges, Trestles & Culverts.	137,425.
Ties.	96,556.
Rail.	64,227.
Other track material.	46,061.
Tracklaying & Surfacing	59,226.
Right of Way Fence - 29.21 miles.	17,500.
Crossings & Signs	9,000.
Station & Office Buildings.	8,000.
Roadway Buildings	14,000.
Telegraph & Telephone Lines	13,000.
Interest during Construction.	13,827.
Contingencies and Incidentals	<u>46,089.</u>
Total	<u>\$981,704.</u>

The proposed line of railroad will connect with The Atchison, Topeka and Santa Fe Railway Company at its terminus about three miles from Corona and about one mile from Alberhill. It will serve a new territory between Corona and Alberhill and furnish better transportation facilities from Alberhill. A heavy tonnage of clay and clay products moves from Alberhill to Los Angeles. It will shorten the distance between Los Angeles and points south of Alberhill on the Elsinore and Temecula branches of the Santa Fe, about thirty-three miles. At the present time shipments originating at Alberhill, Elsinore and Temecula and destined for Los Angeles, move either via Highgrove and Riverside to Los Angeles or via San Bernardino to Los Angeles.

It is of record that the Temescal Water Company has requested The Atchison, Topeka and Santa Fe Railway Company to either abandon its line between Elsinore and Perris, which passes through San Jacinto Canyon, or to relocate the same so that the water company can construct a dam and create a storage reservoir. It is believed that the storage of water in San Jacinto Canyon will make it possible to irrigate several thousand acres of additional lands as well as assure to the owners of present irrigated lands a more adequate and abundant water supply. If the proposed line of railroad is constructed it is the intention of The Atchison, Topeka and Santa Fe Railway Company to abandon its line of railroad extending from Elsinore to Perris and thus make it possible for the Temescal Water Company to proceed with the construction of its dam and storage reservoir.

It is estimated that the net savings due to the construction of the proposed line of railroad and the shorter and quicker haul between Los Angeles and Alberhill and points south

thereof will amount to \$50,000. per annum.

It is of record that the moneys necessary to construct the new line of railroad will be advanced by The Atchison, Topeka and Santa Fe Railway Company. In exchange and satisfaction of \$49,500. of such advances the Santa Fe will accept at par \$49,500. of stock of the Corona and Santa Fe Railway Company. Testimony shows that work on the new line of railroad will be started as soon as the necessary permits have been obtained from state and federal authorities, and that the work can be completed within approximately nine months after the starting of actual construction.

In Application No. 12816 the Corona and Santa Fe Railway Company asks permission to lease its line of railroad when constructed, to The Atchison, Topeka and Santa Fe Railway Company. A copy of the lease has been filed in that proceeding as applicants' Exhibit "B". The lease is of a form usually executed between the Santa Fe and its subsidiary or controlled corporations. Under the terms of the lease the Santa Fe will take complete charge of the operation and maintenance of the properties of the Corona and Santa Fe Railway Company.

ORDER

Corona and Santa Fe Railway Company having applied to the Railroad Commission for permission to issue \$50,000. of stock and lease its properties to The Atchison, Topeka and Santa Fe Railway Company, a public hearing having been held, and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of the stock

herein authorized is reasonably required by applicant and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income, and that these applications should be granted as herein provided, therefore,

IT IS HEREBY ORDERED as follows:-

1. CORONA AND SANTA FE RAILWAY COMPANY may issue and sell on or before January 1, 1927, five shares (\$500. par value) of its common capital stock for the purpose of qualifying its directors and may issue 495 shares (\$49,500. par value) of its capital stock to The Atchison, Topeka and Santa Fe Railway Company, which company is hereby permitted to acquire and hold said stock.
2. CORONA AND SANTA FE RAILWAY COMPANY shall use the proceeds obtained from the sale of the stock herein authorized to be issued to pay in part for the cost of constructing the line of railroad described in Exhibits "A", "B" and "C" in Application No. 12817, and
3. CORONA AND SANTA FE RAILWAY COMPANY and The Atchison, Topeka and Santa Fe Railway Company may execute a lease substantially in the same form as the lease filed as Exhibit "B" in Application No. 12816.
4. The authority herein granted to issue stock and execute a lease will become effective upon the date hereof.

5. CORONA AND SANTA FE RAILWAY COMPANY shall keep such record of the issue, sale and delivery of the stock herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month a verified report, as required by the Railroad Commission's General Order No. 24, which order insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 17th
day of June, 1926.

H. B. ...
C. S. ...
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Commissioners.