



BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 SACRAMENTO NORTHERN RAILROAD, a )  
 corporation, for an order permitting )  
 the discontinuance of the operation ) Application  
 of its "Hamilton Branch" between the ) No. 4418  
 City of Chico and the Town of Hamilton, )  
 in the State of California. )

Heller, Powers & Ehrman, by Sidney M. Ehrman and  
 Jerome B. White, for Applicant,  
 Frank Freeman, for Sacramento Valley Sugar Company,  
 Hamilton Land Company, Protestants,  
 Daniel C. Murphy, for Phelan Estate, James D. Phelan,  
 Alice Phelan, Sullivan Corporation and Mary L. Phelan,  
 Protestants.

BY THE COMMISSION -

O P I N I O N

Sacramento Northern Railroad, a corporation, has petitioned the Railroad Commission for an order authorizing the discontinuance of its so-called "Hamilton Branch", a single track line of railroad extending from the City of Chico, in the County of Butte, to the Town of Hamilton, in the County of Glenn, a distance of 11.1 miles.

Public hearings on this application were held at San Francisco at which evidence was received and the matter was submitted for decision.

Applicant alleges as justification for the desired authority that approximately half-way between the City of Chico and the Town of Hamilton the branch line crossed the Sacramento River; that said crossing consisted of a pile trestle with pontoon span and was temporary in its nature inasmuch as applicant was required to remove the trestle in December of each year on account of high water in the Sacramento River and pursuant to an order of the War Department of the United States; that applicant and its predecessor in interest has not operated the track on the west side of the Sacramento River since December, 1913; that applicant desires to

permanently discontinue the operation of the "Hamilton Branch" for the reason that during the winter of 1914 high water washed away over one mile of track on the west side of the Sacramento River and three-fourths of a mile of track on the east side of said river; that to successfully operate said Hamilton Branch a draw-bridge would have to be constructed over the Sacramento River, the cost of which would exceed Four Hundred Thousand Dollars (\$400,000.); that said Hamilton Branch offers but a small amount of freight and very few passengers for transportation and its operation has never yielded sufficient revenue to defray the expense of reconstruction, maintenance or operation.

Mr. J. B. Rowray, General Manager of applicant corporation, testified that the line, herein proposed to be discontinued, was operated during the season of beet harvesting each year; that during the month of June of each year a temporary trestle and pontoon bridge was constructed across the Sacramento River and the damage resulting to track from high water during the winter season was repaired; that sugar beets were handled from ranches east of the Sacramento River to the sugar factory at Hamilton City; that following the beet season passenger service was continued until December when the pontoon bridge and trestle approaches were required to be removed under the conditions of a yearly permit granted by the War Department of the Federal Government; that the last operation over the entire branch was in December 1913; that the estimate of the expenditure necessary to properly rehabilitate the line, including a permanent draw-bridge across the Sacramento river was \$611,642; and that as the sugar factory at Hamilton was not to be operated there was no traffic offering which justified the rehabilitation of the line and its continued operation.

From the evidence of this witness and an exhibit filed the following data shows the revenue received on the Hamilton Branch and the out-of-pocket expenses for the periods shown:

	<u>YEARLY PERIOD</u>			
	<u>1910</u>	<u>1911</u>	<u>1912</u>	<u>1913</u>
Passenger and Freight Revenue	\$13356.90	10677.00	12014.45	12194.07
Out-of-pocket Operating Expenses	<u>8691.00</u>	<u>8545.00</u>	<u>10946.00</u>	<u>12326.00</u>
Net Revenue -	\$ 4665.90	2132.00	1068.45	131.93 *

Note: \* Indicates loss.

If the total expenses, excluding taxes, were added, the branch line would have produced the following net revenue for the years considered:

1910 -	\$ 2340.90	Profit
1911 -	360.00	Loss
1912 -	1805.55	Loss
1913 -	4537.93	Loss

In the foregoing estimates of expense no consideration has been given to any return on the investment in the property.

The granting of the application is protested by Sacramento Valley Sugar Company, Hamilton Land Company, Estate of Jas. Phelan, James D. Phelan, Alice Phelan Sullivan Corporation and Mary L. Phelan.

An agreement between the Pacific Sugar Construction Company, Alta California Beet Sugar Company and Northern Electric Company, the latter being applicant's predecessor in interest, was filed as an exhibit, also certified copies of deeds covering the transfer of certain parcels of land for right of way and station purposes, such land transfers being made under the conditions of the agreement.

It is the contention of protestants' counsel that the abandonment of the "Hamilton Branch" of applicant would greatly damage the Sacramento Valley Sugar Company and in the event an order should be made authorizing such abandonment, said order should require the reconveyance of the rights of way and other property heretofore conveyed to the applicant or its predecessors in interest under the terms of the agreement above referred to, and in the event of the order of abandonment being authorized containing such conditions the protest against its issuance is withdrawn.

We are of the opinion that the question of title to the property which was deeded to applicant's predecessors in interest under the terms of an agreement hereinabove referred to is not a matter within the jurisdiction of this Commission and that the transfer of same to the original grantees is a matter requiring adjudication by the civil courts.

From the record herein we are of the opinion and hereby find as a fact that the rehabilitation and continued operation of the "Hamilton Branch" of applicant's railway is not justified or required by the public convenience and necessity, therebeing no traffic now offering, or to be offered in the future, which would justify the cost of rehabilitation of said branch line nor to defray the cost of its operation and maintenance.

O R D E R

Public hearings having been held on the above entitled application, the matter having been duly submitted, the Commission being now fully advised and basing its order on the finding of fact as appearing in the opinion which precedes this order,

IT IS HEREBY ORDERED that applicant Sacramento Northern Railroad, a corporation, be and the same hereby is authorized to discontinue the operation of its line of railroad known as the "Hamilton Branch" and located between the City of Chico, County of Butte, and the Town of Hamilton, County of Glenn, and to cancel

in conformity with the rules of this Commission, all tariffs of rates and all time schedules heretofore filed with this Commission and effective covering passenger and freight service on its "Hamilton Branch" between said Chico and Hamilton and intermediate points.

Dated at San Francisco, California, this 12<sup>th</sup> day of June,  
1927.

H. B. Bourdage

C. Seaver

Thos. S. Kautz  
COMMISSIONERS.