

CR.

Decision No. .

ORIGINAL

Decision No. 3654

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

In the matter of the application
of LATON AND WESTERN RAILROAD
COMPANY, a corporation, and THE
ATCHISON, TOPEKA AND SANTA FE
RAILWAY COMPANY, a corporation,
for an order authorizing the
former to lease to the latter
its line of railway.

Application

No. 2512.

E. W. Camp for Applicant.

LOVELAND, Commissioner.

O P I N I O N

This is an application of LATON AND WESTERN RAILROAD COMPANY, a California corporation, for authority to lease its line of railroad to The Atchison, Topeka and Santa Fe Railway Company.

The line of railroad in question runs from Laton, Fresno County, in a northwesterly and westerly direction for a distance of about five miles; thence south for a distance of about three miles; thence west for a distance of about six miles; thence in a north-

westerly and northerly direction for about four miles to a point at or near the fourth standard parallel in Township Seventeen (17) South, Range Nineteen (19) East M. D. B. & M., also in the County of Fresno.

The Laton Company has a total authorized capital stock issue of Three Hundred Thousand (\$300,000.) Dollars, all of which is outstanding and, with the exception of directors' shares, is owned by the California, Arizona and Santa Fe Railway Company. The Laton Company has no equipment and since its completion in 1911 it has been operated under lease by The Atchison, Topeka and Santa Fe Railway Company. This lease has been renewed from time to time, the last renewal having expired on August 20, 1916. The purpose of the present application is to secure the Commission's approval of a new lease, it being the Atchison Company's desire to continue the operation of the Laton Company's line as part of the Atchison Company's system.

The new lease, as submitted to the Commission in applicant's Exhibit A, is dated August 20, 1916, and is to continue until either party shall have given the other thirty (30) days' notice in writing. The annual rental is fixed at Eight Thousand Nine Hundred Fifty (\$8,950.) Dollars per annum, payable semi-annually on June thirtieth and December Thirty-first of each year.

This rental figure amounts to slightly less than three per cent. per annum on the original cost of the road and slightly more than three per cent. on the reproduction cost new, or the reproduction cost less de-

preciation, as these figures were determined by the Commission in its valuation of the property of the Laton Company as of June 30, 1912. The Commission's valuation of this property was as follows:

Original cost	\$301,271.68
Reproduction cost new	285,835.37
Reproduction cost less depreciation	279,686.58

The other provisions of this lease appear to be equitable and I am of the opinion that this application may be granted. I, accordingly, submit the following form of order:

O R D E R

LATON AND WESTERN RAILROAD COMPANY and THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY having applied to this Commission for authority to enter into a certain lease covering a line of railroad owned by Laton and Western Railroad Company, as hereinbefore described,

And a public hearing having been held and it appearing to this Commission that applicant's request is reasonable and should be granted,

IT IS HEREBY ORDERED that Laton and Western Railroad Company and The Atchison, Topeka and Santa Fe Railway Company be, and they are hereby, authorized to enter into a lease substantially in the form of the lease

submitted in connection with the application herein and marked "Exhibit A".

The authority herein granted is granted upon the following conditions, and not otherwise:

1. Within thirty (30) days after the execution of the lease as herein authorized, applicants shall file a certified copy of said lease with this Commission.

2. The authority herein granted shall apply only to such lease as shall have been executed by applicants on or before November 1, 1916.

3. The Commission reserves the right to make such further orders with reference to the lease and the terms ~~xxxxxx~~ of the lease herein approved as to it may seem wise.

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.

Dated at San Francisco, California, this *21st* day of September, 1916.

H. H. H. H. H.
W. W. W. W. W.
Edwin O. Edgerton
Walter R. Durham

Commissioners.