

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of the Graham Farm Lands Company to lease, and Louis Evans to take by lease, the telephone lines, equipment and tele- phone business of the Graham Farm Lands Company.)))))	Application No. 458
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Luther P. Spaulding for the Graham Farm Lands Company
Louis Evans in propria persona.

GORDON, Commissioner.

O P I N I O N

At a hearing held in the town of Tranquility on April 15, 1913, in the matter of the application of The Pacific Telephone and Telegraph Company to withdraw and of Louis Evans to construct, operate and maintain a telephone system in the towns of Graham and Tranquility and adjacent territory, it was developed that the telephone system in question is owned by the Graham Farm Lands Company, and is operated under lease to Louis Evans. It was also developed that Louis Evans had no standing before the Commission in the matter of that application since the lease itself had not been approved by the Commission, and any action taken upon the application would be made contingent upon the approval of the lease.

The Graham Farm Lands Company through its attorney, and Louis Evans were directed to apply for the approval of the lease, and the application has been filed.

The hearing developed that the lease is for a term of five years commencing January 1, 1913, and under its terms Louis Evans agrees to pay to the Graham Farm Lands Company as rental for the use of the telephone system, an amount or sum equal to the net income

derived from its operation. It also provides that the lessee is to be permitted to insure and keep the system in repair out of the proceeds of the business, and that the lessor will assume the cost of any construction or additions to, or extensions of the plant which the business may demand. It further provides that at the expiration of the lease the entire property, inclusive of any and all extensions and additions to the system shall revert to the lessor.

It is to be noted that the lessee is to pay a rental for the use of the telephone system equal to the net income derived from its operation, but it is also to be noted that the hearing developed that the lessee is also the agent of the lessor in the development and operation of its land business, and that the operation of the former is an important factor in the development and operation of the latter.

No reasonable objection to the lease appearing, the following order is recommended:

O R D E R

Application having been made by the Graham Farm Lands Company to lease, and by Louis Evans to take by lease, the telephone lines, equipment and telephone business of the Graham Farm Lands Company in the towns of Graham and Tranquility and adjacent territory, all in Fresno County, California, for a term of five years (5) commencing January 1, 1913, and ending December 31, 1917, and a copy of said lease having been filed with this Commission,

IT IS HEREBY ORDERED that the application of the Graham Farm Lands Company and of Louis Evans, the one to lease, and the other to take by lease, the telephone lines, equipment and telephone business of the Graham Farm Lands Company in the territory defined in that certain lease filed with this application be and the same is hereby granted.

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 26th day of June, 1913.

John W. Kelleman

H. S. Hayward

W. G. ...

Commissioners.