

**ORIGINAL**Decision No. 53531

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 BAKERSFIELD TRANSIT COMPANY request- )  
 ing authority to transfer its opera- )  
 tions to the City of Bakersfield for )  
 a term of eight (8) months commenc- )  
 ing August 1, 1956. )

Application No. 38305

O P I N I O N

Bakersfield Transit Company, a California corporation, is engaged in the operation of a passenger stage corporation, as defined by Section 226 of the Public Utilities Code, within the City of Bakersfield and its immediate vicinity. A new certificate of public convenience and necessity was granted the company by Decision No. 52829, dated March 27, 1956, in Application No. 37465, which superseded all previously existing operative rights.

By the subject application filed August 1, 1956, Bakersfield Transit Company, joined in by City of Bakersfield, seeks authority to transfer the passenger stage operation to the City of Bakersfield, in accordance with a lease and option to purchase agreement entered into on July 30, 1956, a copy of which is attached to the application. The principal provisions of the agreement are summarized as follows:

1. The company agrees to lease to the City of Bakersfield all of the plant, property, equipment and facilities now being operated in and around the City of Bakersfield for a period of eight months commencing August 1, 1956 for a monthly rental of \$6,098 plus 5 cents per mile for bus mileage operated in excess of 53,964 per month.

2. The city agrees to maintain all of the property in the same manner as heretofore maintained, and to return said property to the company in its present condition, natural wear and tear excepted.

3. The city further agrees to insure against fire and indemnify the company against casualty and related losses, and to assume all operating expenses, including operating taxes, but excluding real property taxes.

4. The city is given an option to purchase all of the personal property and equipment used by the company for \$154,100 or an appraisal value set by the Commission, whichever is the lesser.

5. The city is given a further option to lease all of the real property and buildings used by the company for a monthly rental of \$1,500 commencing eight months from the effective date of the lease and extending for ten years.

The Commission finds therefore that it will not be adverse to the public interest to approve that portion of the proposed agreement dealing with the lease of the passenger stage operation. The Commission will not presently approve the proposed agreement insofar as it concerns a prospective sale of the properties, but will require the Bakersfield Transit Company to seek authority therefor at such time as the City of Bakersfield may exercise its option to purchase the facilities. A public hearing does not appear necessary at this time.

As a condition to the authority herein granted the Commission hereby retains jurisdiction over the service which the lessee shall perform during the term of the said lease, and said lessee shall not reduce, suspend or abandon any of said service being performed as of July 31, 1956, without first obtaining the approval of this Commission so to do. The exercise by the lessee of the authority herein granted shall be construed as an acceptance by it of this condition. The order following will so provide. The Commission hereby finds that the public interest requires the imposition of the foregoing condition upon the authority herein granted.

O R D E R

An application therefor having been filed, and good cause appearing,

IT IS ORDERED:

(1) That Bakersfield Transit Company, a corporation, is authorized to lease the properties which comprise its passenger stage operation to the City of Bakersfield commencing August 1, 1956 for a period of eight consecutive months in accordance with the terms of agreement attached to the application and dated July 30, 1956.

(2) That Bakersfield Transit Company shall not effect a sale or extension of lease of its properties unless and until the permission of this Commission is secured.

(3) That the certificate of public convenience and necessity granted to Bakersfield Transit Company, and its tariff on file with this Commission, are hereby suspended for eight months commencing August 1, 1956.

(4) That Bakersfield Transit Company shall resume operations as a passenger stage corporation eight months after August 1, 1956, unless further authority is secured of this Commission.

(5) That the City of Bakersfield shall <sup>during The Term of The Lease</sup> not reduce, OK  
suspend or abandon any service being performed as of July 31, 1956, without first obtaining approval of this Commission.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 3<sup>rd</sup> day of August, 1956.

[Signature] President  
[Signature]  
[Signature]  
[Signature]  
[Signature] Commissioners