

ORIGINAL

Decision No. 72682

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SAN DIEGO TRANSIT SYSTEM)
for authority to sell utility)
property, to discontinue service to)
the public and for revocation of its)
operative rights.)

Application No. 49494
(Filed June 26, 1967)

O P I N I O N

San Diego Transit System requests authority to sell and transfer its utility properties and to discontinue operations as a passenger stage corporation.

For more than a year applicant has been negotiating with the City of San Diego for the purchase of applicant's property and the take-over of applicant's transportation system by the City of San Diego. On July 7, 1966, the City of San Diego caused to be formed a nonprofit corporation called San Diego Transit Corporation (Transit Corporation herein). On May 3, 1967, the City of San Diego caused to be formed a nonprofit corporation called Transit Leasing Corporation (Leasing Corporation herein). Each corporation has the same board of directors.

By the terms of a contract entered into between applicant, the City of San Diego, Transit Corporation and Leasing Corporation, it was agreed that as of midnight June 30, 1967, applicant would cease operations, subject to the approval of this Commission. It was further agreed that applicant would sell to the City of San Diego the real property, materials, supplies, used parts and assemblies, described in Exhibit A, attached to the agreement for

a consideration of \$1,696,000. All revenue equipment, office furniture, and miscellaneous equipment, described in Exhibit B attached to the agreement is to be sold to Leasing Corporation for a consideration of \$2,270,500.

Transit Corporation will provide passenger transportation service to the public pursuant to an operating agreement with the City of San Diego, which will either own or lease from Leasing Corporation all of the property and assets required to provide said transportation service. Transit Corporation will provide service to the public over the same routes and according to the same or equivalent schedules as are presently being operated by applicant.

After consideration, the Commission finds that the proposed transfer would not be adverse to the public interest, that after June 30, 1967, public convenience and necessity will no longer require applicant's services as a passenger stage corporation and the City of San Diego, the San Diego Transit Corporation and the San Diego Transit Leasing Corporation are public or municipal entities not subject to the jurisdiction of this Commission. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. On or before December 1, 1967, and concurrently with the assumption of service by the City of San Diego, San Diego Transit System may discontinue operations as a passenger stage corporation and is hereby authorized to sell and transfer to the City of San Diego, San Diego Transit Corporation and San Diego Transit Leasing Corporation, the assets and property specified in Exhibit F attached to the application, according to the terms set forth therein.

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2. Concurrently with the consummation of the transfer herein authorized, all operative rights heretofore issued to San Diego Transit System authorizing operations as a passenger stage corporation, and as more specifically set forth in Appendix A of Decision No. 55090, dated June 4, 1957, in Application No. 38858 as amended, are hereby revoked and all tariffs and timetables presently on file with the Commission covering said operations are hereby canceled.

3. Within sixty days after consummation of the transfers herein authorized, applicant shall file with the Commission a copy of the written document or documents employed to effect the transfers.

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

Dated at San Francisco, California, this 27th day of JUNE, 1967.

John E. ...
President
William ...
August ...
William ...
Commissioners

Commissioner Prof P. Morrissey, being necessarily absent, did not participate in the disposition of this proceeding.