

ORIGINAL

Decision No. 7631

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

-oOo-

In the Matter of the Application
of Coggeshall Launch Company for
an order authorizing an increase
in freight rates and passenger
fares.

)
)
)
)
)

APPLICATION NO. 5414

Pierce E. Ryan, for applicant.

LOVELL, Commissioner -

O P I N I O N

Applicant in this proceeding is engaged in the transportation of freight and passengers between points located on Humboldt Bay. Floating equipment employed consists of one steamer, six launches, one oil barge and a number of lighters, - all of which, together with certain real estate, office building and furniture, water pump and miscellaneous supplies, represents an initial outlay of \$91,700. With the exception of an occasional trip to points on the Oregon Coast, by the gas launch "Magnolia", the service is entirely intrastate and limited to Humboldt Bay and tributary waters.

The application involves increased charges both in the freight and passenger rates as per exhibit attached to and made a part of the application. The principal freight commodities affected being fuel oil, fresh water and shingles, handled in barge lots. Miscellaneous freight, together with so-called package express carried on passenger launches would also take higher charges, the package rate being graduated to a scale beginning at 10 cents each for packages weighing 20 pounds, or less, and running to 25 cents for a maximum of 200 pounds.

For packages weighing over 200 pounds, 12¹/₂¢ per CWT. would be charged. Following are the present and proposed passenger fares over the Eureka-Samoa route:

	<u>Present</u>	<u>Proposed</u>
One Way	.10	.10
Round Trip	.15	.20
20 ride commutation	1.25	1.65
40 " " (children)	1.00	1.30
Monthly commutation	2.00	3.00

the proposed increases applying to special party fares between Eureka and Little River Wharf, and to vessels chartered for other points on Humboldt Bay are based largely upon regulations and hours established for the service.

In the original petition filed March 3, 1920, applicant alleges in general that "the rates now in force for the most part are inadequate," and that the company "is not making a fair profit on its business." A supplemental petition filed April 7, 1920, states that subsequent to the time the original application was presented additional operating costs have developed which will necessitate a further annual expense of more than \$6000,- the fuel item alone amounting to \$3030.30.

In support of the allegation as to the inadequacy of its present revenues, applicant submitted operating statements covering the first three months of the year 1920 as follows:

January	-	Gain	\$134.23
February	-	Loss	87.87
March	-	Loss	937.88

In application No.4378 filed by Coggeshall Launch Company on February 19, 1919 (Decision No.6231, March 28, 1919), which by reference was included in the present proceeding, applicant for the year 1918 sustained a loss of \$2057.54. Under this Decision the monthly commutation fare for the Eureka-Samoa route was advanced from \$1.75 to \$2.00. This is the fare which applicant now asks to increase to \$3.00. Applicant's records for the year 1919 are not complete, its system of accounting having been changed in May of that year; however, for the eight months ending December 31, 1919, it appears that a profit of \$800 was realized,- or approximately \$100.00 per month on an investment in excess of \$90,000.

Applicant's President estimates the reproduction value of the equipment at \$157,250.00, less 25% depreciation, or a present value of \$117,937.50. In a sworn statement filed with the application, a master shipbuilder with 18 years experience on Humboldt Bay affirms that applicant's vessels could not be reproduced at the present time for less than twice the inventory value as carried on the company's books.

A hearing on the application was held at Eureka April 21, 1920, at which all the testimony presented was in support of the petition. No one appeared at the hearing or otherwise indicated opposition to the rates and fares requested. Figures submitted show that after meeting increased operating costs, applicant's net revenue will be less than \$1500.00 per annum on the investment.

From the statements, testimony and exhibits, I am of the opinion that the application should be granted, and recommend the following form of order.

O R D E R

Coggeshall Launch Company having applied to the Railroad Commission for an order authorizing an increase in its freight and passenger rates for transportation between points on Humboldt Bay, a hearing having been held thereon and the Commission being fully apprised in the premises,


IT IS HEREBY FOUND AS A FACT that the rates and fares now on file with the Railroad Commission are, insofar as they conflict with the rates and fares herein established, unjust and non-compensatory; and that the rates and fares herein approved are just and reasonable.

Basing its order upon the foregoing findings of fact and upon other facts set out in the preceding opinion,

IT IS HEREBY ORDERED that Coggeshall Launch Company be and the same is hereby authorized to publish and file schedules containing the rates and fares set forth in the exhibit attached to and made a part of the application and as amended, referred to more fully in the Opinion preceding this Order.

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 May, 1920.


Edwin O. Edgerton
H. J. Loveland
Dwight Mattison

COMMISSIONERS.