

**ORIGINAL**Decision No. 49021

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 H-10 WATER TAXI COMPANY, LTD., for )  
 an order increasing tariffs and to )  
 amend and construe the provisions ) Application No. 34312  
 of its certificate of public )  
 necessity and convenience. )

Edmund I. Read, for applicant. A. Maxson Smith,  
 for Shearwater, Inc., and Richard Racine, in propria  
 persona, protestants. Glenn E. Newton, for Public  
 Utilities Commission Transportation Department,  
 Engineering Division.

O P I N I O N

H-10 Water Taxi Company, Ltd., is a California corpora-  
 tion engaged in the business of transporting passengers and  
 packages by vessel as a common carrier on the inland waters  
 of the State in the vicinity of San Pedro and Long Beach  
 harbors. (1) By this application, as amended, it seeks authority  
 to establish increased rates on five days' notice. Existing  
 rules and regulations will remain in effect. It also seeks an  
 order construing its "on-call" service to be subject to the  
 jurisdiction of this Commission and to have its certificate of  
 public convenience and necessity (which one not specified)

(1) Decision No. 25668, dated February 27, 1933, on Application  
 No. 18612; Decision No. 34510, dated August 19, 1941, on Applica-  
 tion No. 23652; Decision No. 41131, dated April 6, 1948, on  
 Application No. 29098. It should be noted that applicant is  
 authorized to carry passengers and packages only. It has no  
 authority to carry "freight" as set forth in its filed Express  
 Tariff - Cal. P.U.C. No. 4.

amended to permit applicant to furnish vessels for hire between San Pedro and other coastal points in the State of California.

Concerning the request for clarification of its certificates to permit "on-call" service, a reading of applicant's certificates referred to above shows clearly that authority for such service is not included therein.

Applicant presented no evidence that public convenience and necessity require that it perform any service other than that performed by it pursuant to its existing certificates, and hence it cannot secure authority for additional service by this application.

The evidence shows that the applicant discontinued its harbor excursion service authorized by Decision No. 411431 without authority from this Commission and that such service was reinstated in March or April of 1953. Applicant is hereby reminded that once it has secured a certificate of public convenience and necessity it may not discontinue or suspend the service authorized thereby without the consent of this Commission, and that any unauthorized suspension of service in the future may result in cancellation of its operative authority.

By this application H-10 Water Taxi Company, Ltd., seeks authority to increase its authorized hourly and waiting time fares for service between stops in San Pedro-Long Beach

(2)  
Harbor and San Pedro. It has outlined its proposal as follows:

	<u>Present</u>	<u>Proposed</u>
In the event a boat is held at the request of passenger waiting at the ship or shore	\$ 10.00 per hour	\$ 12.50 per hour

"ON-CALL SERVICE"

	<u>Present</u>	<u>Proposed</u>
Rates by the hour	\$ 11.00	\$ 12.50
Minimum charge	8.75	10.00

A public hearing was held in San Pedro on July 15, 1953. Prior thereto notice was posted <sup>(3)</sup> and published <sup>(4)</sup> as required by this Commission. The only protestant performing a competitive service was Shearwater, Inc., which operates a circle sightseeing tour from Long Beach via the inner and outer harbors to Long Beach. <sup>(5)</sup> Its protest was concerning applicant's method of operation for the harbor trip only. Neither the fares nor method of operation of this trip are

---

(2) Applicant also requested increased rates relative to services it performs but which are not now authorized by this Commission. See Exhibit No. 8. The item "Harbor Sightseeing Tour" on Exhibit No. 8 is the service which applicant was authorized to perform by Decision No. 41431, dated April 6, 1948. Exhibit No. 8, insofar as it refers to the "Harbor Sightseeing Tour", shows a fare of \$1.50 for adults and 60 cents for children. Applicant's filed tariff (P.U.C. No. 1 of H-10 Water Taxi Co., Ltd.) shows the same total charges but the adult fare includes 20 cents federal transportation tax and the children's fare includes 8 cents federal transportation tax. Applicant's attorney stated that the fares for this service are to be the same as the fares shown in the filed tariff.

(3) Exhibit No. 2.

(4) Exhibit No. 1.

(5) Decision No. 48806, dated July 9, 1953, on Application No. 34128.

before the Commission in this application as amended, and therefore, this protest will be disregarded.

Applicant's rates herein sought to be increased were increased under authority of Decision No. 46171 in September, 1951. The application alleges that since that time the cost of applicant's operations have increased in the following proportions, and the evidence shows that further increases in the cost of wages and insurance are anticipated:

Wages	14%
Fuel	26%
Insurance	34%
Maintenance	35%
Taxes	50%

Applicant's operating statements for the year 1952 and for the first six months of 1953 show the following:

(6)	1952	First 6 Months 1953
Revenue:		
Special Charter	\$ 87,608.35	\$ 41,543.84
Disposal Service	20,512.51	12,496.75
Miscellaneous	<u>46.55</u>	<u>32.25</u>
Total	\$108,167.41	\$ 54,072.84
Expenses:		
Operating and Maintenance	\$116,089.66	\$ 54,516.66
Taxes & Licenses	3,500.51	1,348.89
Depreciation	<u>6,222.41</u>	<u>3,407.96</u>
Total	<u>125,812.78</u>	<u>59,273.51</u>
Net Loss	( <u>17,645.37</u> )	( <u>5,200.67</u> )
Operating ratio after taxes	116.4%	109.6%

(Red Figure)

(6) All revenue figures include revenues from a garbage disposal service and from freight and passenger operations which may or may not be under the Commission's jurisdiction but for which applicant has no certificate of public convenience and necessity from this Commission. While the revenue from these operations is not segregated in the figures given, it was segregated in applicant's Exhibit No. 7, "Estimated Results of Operations", (continued on page 5)

A Commission engineer's report shows estimated results of operation, based on the applicant's past experience, under present and proposed fares for the year ending July 31, 1954, to be as follows:

	Case I Under Present Fares	Case II Under Proposed Fares
Revenue:		
Passenger (on call)	\$ 89,860	\$ 100,990
Disposal Service	<u>20,400</u>	<u>20,400</u>
Total	\$110,260	\$ 121,390
Expenses:		
Repairs to Equipment	\$ 14,400	\$ 14,400
Transportation	62,800	62,800
General Expense	28,490	28,490
Depreciation	7,210	7,210
Operating taxes	<u>2,600</u>	<u>2,600</u>
Total	\$115,500	\$ 115,500
Income before taxes	<u>(5,240)</u>	5,890
State and federal income taxes	<u>25</u>	<u>1,930</u>
Net income	<u>(5,265)</u>	3,960
Operating ratio	104.8%	96.7%
Estimated rate base	-	\$ 75,800 <sup>(7)</sup>
Rate of return	-	5.2%

(Red Figure)

(6)-(continued) and the Commission engineer's Exhibit No. 9. According to these exhibits the certificated operation from ship to shore (none of the exhibits reflect the operations of the harbor service as it was reinstated in April or May of 1953) accounted for approximately 65% of applicant's revenue and approximately 90% of applicant's operating time. There is nothing to show the costs of operation of the various types of services except the over-all picture.

(7) Exhibit No. 9, pp 7 and 8.

The record shows that the applicant would continue to operate at a loss under the present fare structure. We are of the opinion that the estimates of the Commission's transportation engineer (Case II, Page 9 of Exhibit 9) fairly reflect results that may be expected from a revised fare situation, as set forth in the order of this decision, which fares, we find, have been justified and will be authorized. The rate of return calculated on the adopted rate base of \$75,800 we hereby find to be reasonable.

O R D E R

A public hearing having been held in the above-entitled matter, the Commission being fully advised in the premises, and having found that fares as hereinafter set forth are reasonable and justified,

IT IS ORDERED:

(1) That E-10 Water Taxi Company, Ltd., be, and it hereby is, authorized to amend its passenger tariff, Cal. P.U.C. No. 4, and its express tariff, Cal. P.U.C. No. 4, on not less than five days' notice to the Commission and to the public (a) to increase the hourly rates from \$11 per hour to \$12.50 per hour, (b) to make such rates subject to a minimum charge of \$10, instead of the present minimum charge of \$8.75, and (c) to increase the passenger waiting time charge set forth in its passenger tariff, Cal. P.U.C. No. 4, from \$10 per hour to \$12.50 per hour.

(2) That the authority herein granted shall expire unless exercised within sixty days from the effective date hereof.

(3) That the five days' notice to the public provided for in ordering paragraph (1) shall be posted in applicant's vessels and terminals and shall be a suitable notice explaining the fare increases.

(4) That in all other respects the authority sought by the application herein, as amended, is denied.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California,  
this 25<sup>th</sup> day of August, 1953.

[Signature]  
President  
[Signature]  
[Signature]

\_\_\_\_\_  
\_\_\_\_\_  
Commissioners

Harold P. Huls  
Commissioners..... Kenneth Fottner... being  
necessarily absent, did not participate  
in the disposition of this proceeding.