

ORIGINAL

Decision No. 50007

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
Oakley J. Hall, dba Star & Crescent  
Boat Co., for an increase in  
Excursion and Sight-seeing Fares.

Application No. 40110

John C. McHose, for applicant.  
Glenn E. Newton, for the staff of the Public  
Utilities Commission of the State of  
California.

O P I N I O N

Oakley J. Hall, doing business as Star & Crescent Boat Co., operates an excursion and sight-seeing service by vessel on San Diego Bay. By this application he seeks authority to establish increased fares on five days' notice to the Commission and to the public.

Public hearing on the application was held before Examiner C. S. Abernathy at San Diego on June 18, 1958. Evidence was presented by applicant, by his superintendent of operations, and by his auditor. Evidence was also presented by an engineer of the Commission's staff.

Applicant's present fares and the fares which he seeks to establish are as follows:

	<u>Present Fare per Ride</u>	<u>Proposed Fare per Ride</u>
Adult	\$1.8182	\$2.2727
Child, 5 to 12 years old, inclusive	1.00	1.1364
Student, in groups of 20 or more		
Grade school, per student	.6818	.9091
High school or college, per student	1.00	1.1364

These fares are subject to a 10 percent tax, which when added to the present and proposed fares, make the total charges as follows:

	<u>Total Charge per Ride</u>	
	<u>Present</u>	<u>Proposed</u>
Adult	\$2.00	\$2.50
Child, 5 to 12 years old, inclusive	1.10	1.25
Student, in groups of 20 or more		
Grade school, per student	.75	1.00
High school or college, per student	1.10	1.25

Applicant alleges that increases in his fares are necessary to the preservation of his service and to a fair return from the operations. Assertedly the proposed fares would be reasonable for the grade of service which is being rendered.

Data to show anticipated operating results for the coming year (a) if present fares are maintained and (b) if the sought fares are established were presented by applicant's auditor and by the Commission engineer. These data are summarized in Tables Nos. 1 and 2 below:

Table No. 1  
Estimated Results of Operation under Present Fares  
for 12 Months Ending June 30, 1959

	<u>Applicant</u>	<u>Commission Engineer</u>
Revenues	\$111,981	\$117,710
Expenses	<u>108,136</u>	<u>105,960</u>
Net Operating Revenues	3,845	\$ 11,750
Income Taxes	<u>836</u>	<u>3,430</u>
Net Income	\$ 3,009	8,320
Rate Base	\$342,896	\$295,400
Operating Ratio	97.3%	92.9%
Rate of Return	.87%	2.8%

Table No. 2

Estimated Results of Operation under Proposed Fares  
for 12 Months Ending June 30, 1959

	<u>Applicant</u>	<u>Commission Engineer</u>
Revenues	\$138,717	\$143,110
Expenses	<u>108,136</u>	<u>105,960</u>
Net Operating Revenues	\$ 30,581	\$ 37,150
Income Taxes	<u>13,992</u>	<u>18,330</u>
Net Income	\$ 16,589	\$ 18,820
Rate Base	\$315,153	\$295,400
Operating Ratio	88.04%	86.8%
Rate of Return	5.26%	6.4%

No one appeared in opposition to authorization of the sought fare increases. By letters addressed to applicant, which letters were made part of the record, the Port of San Diego and

the San Diego Convention and Tourist Bureau stated that they do not oppose the increases in fares.

On the basis of the estimates of applicant's auditor and of the Commission engineer alike the record is clear that if applicant's fares are maintained at their present level during the coming year applicant will not realize a fair return from his sight-seeing operations. Moreover, it appears from either of the estimates that if the sought fares are established the return that would be realized would not exceed a reasonable limit. In the circumstances the Commission is of the opinion and finds that the increases in fares are justified. The application in this respect will be granted. Also will be granted applicant's request for authority to establish the increased fares on five days' notice to the Commission and to the public. This action is justified by applicant's revenue needs and by the fact that his operations are seasonal with the seasonal peak during the summer months. If applicant is to achieve the operating results reflected in the estimates, he should be permitted to establish the fare increases as promptly as possible. For like reason the order herein will be made effective 10 days after the date thereof.

O R D E R

Based on the evidence and on the conclusions and findings contained in the preceding opinion,

IT IS HEREBY ORDERED that

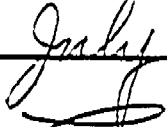
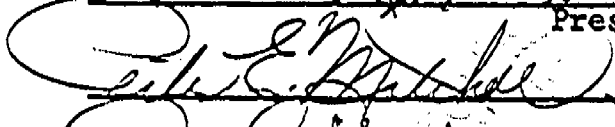
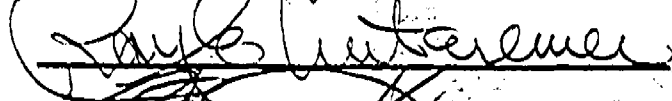
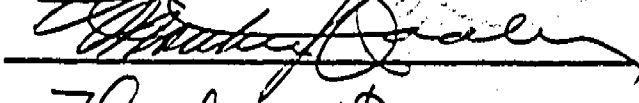
1. Oakley J. Hall, doing business as Star & Crescent Boat Co., be and he hereby is authorized to amend his Local Passenger Tariff Cal. P.U.C. No. 1 to establish on not less than 5 days' notice to the Commission and to the public increased fares as follows:

	<u>Authorized Fare per Ride</u>
Adult	\$2.2727
Child, 5 to 12 years old, inclusive	1.1364
Student, in groups of 20 or more	
Grade school, per student	.9091
High school or college, per student	1.1364

2. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

This order shall become effective 10 days after the date hereof.

Dated at San Francisco, California, this 1<sup>st</sup> day of July, 1958.

  
E. L. Fox  
 President  
  
E. N. Mitchell  
  
Paul L. Lutermeier  
  
Theodore J. Jensen  
 Commissioners.