

MS

Decision No. 74954

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
the COGGESHALL LAUNCH COMPANY for)
authority to increase rates and to)
change certain other items or rules)
in its passenger, freight and tow-)
ing tariffs.)

Application No. 49651
(Filed September 1, 1967;
Amended May 13, 1968)

OPINION AND ORDER

Coggeshall Launch Company, a corporation, holds certificates authorizing common carrier transportation of passengers and freight by vessel and of towing between Eureka and points on Humboldt Bay, California. By this application it seeks authority to increase passenger fares, freight rates and towing rates, and to change certain other items or rules in its filed tariffs. Copies of this application were mailed to the Attorney General, Department of General Services of the State, officials of Humboldt County and the City of Eureka, and local companies using Coggeshall's services. No protests have been received.

A report was made presenting the results of a study and investigation made by the Commission's Finance and Accounts Division and Transportation Division in connection with this application. This report is hereby made a part of this record as Exhibit No. 1.

Coggeshall operates a passenger service on Humboldt Bay between Eureka, Samoa, and Fairhaven. Scheduled service is devoted primarily to commutation runs for mill employees at Samoa and Fairhaven, while on-call operations carry stevedores between the same points and provide transportation for ships' crews. The company

also provides a tug boat service for towing log rafts, barges and dredges. These services are subject to regulation. Nonutility operations consist of turning ships, furnishing pilots, renting barges, and performing miscellaneous services.

During the years prior to 1964, passenger traffic between Eureka, Samoa, and Fairhaven averaged about 265,000 passengers per year. In July of 1964, the Georgia Pacific Company began construction of a pulp mill at Samoa which was completed in November 1965. This was followed by construction of another pulp mill by the Crown Simpson Company in Fairhaven, starting in November 1965, and terminating in December 1966. Concurrently with the end of the Fairhaven construction the U. S. Plywood Company at Fairhaven closed its plant. During the 1964-66 period, while construction was in progress and the U. S. Plywood Company in operation, traffic averaged about 370,000 passengers per year. Traffic during the fiscal year 1966-67 was 310,000 passengers. Towing has fallen off since the Fairhaven Forest Products Company purchased a tug to haul log rafts previously handled by Coggeshall. In addition, growing competition from another concern offering towing service on Humboldt Bay has adversely affected the company's business.

Passenger traffic for the rate year ending June 30, 1969 is estimated to return to a level similar to that which existed prior to the construction period, or 265,000 per year. This is about 15 percent below the level of traffic for the base year 1966-67. Passenger revenue was therefore reduced 15 percent from the 1966-67 amount to reflect conditions for the rate year under present fares.

Applicant's present and proposed fares and charges are shown in Table I below.

TABLE I

Coggeshall Launch Company
Rates and Fares

<u>Item</u>	<u>Present</u>	<u>Applicant's Proposed Fares (Amended)</u>
Cash	\$0.20	\$0.20
Tickets	0.20	0.20
20 Rides (a)	3.50	3.75
<u>Special</u>		
Day Mill	\$0.20/\$4.00 Min.	\$0.20/\$5.00 Min.
Night Mill	\$0.20/plus \$6.00	\$0.20/plus \$7.50
Day Stevedore	\$0.30/\$5.00 Min.	\$0.40/\$8.00 Min.
Night Stevedore	\$0.30/\$10.00 Min.	\$0.40/\$12.00 Min.
Lay Time/Hour	\$ 6.00	\$ 8.00
Special/Trip	4.00	5.00
Charter/Hour	12.00	15.00

(a) 60-day limit

Comparison of Towing Charges

<u>Horsepower</u>	<u>Present</u>	<u>Proposed</u>
Under 100	\$ 9.00	\$10.50
100 to 150	10.50	12.00
151 to 200	12.00	15.00
201 to 300	15.00	20.00
301 to 400	20.00	25.00
401 to 500	24.00	30.00

The staff study includes an estimated results of operations for a future rate year (12 months ending June 30, 1969), under both the present and the proposed rates and charges. A summary of this study is shown in Table II.

TABLE II

Results of Operations Rate Year Ending 6-30-69

	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenue		
Utility	\$ 80,210	\$ 90,770
Nonutility	36,530	42,870
Total	<u>116,740</u>	<u>133,640</u>
Expenses	<u>114,200</u>	<u>114,200</u>
Operating Income	2,540	19,440
Income Taxes	700	5,340
Net Income	1,840	14,100
Operating Ratio	98%	89%
Rate Base	\$ 37,270	\$ 37,270
Rate of Return	5%	38%

As the above consolidated statement does not show the individual results, it should be stated that the staff report shows that under present fares and charges, for the rate year, the passenger operations which account for approximately 95 percent of applicant's total utility operations would result in a deficit of \$1,730 for an operating ratio of 102 percent. With the increased rates and charges, the passenger operations would produce an operating ratio of only 94 percent.

It is clear from the record, and the Commission finds, that under present fares, rates and charges, applicant will not receive sufficient revenues to continue to provide a satisfactory service. We also find that the proposed fares, rates and charges will not result in excessive income, and that the resultant increases are justified. We conclude that the application, as amended, should be granted. A public hearing is not necessary.

IT IS ORDERED that:

1. Coggeshall Launch Company is hereby authorized, on not less than five days' notice to the Commission and to the public, to publish the increased fares and charges as proposed in Application No. 49651, as amended.

2. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its vessels and terminals a printed explanation of the fare and rate increases. Such notice shall be posted not less than five days before the effective date of the fare change and shall remain posted until not less than twenty days after said effective date.

3. The authority granted in paragraph 1 above shall expire unless exercised within sixty days after the effective date of this order.

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

Dated at San Francisco, California, this 19th day of NOVEMBER, 1968.

William J. Lyons, Jr.
President
William C. Beland

August

John P. Monissey
Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.