

Decision No. 76003**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of CATALINA MOTOR CRUISERS, INC.,)
a California corporation, for)
authority to adjust rates.)

Application No. 51135
(Filed May 29, 1969)
(Amended June 19, 1969)

James H. Lyons, for applicant.
R. W. Russell by K. D. Walpert, Chief
Engineer and General Manager, Department
of Public Utilities and Transportation,
City of Los Angeles.
Gary Hall, for Commission staff.

OPINION AND ORDER

Catalina Motor Cruisers, Inc., presently authorized to operate as a common carrier of passengers by vessel between the Port of Los Angeles and Avalon on Santa Catalina Island, requests an increase in fares. Applicant proposes to increase fares as follows:

	<u>Present Fares</u>		<u>Proposed Fares</u>	
	<u>One Way</u>	<u>Round Trip</u>	<u>One Way</u>	<u>Round Trip</u>
Adult	\$3.75	\$7.50	\$5.00	\$10.00
Child 12 years of age and over	3.75	7.50	5.00	10.00
Child 5 to 11	1.90	3.75	2.50	5.00
Group fares				
40 or more persons	--	5.50	--	7.50
25 to 39 persons	--	6.00	--	8.50
Passes	Free	Free	.25	.50

Applicant proposes to adjust the 10-ride commute ticket from \$16.50 to \$30.00.

Public hearings were held before Examiner Rogers in Los Angeles on July 31 and in Avalon on August 1, 1969. Prior to the first day of hearing notice thereof was posted as required by this Commission. There were no protests.

Applicant has had no adjustment in its fares since commencement of operations in 1964. Since that time there has been a constant increase in labor and other operating costs. At the present time applicant claims to be operating in a deficit position.

On the second day of hearing herein the applicant and the staff stipulated as follows:

"It is hereby stipulated for the purposes of Application No. 51135 that applicant, Catalina Motor Cruisers, Inc., and the Commission staff agree to the revenues and expenses and operating ratio and rate of return of the staff's results of operation and rate of return as corrected in Exhibit No. 2 which sets forth the basic fares of:

	<u>One Way</u>	<u>Round Trip</u>
1. Adult	\$4.25	\$8.50
2. Child 12 years and older	4.25	8.50
3. Child 5 through 11 years	2.15	4.30
4. Child under 5	.25	.50
5. Passes	.25	.50
6. Commute (10-ride)	22.50	--
7. Group fare - 25 or more persons	--	6.50

"Said rates produce a gross revenue of \$255,800 and total operating expenses of \$222,500 and results in a net income after taxes of \$22,600. This in turn generates an operating ratio of 91.2% and a rate of return of 21.9%.

Said stipulation is entered into by applicant with the reservation that applicant does not agree in principle with the staff's allocation of certain revenues and expenses from, as the staff views, the various related companies to Catalina Motor Cruisers, and such allocation will be binding on applicant in this rate proceeding only. The acceptance of such recommendations and conclusions does not prejudice the position of Catalina Motor Cruisers or any other company operating at or from Catalina Terminals in any subsequent rate proceeding before the California Public Utilities Commission or any other administrative or judicial court.

The staff further agrees to applicant's proposal to implement the same rules and regulations as contained in Section 19 (3) of Cal. P.U.C. No. 1 of M.G.R.S., Inc., applying to commutation tickets."

It was further stipulated that the fares to be established would be as set forth herein.

After consideration the Commission finds that:

1. The stipulated results of operation are reasonable.
2. The proposed fares as agreed to are just and reasonable.
3. The fare increases authorized herein are justified and should be placed in effect immediately.

We conclude that the application should be granted to the extent set forth herein.

ORDER

IT IS ORDERED that:

1. Catalina Motor Cruisers, Inc., is authorized to establish the following fares:

	<u>One Way</u>	<u>Round Trip</u>	<u>10-ride Commute Ticket</u>
Adult	\$4.25	\$8.50	\$22.50
Child 5 through 11 years	2.15	4.30	--
Child under 5 years	.25*	.50*	--
Group fare, per person 25 or more persons	--	6.50	--
Passes	.25*	.50*	--

*To cover fee charged by the City of Avalon for each passenger embarking or disembarking regardless of age or payment of fare.

2. Tariff publications authorized to be made as a result of the order herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than two days after the effective date hereof on not less than two days' notice to the Commission and to the public.

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

Dated at San Francisco, California, this 6th day of AUGUST, 1969.

William Lyons, Jr.
President

Thomas P. Monahan

Thomas Moran
Commissioner