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ORIGINAL

Decision No. 77405

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of ISLAND BOAT SERVICE,)
a corporation, for authority to)
increase its tariff rates as a)
common carrier by vessel.)

Application No. 51945
(Filed June 5, 1970)

O P I N I O N

Island Boat Service is engaged in the business of transporting persons and their baggage, as a common carrier by vessel, between points on Santa Catalina Island. By this application it seeks authority to increase its fares by about 20 percent on five days' notice to the Commission and the public.

Applicant states that the financial results of its operations for the calendar year 1969 were as follows:

Revenues

Passengers	\$10,178.65
Mail	400.00
Total	<u>\$10,578.65</u>

Expenses

<u>Operating</u>	
Boat rental	\$ 7,100.00
Wharfage	386.62
<u>Traffic</u>	
Commissions	1,017.90
Advertising	470.28
<u>Administration</u>	<u>980.02</u>
Total Expenses	\$ 9,954.82
Net before tax	622.83
Income tax	187.26
Net income	435.57

Using the above figures, applicant's operating ratio from its intra-island operations was 91.46 percent.

With reference to its operations during 1970, applicant alleges that on July 31, 1969 the City of Avalon adopted Ordinance No. 519 which imposed a wharfage, dockage and use fee of 9 percent of gross receipts. Applicant estimates that the change will result in an increase in the wharfage fees from \$386.62 to \$1,000 in 1970.

Applicant estimates that its proposed fares will result in \$12,268.64 in gross passenger revenues, an increase of \$2,089.99 over the 1969 revenues. This will give it net revenues of \$1,091.64 before income taxes or \$749.98 after income taxes. Applicant's operating ratio under the assumed results of operation would be 97 percent plus. At present fares, applicant would operate at a loss in 1970.

The Commission's staff reviewed the records of the applicant and recommended that the application be granted.

The filing of this application was reported in the Commission's calendar of June 7, 1970. No protests have been received. The City of Avalon has informed the Commission that it does not oppose the request. A public hearing is not necessary.

Findings

We find that:

1. Applicant will incur a loss in 1970 from its operations under present fares.
2. The establishment of the proposed fares will permit applicant to have a reasonable rate of return.

3. The sought increases in fares are justified.

Conclusion

The fare increases should be authorized. Applicant's service is seasonal from about June 10 to September 10 annually. Authority will be granted to establish the increased fares on five days' notice to the Commission and the public as requested. The order herein will be made effective on the date of signing.

O R D E R

IT IS ORDERED that:

1. Island Boat Service is authorized to amend its Local Passenger Tariff No. 1, Cal. P.U.C. No. 1, to establish the increased fares which are set forth in Appendix "A" attached hereto, which appendix is made a part hereof by this reference. 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 five days after the effective date hereof on not less than five days' notice to the Commission and to the public.

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

3. In addition to the required filing of tariffs, Island Boat Service shall give notice to the public of the fare changes herein authorized by posting in its terminals and in the vessel used in its operations a printed explanation of said fare changes. Such notice shall be posted not later than five days before the effective date of the fare changes and shall remain posted until not less than thirty days after said effective date.

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

Dated at Los Angeles, California, this 23rd
day of JUNE, 1970.

William Sproule Jr.
President

Thomas L. Blaugen
Commissioners

I abstain
W. H. ...

APPENDIX A

Fares Per One-Way Ride
Between Avalon, Emerald Bay and Intermediate Points*

	<u>Gallagher's Beach</u>	<u>Toyon Bay</u>	<u>White's Landing</u>	<u>Camp Fox</u>	<u>Empire Landing</u>	<u>Isthmus Cove</u>	<u>Emerald Bay</u>
<u>Adult:</u>							
Avalon	\$1.30	\$1.30	\$1.30	\$1.30	\$1.50	\$2.00	\$2.60
Gallagher's Beach		1.30	1.30	1.30	1.30	1.30	2.00
Toyon Bay			1.30	1.30	1.30	1.30	1.85
White's Landing				1.30	1.30	1.30	1.70
Camp Fox					1.30	1.30	1.60
Empire Landing						1.30	1.10
Isthmus Cove							1.30
<u>Child:</u>							
Avalon	.65	.65	.65	.65	.75	1.00	1.30
Gallagher's Beach		.65	.65	.65	.75	.75	1.00
Toyon Bay			.65	.65	.75	.75	.95
White's Landing				.65	.65	.65	.85
Camp Fox					.65	.65	.80
Empire Landing						.65	.65
Isthmus Cove							.65

*Round trip fares double one way fare less five cents.

End