

Decision No. 85937**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
 of DAVEY'S LOCKER, INC., a)
 California corporation, for)
 authorization to increase rates of)
 fare for the transportation of)
 passengers by vessel between)
 Newport Beach and Avalon, Santa)
 Catalina Island, California.)

Application No. 56403
 (Filed April 14, 1976)

O P I N I O N

DAVEY'S LOCKER, INC., a California Corporation, is engaged in the business of transporting passengers and their baggage as a Common Carrier by vessel (VCC-33), between Newport Beach and Avalon, Santa Catalina Island.

By this application, DAVEY'S LOCKER, INC., seeks authority to increase its common carrier passenger service fares between Newport Beach and Avalon as follows:

	<u>Present Fares</u>	<u>Requested Fares</u>
Adult one way	\$4.75	\$ 5.50
Adult round trip	\$9.50	\$11.00
Child, under 12 years, one way	\$2.37	\$2.75
Child, under 12 years, round trip	\$4.75	\$5.50

The applicant also requests that any action taken pursuant to this application be applicable to and binding upon the pending Application 56275 for authority to transfer the operating rights to Catalina Passenger Service, Inc.

The applicant indicates that the City of Avalon has increased the Wharf tax from \$0.25 per passenger to \$0.40 per passenger. The applicant alleges that the requested fare increase will cover part of the substantially increased maintenance and

labor expenses experienced since the present fares were authorized.

The present fares were established by Decision 79377, dated November 23, 1971, in Application 52776.

The staff of the Transportation Division has made an analysis of the applicant's operations and submitted a report on the estimated results of operations for the common carrier operations based on the rate year 1976 under present and proposed fares. The report is hereby received as Exhibit No. 1.

The Exhibit indicates the following results:

ESTIMATED RESULTS OF OPERATION
FOR COMMON CARRIER OPERATIONS

		<u>Rate Year 1976</u>	
<u>Item</u>	<u>Description</u>	<u>Present Fares</u>	<u>Requested Fares</u>
	Passengers	16,570	16,570
302	<u>Revenues</u>		
	Passenger	\$65,270	\$75,570
	<u>Expenses</u>		
401	Maintenance	\$ 9,670	\$ 9,670
411	Depreciation	1,930	1,930
421	Operation of Vessel	23,140	23,140
441	Terminal	11,720	11,720
456	Traffic	340	340
461	General	13,090	13,090
471	Insurance	2,490	2,490
485	Taxes	7,870	7,870
	Total Expenses	\$70,250	\$70,250
	<u>Operating Income</u>	\$-4,980	\$5,320
532	Income Tax	-	1,540
	Net Income	\$-4,980	\$3,780
	Operating Ratio-%	107.6	95.0

Notice of filing of this application appeared in the Commission's Daily Calendar on April 15, 1976. No protests have been received. After consideration the Commission finds that:

1. Application 56275, filed February 17, 1976 for authority to transfer operating rights from Davey's Locker, Inc. to Catalina Passenger Service, Inc. is pending before the Commission.
2. The proposed fares will result in additional annual revenue in the amount of \$10,300, and will produce a 95.0% operating ratio after taxes for the common carrier operations.
3. The proposed fare increase is justified.
4. A public hearing is unnecessary.

O R D E R

IT IS ORDERED that:


1. Davey's Locker, Inc. is authorized to establish the increased fares proposed in Application 56403. Tariff publications authorized to be made as a result of this order may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.
2. This authority shall be applicable to Catalina Passenger Service, Inc. if Application 56275 for transfer of subject operating rights to it is granted.
3. The authority shall expire unless exercised within ninety days after the effective date of this order.
4. 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 its fares. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

A. 56403 VVB

Since the summer season with greatly increased passenger traffic to Catalina Island commences around June 15, the new fares should be established as soon as possible in order to realize the estimated operating results.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 8th
day of JUNE, 1976.

 President
William J. Synovis Jr.
Vernon L. Sturges
Leonard J. Con
Robert Bateman
Commissioners