

Decision No. 86107

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of BALBOA ISLAND)
 FERRY, a California corporation,)
 to adjust rates.)

Application No. 56404
 (Filed April 13, 1976)

O P I N I O N

Balboa Island Ferry, a California corporation, is engaged in the business, as a vessel common carrier, of transporting passengers, bicycles and motor vehicles across Balboa Bay between Balboa and Balboa Island in the City of Newport Beach.

By this application, Balboa Island Ferry seeks authority to increase its rates for passenger automobiles and trucks. No change is proposed in the rates for passengers, bicycles and motorcycles. The present and proposed rates are as follows:

One-way rates:

	<u>Present</u>	<u>Proposed</u>
Adult - 12 or over (pedestrian, auto driver or passenger)	10¢	10¢
Child - 5 years and under 12 years	5¢	5¢
Child under 5 years accompanied by passenger paying adult fare	Free	Free
Bicycle*	5¢	5¢
Motorcycle*	10¢	10¢
Passenger automobile*	20¢	30¢

Panel trucks and trucks under 1-ton rated capacity*	20¢	30¢
Trucks over 1-ton rated capacity and not exceeding 2½ tons rated capacity*	25¢	35¢
Vehicles not otherwise specified*	50¢	60¢

*Rates are for vehicle only. Drivers and passengers are extra as above set forth.

The applicant proposes a 30-ride book of tickets for \$10.50 for vehicles under 1-ton rated capacity, including driver. The ticket would allow the passage of the vehicle and its driver for 35¢, as compared to 40¢ (30¢ + 10¢) for the single trip rate. The present charge for a vehicle and driver is 30¢ (20¢ + 10¢).

The applicant alleges that the requested rate increase will cover the substantially increased labor and maintenance expenses involving both the boats and the piers due to the wear and tear caused by the vehicular traffic.

The present rates were established by Decision 60253, dated June 14, 1960 in Application 42179.

The staff of the Transportation Division has made an analysis of the applicant's operation and submitted a report on the estimated results of operations based on the rate year ending June 30, 1977 under present and proposed rates. The report is hereby received as Exhibit No. 1.

The Exhibit indicates the following results:

BALBOA ISLAND FERRY
RESULTS OF OPERATIONS

		Historical	Rate Year	
			7-1-76 to 6-30-77	
Account	Description	Year	Present	Requested
Number		1975	Rates	Rates
<u>Revenues</u>				
301 & 302	Ferry	\$281,250	\$305,120	\$356,710
341	Charter	260	260	260
320	Other	190	190	190
	Total Revenue	\$281,700	\$305,570	\$357,160
<u>Expenses</u>				
401	Maintenance	\$ 15,990	\$ 19,790	\$ 19,790
411	Depreciation	5,520	6,000	6,000
421	Operation of Vessel	164,130	180,900	180,900
441	Terminal	19,980	20,840	22,640
456	Traffic	360	400	400
461	General	20,770	24,500	24,500
471	Insurance	31,570	35,950	35,950
485	Taxes	14,140	15,460	15,460
	Total Expenses	\$272,460	\$303,840	\$305,640
	Operating Income	\$ 9,240	\$ 1,730	\$ 51,520
532	Income Tax	830	510	14,450
	Net Income	\$ 8,410	\$ 1,220	\$ 37,070
	Operating Ratio -%	97.0	99.6	89.6

It should be noted that the foregoing estimates give consideration to an increase in ferry traffic of about 8.5% over the 1975 traffic. The staff of the Transportation Division recommends that the application be granted without hearing if no protests are received. The annual increase in revenue with the proposed rates is \$51,590.

Notice of filing of this application appeared in the Commission's Daily Calendar on April 16, 1976. No protest has been received. After consideration, the Commission finds that the proposed increases in rates have been shown to be justified. We conclude that the application should be granted and that a public hearing is not necessary.

O R D E R


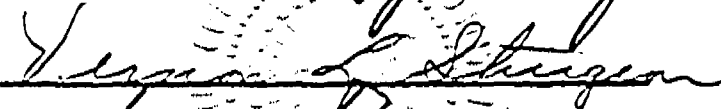


IT IS ORDERED that:

1. Balboa Island Ferry is authorized to establish the increased rates proposed in Application 56404. 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. The authority shall expire unless exercised within ninety days after the effective date of this order.

3. 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 rates. Such notice shall be posted not less than five days before the effective date of the rate changes and shall remain posted for a period of not less than thirty days.

Since the summer season with increased traffic has already commenced, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 13th
day of JULY 8, 1976.

 President
William Agnew-Jr.

Vernon L. Sturgeon

Leonard Ross
 Commissioners