

Decision 89 10 027

OCT 12 1989

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 H. TOURIST, INC. dba CATALINA CRUISES,) Application 89-04-035
 a corporation, for an order authorizing) (filed April 17, 1989)
 it to increase rates for the) (amended April 25, 1989)
 transportation of passengers by vessel)
 between the Port of Long Beach or the)
 Port of Los Angeles (San Pedro), on the)
 one hand, and on the other, authorized)
 points on Santa Catalina Island.)

OPINION

H. Tourist, Inc. (applicant), dba Catalina Cruises, is a vessel common carrier (VCC-46) authorized to transport passengers and their baggage, mail, newspapers and periodicals between the Port of Los Angeles (San Pedro) and the Port of Long Beach, on the one hand, and points on Santa Catalina Island, on the other hand, on both a scheduled and non-scheduled basis.

By this application, applicant seeks authority to increase its current seasonal passenger fares to year-round fares, between the mainland and Avalon, Santa Catalina Island, as follows: Between Long Beach or San Pedro and Avalon, Santa Catalina Island:

Class	Current (One-Way)		Proposed
	Oct-Apr	May-Sept	Year-Round Fare
Adults	\$ 9.35	\$ 11.40	\$ 12.25 One-way
Children	4.70	5.75	7.25 One-way
Commuter	52.00	52.00	77.50 Booklet
Adult Group 1	16.52	20.20	21.20 Round-trip
Adult Group 2	14.82	18.10	18.10 Round-trip
Senior Group	14.80	14.80	18.10 Round-trip
Senior	7.90	7.90	10.65 One-way

(These fares include the 1.5% CPUC fee)

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Between Long Beach or San Pedro and points on Santa Catalina Island other than Avalon:

Class	Current (One-Way)		Proposed
	Oct-Apr	May-Sept	Year-Round Fare
Adults	\$ 10.10	\$ 12.15	\$ 13.00 One-way
Children	5.45	6.50	8.00 One-way
Adult Group 1	18.02	21.70	22.70 Round-trip
Adult Group 2	16.32	19.60	19.60 Round-trip
Senior Group	16.30	16.30	19.60 Round-trip
Senior	8.65	8.65	11.40 One-way
4 Trip Group	-----	-----	7.25 One-way

(These fares include the 1.5% CPUC fee)

Between Avalon and Two Harbors on Santa Catalina Island:

Class	Current (One-Way)		Proposed
	Oct-Apr	May-Sept	Year-Round Fare
Adults	\$ 6.20	\$ 6.20	\$ 10.75 One-way
Children (Over 2)	3.45	3.45	5.75 One-way
Children (Under 2)	.75	.75	.75 One-way

(These fares include the 1.5% CPUC fee)

Between Avalon or Two Harbors and other points on Santa Catalina Island:

Class	Current (One-Way)		Proposed
	Oct-Apr	May-Sept	Year-Round Fare
Adults	\$ 6.20	\$ 6.20	\$ 5.75 One-way
Children (Over 2)	3.45	3.45	3.25 One-way
Children (Under 2)	.75	.75	.75 One-way

(These fares include the 1.5% CPUC fee)

Between Points in Long Beach Harbor:

Class	Current (One-Way)		Proposed
	Oct-Apr	May-Sept	Year-Round Fare
Adults	\$ 2.00	\$ 2.00	\$ 2.00 One-way
Children (Over 2)	1.00	1.00	1.00 One-way

(These fares include the 1.5% CPUC fee)

Applicant states that the proposed fares are necessary to offset increased operating expenses and declining passenger levels and would result in an increase in revenues of approximately 6.4%.

Applicant's present passenger fares were established by Decision (D.) 87-06-051 dated June 24, 1987 in Application (A.) 87-04-007.

Based on the data contained in the application, the following table sets forth the estimated results of operations under present and proposed passenger fares for the test year ending October 31, 1990:

Test Year Ending October 31, 1990

	<u>Present Fares</u>	<u>Proposed Fares</u>
Operating Revenue	\$6,718,000	\$7,150,000
Operating Expenses	7,423,000	7,423,000
Net Income (Loss), Before Income Taxes	(705,000)	(273,000)
Operating Ratio, Before Income Taxes	110.5%	103.8%

(Red Figure)

As indicated by the above table, applicant's operations in the test year ending October 31, 1990 under present fares will be at an operating ratio of 110.5%. The proposed fares will result in annual operating revenues of \$7,150,000 and annual operating revenue increase of \$432,000, with an operating ratio before income taxes of 103.8%.

Notice of the filing of this application and its amendment appeared in the Commission's Transportation Daily Calendar. No protest or request for public hearing has been received.

Findings of Fact

1. Applicant seeks authority to increase its passenger fares approximately 6.4% to offset increased operating expenses and declining passenger levels.

2. Applicant's present fares were authorized by Decision 87-06-051, dated June 24, 1987 in Application 87-04-007.

3. Applicant's operations in the test year ending October 31, 1990 under present fares would be at a loss of \$705,000 with an operating ratio of 110.5%.

4. The proposed fares will result in annual operating revenues of \$7,150,000 and an annual operating revenue increase of \$432,000 with an operating ratio before income taxes of 103.8%.

5. The requested fares are necessary and justified.

6. No protests have been received concerning this application and a public hearing is not necessary.

7. Applicant is operating at a loss and therefore requests immediate rate relief.

Conclusions of Law

1. The fares requested in A. 89-04-035 are just and reasonable and should be granted.

2. Because the applicant is operating at a loss, the order should be effective today.

ORDER

IT IS ORDERED that:

1. H. Tourist, Inc. is authorized to establish the increased passenger fares proposed in A. 89-04-035. Tariffs shall be filed on or after the effective date of this order. They may go into effect five days or more 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 expire unless exercised within 90 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 applicant's vessels a printed explanation of the 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 30 days.

4. The application is granted as set forth above.

This order is effective today.

Dated OCT 12 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.

Wesley Franklin

WESLEY FRANKLIN, Acting Executive Director