

Decision 89 11.031 NOV 3 1989

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Certificate of )  
Public Convenience and Necessity of )  
Harbor Carriers, Inc. to Operate as )  
a Common Carrier of Passengers by )  
Vessel. )

Application 89-10-038  
(Filed October 31, 1989)

OPINION

Harbor Carriers, Inc. (HCI) is a common carrier of passengers by vessel, holding certificate of public convenience and necessity VCC 13. Following the disastrous Loma Prieta earthquake of October 17, 1989, we issued emergency supplemental operating authority to HCI authorizing it to provide emergency temporary scheduled and/or unscheduled service between:

- (a) San Francisco Ferry Building vicinity and the Port of Oakland between the hours of 0600 and 0100, and
- (b) San Francisco Ferry Building vicinity and the Port of Richmond during the following minimum periods: 0600 to 0900 and 1630 to 1930.

HCI was also authorized to file a revised page 5 to its Local Passenger Tariff No. 11, Cal P.U.C. No. 12 at a one-way fare level of \$5.00 (sold on a round-trip basis only) for the above described service. The supplemental authority was issued on October 20, 1989 by Decision (D.) 89-10-042, which provided that the authority shall remain in effect until May 1, 1990 unless otherwise ordered by the Commission.

On October 31, 1989 the Division of Ratepayer Advocates (DRA) requested modification of D.89-10-042 as follows:

1. HCI should be ordered to file a revised page 5 to its Local Passenger Tariff No. 11, Cal P.U.C. No. 12 which reflects the inclusion of a \$5.00 per passenger subsidy

by the State of California, Department of Transportation (Caltrans) and which shows the the actual fare being charged.

2. D.89-10-042 should be modified to instruct HCI to comply with all rules, regulations, and requirements of the United States Coast Guard.
3. HCI should be ordered to file a cost study no later than December 1, 1989 which shows both the fully allocated and marginal cost of providing the emergency services with and without federal and state operating subsidies for the four-week period beginning October 23, 1989 through November 21, 1989.
4. HCI should be required to actively promote and advertise its ferry service in the Bay Area, particularly for East Bay commuters to San Francisco.

DRA requests that the foregoing modifications be made effective immediately as emergency measures.

In support of the requests, DRA alleges that on Sunday, October 22, 1989 Caltrans agreed to provide a subsidy of \$5.00 per passenger, reducing the actual fare charged to passengers from \$10.00 to \$5.00 per round trip. DRA further alleges that due to the significant increase in vessel ferry traffic operating on the San Francisco Bay, the United States (U.S.) Coast Guard has established a regulated navigation area on the Bay and implemented temporary mandatory participation in the existing Vessel Traffic Service System. The U.S. Coast Guard action was by emergency rule effective October 25, 1989.

We conclude that the modifications proposed by DRA are reasonable and should be adopted. HCI's tariffs should reflect the existence of operating subsidies and the actual fares paid by passengers. To assure full compliance with emergency safety regulations of the U.S. Coast Guard, we should require HCI's participation in the Vessel Traffic Service System. Requiring a

cost study by December 15, 1989 will provide needed information about the emergency operations which will enable our Transportation Division to advise us whether further adjustments or actions are necessary. Finally, advertising and promotion efforts by HCI will complement the efforts of public transportation agencies to provide needed transportation alternatives during recovery from the earthquake.

By letter dated October 30, 1989, HCI requested additional emergency supplemental operating authority to provide ferry service between San Francisco and Alameda and San Francisco Pier 1 and Berkeley Marina. According to HCI, this additional service is the subject of new agreements reached with Caltrans after the issuance of D.89-10-042, or which were expected to be reached by October 30, 1989. Due to the continuing emergency relief required in the aftermath of the October 17 earthquake, we will authorize the additional service as requested, subject to the conditions we are adopting today. However, we expect that for the future operating authority revisions will be requested in accordance with our established procedures.

Findings of Fact

1. On Sunday, October 22, 1989 Caltrans agreed to provide a subsidy of \$5.00 per passenger, reducing the actual fare charged to passengers from \$10.00 to \$5.00 per round trip.

2. The U.S. Coast Guard has established a regulated navigation area in the San Francisco Bay and implemented temporary mandatory participation in the existing Vessel Traffic Service System. This action was by emergency order effective October 25, 1989.

3. The cost data requested by DRA should be easily available from vessel logs, daily operations reports, and other revenue and expense reports which HCI currently prepares.

4. HCI requests additional emergency supplemental operating authority to provide service between San Francisco and Alameda and between San Francisco and Berkeley Marina.

Conclusions of Law

1. D.89-10-042 should be modified as provided in the order which follows.

2. HCI should be ordered to file a revised page 5 to its Local Passenger Tariff No. 11, Cal. P.U.C. No. 12 which reflects the inclusion of operating subsidies and shows the actual fare being charged.

3. To assure the safety of the traveling public and navigation on the San Francisco Bay, HCI should be directed to comply with all rules, regulations, and requirements of the U.S. Coast Guard.

4. HCI should be ordered to file a cost study no later than December 15, 1989 as described in Appendix A.

5. HCI should be ordered to actively promote and advertise its ferry service in the Bay Area, particularly for East Bay commuters to San Francisco.

6. Notice of this matter did not appear on the Commission's public agenda; however, an emergency exists in that the October 17 earthquake has damaged major highway facilities in the San Francisco Bay Area; ferry traffic on the San Francisco Bay has increased; and the U.S. Coast Guard has established temporary safety regulations which HCI should be required to observe to assure public safety; all of which justifies our action today under Public Utilities Code Section 306(b).

ORDER

IT IS ORDERED that:

1. Ordering Paragraph 1 of Decision (D.) 89-10-042 is modified by adding the following subparagraphs (c) and (d):

- (c) San Francisco Ferry Building vicinity and Alameda Gateway area between the hours of 0600 and 1000 and 1600 and 2000, and
- (d) San Francisco Ferry Building vicinity and Berkeley Marina between the hours of 0600 and 2100.

2. Harbor Carriers, Inc. (HCI) shall file with the Commission on one day's notice, not later than five days after the effective date of this order, a revised page 5 to its Local Passenger Tariff No. 11, Cal P.U.C. No. 12 which reflects the inclusion of all operating subsidies and which shows the net actual fare being charged after subsidy.

3. HCI shall comply with all rules, regulations, and requirements of the United States Coast Guard, including applicable Vessel Traffic System requirements, in the operation of the services authorized by D.89-10-042 as modified by this Order.

4. HCI shall file a cost study no later than December 1, 1989 as described in Appendix A. The cost study shall be submitted in duplicate to the Director, Transportation Division and shall cover both the services authorized by D.89-10-042 and the service authorized by this decision.

5. HCI shall actively promote and advertise its ferry service in the Bay Area, particularly for East Bay commuters to San Francisco, and shall submit in duplicate a report describing such promotion and advertising to the Director, Transportation Division, not later than December 15, 1989.

6. The Executive Director shall cause a copy of this order to be served on the State of California, Department of Transportation and on the United States Coast Guard.

This order is effective today.

Dated NOV 3 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.

- 6 -

*Wesley Franklin*  
WESLEY FRANKLIN, Acting Executive Director  
PB

## APPENDIX A

Harbor Carriers, Inc. shall submit the following information to be supplied substantially in the specified format. The data shall cover one month of service--from October 23, 1989 through November 19, 1989 for the service authorized by D.89-10-042 and for the period of operation to and including November 19, 1989 for the service authorized by this decision.

### ATTACHMENT "A"

This is a summary of all revenues and expenses broken down by each service. This summary should include the services authorized by D.89-10-042 as modified.

### ATTACHMENT "B"

This format is used to show direct vessel expenses, broken down by vessel and service, including the revenue hours upon which the cost calculations are based. This format should be used for the following expenses: Crew Expense, Repair & Maintenance Expense, Fuel & Lube Expense, Insurance Expense, Operating Supply Expense, Depreciation Expense, and Lease Expense.

### ATTACHMENT "C"

This format is used to show monthly and annual totals by service. The format should be used for actual revenue, actual ticket sales, and revenue per passenger (with and without the subsidy). Instead of showing monthly totals, please break down the figures by service and by weekday and weekend subtotals for each week of the four-week period.

U

APPENDIX A



FUEL EXPENSE

VESSEL NAME	ALCOHOL 4312	AI 4313	SALES 4314	REG CHTR 4316	TIBCOM 4363	TIBWID 4364	WELL COX 4371	WEL AI 4372	WELL MID 4373
HARBOR KING	316	25.50	219	20.00	555	44.50	0	0.00	0
HARBOR QUEEN	14,625	1493.50	258	26.00	1,625	162.30	0	0.00	0
ROYAL PRINCE	13,000	1865.00	499	38.00	1,016	77.50	99	7.50	0
HARBOR PRINCESS	9,897	1618.50	40	6.50	89	14.50	0	0.00	0
HARBOR ENDEAVOR	8,666	523.50	357	21.50	1,460	66.00	4,347	262.00	0
EXPRESS	0	0.00	34	1.00	529	15.50	0	0.00	0
ROYAL STAR	0	0.00	2,097	140.50	1,613	123.50	0	0.00	0
ROYAL KNIGHT	0	0.00	199	17.00	625	53.50	0	0.00	0
COLUMBIAN	341	0.50	2,167	54.00	26,476	659.00	0	0.00	0
DOLPHIN	744	17.50	1,628	43.00	22,839	537.30	0	0.00	0
TOTAL ALLOCATED	444,691		87,727		\$56,459		\$4,445		\$62,511
									\$20,684
									\$36,398
									\$4,984
									\$100,473

Attachment

"B"

A.89-10-038

## APPENDIX A

RED & WHITE FLEET  
1962 - 1969RUN: 12-Oct-89  
TIME: 18:21 PM

SERVICE	YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
REVENUE ( from M.R.) ?														
ACTUALS THRU 8/89														
ITS COMUTE	1962	67866	36522	40645	40254	46771	44017	50784	62377	47718	44689	39122	33258	552883
4363	1963	38293	34454	42507	41162	44075	61126	55303	59540	50501	44348	39426	32852	541567
	1964	35940	29839	39405	34850	37165	35775	38738	39081	31978	41782	35825	32604	432012
	1965	44637	36193	41849	32716	41885	45071	40321	79045	32589	42417	39074	37528	521255
	1966	41114	35257	46194	47813	42489	48180	49327	47159	45431	56783	41898	49997	552652
	1967	34758	47760	49506	50584	47464	59027	53832	55957	50632	50441	44195	42042	566606
	1968	66950	45655	51770	49419	53909	55403	52615	59300	51515	50781	45556	39753	622579
	1969	40789	37781	40317	42701	49670	47259	45634	71131	38825				432256
IS MIDDAY	1962													0
4364	1963													0
	1964													0
	1965	7073	12823	13280	14393	16550	19044	21878	24146	17354	15469	10784	6609	179433
	1966	7329	9224	15393	17687	21895	24518	32608	33579	20890	22955	23225	8432	238635
	1967	9543	15758	16200	21295	25940	20745	20788	34941	28207	25856	17450	7958	252751
	1968	8795	22163	31913	24015	27111	26145	41371	34608	28104	24569	16702	11157	256553
	1969	11539	12428	14484	24035	31911	25111	35041	42326	26830				227725
IS EXPRESS	1962													0
	1963													0
	1964													0
	1965													0
	1966							1665	2439	1988	1849	1951	775	10667
	1967	924	1229											2153
	1968													0
	1969													0
3 TOTAL	1962	67866	36522	40645	40254	46771	44017	50784	62377	47718	44689	39122	33258	553663
3111	1963	38293	34454	42507	41162	44075	61126	55303	59540	50501	44348	39426	32852	541567
	1964	35940	29839	39405	34850	37165	35775	38738	39081	31978	41782	35825	32604	432012
	1965	51710	45016	55129	47109	58435	64115	70199	103191	49893	57856	49038	44147	700622
	1966	46443	44591	62067	65500	64364	72798	83530	83577	68309	81587	66074	55004	500154
	1967	45325	64763	66166	71879	73404	79772	82520	90890	78829	76297	61635	50000	841640
	1968	75745	67813	83691	73434	81820	81548	93986	93508	79619	75550	62230	50925	915042
	1969	60327	50209	52901	66736	81781	72370	84675	113457	65625	0	0	0	657521

Attachment "C"

(END OF APPENDIX A)

cost study by December 1 will provide needed information about the emergency operations which will enable our Transportation Division to advise us whether further adjustments or actions are necessary. Finally, advertising and promotion efforts by HCI will complement the efforts of public transportation agencies to provide needed transportation alternatives during recovery from the earthquake.

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