

T/LR

Decision 89 12 037 DEC 18 1989

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Catalina Freight Line, a California)
corporation, for authority to)
increase rates for the transportation)
of freight between Los Angeles and)
Catalina Island, California, and for)
an ex parte interim order authorizing)
the same.)

ORIGINAL

Application 89-08-021
(August 14, 1989)

OPINION

Catalina Freight Line (applicant), seeks authority to increase its rates and charges by 10% in its Local Freight Tariff No. 4, Cal. P.U.C. No. 2.

Applicant is a common carrier of freight by vessel and operates between the Port of Los Angeles and Santa Catalina Island.

Applicant states that since the last increase adjustment in 1986, its operating costs have continued to increase. The most significant increases have been in labor, terminal rental and insurance costs.

Applicant has furnished financial data for the year ending December 31, 1988, setting forth actual revenue and expenses as well as projected results under the proposed rates. From that data, the staff has prepared a comparison of applicant's financial position using current costs in conjunction with current and proposed revenues.

Test Period Ending December 31, 1988

	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$1,546,945	\$1,701,639
Current Expenses	1,540,626	1,540,626
Profit	6,319	161,013
Operating Ratio	99.6	90.5

The application was listed on the Commission's Daily Transportation Calendar of August 18, 1989. No protest to the granting of the application has been received.

Findings of Fact

1. Applicant's rates have not been increased since September 11, 1986.
2. Applicant is seeking a rate increase of 10%.
3. Applicant estimates that the proposed rate increase would increase its annual revenue by approximately \$154,694.
4. The increases resulting from this proposal are justified.

Conclusions of Law

1. The application should be granted.
2. This order should be made effective today since there is an immediate need for rate relief.
3. A public hearing is not necessary.

ORDER

IT IS ORDERED that:

1. Catalina Freight Line (applicant), is authorized to increase its rates and charges by 10% in its local Freight Tariff 4, Cal. P.U.C. No. 2.
2. Tariff publications authorized to be made as a result of this order shall be filed on or after the effective date and may be made effective not earlier than 5 days after the effective date of this order on not less than 5 days' notice to the Commission and to the public.
3. Applicant by establishing and maintaining these rates, is authorized to depart from the provisions of Public Utilities Code Section 461.5 to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are modified only to the extent necessary to comply with this

order; and schedules containing the rates published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

4. This authority will expire if not exercised within 60 days of the effective date of this order.

5. The application is granted as set forth above.

6. This order is issued pursuant to Section 308 of the Public Utilities Code and Resolution TS-678.

This order is effective today.

Dated DEC 18 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

JS