

Decision 90 06 046 JUN 20 1990**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
HARBOR CARRIERS, INC.,)	Application 90-03-033
a corporation, for authorization)	(Filed March 22, 1990)
to increase rates for passenger)	
vessel service between San)	
Francisco and Sausalito.)	
_____)	

O P I N I O N

Harbor Carriers, Inc., (applicant) is a vessel common carrier (VCC-13) engaged in the transportation of persons and property between points on San Francisco, San Pablo and Suisun Bays, on the San Joaquin, Sacramento, and Napa Rivers, and Petaluma Creek, and their navigable tributaries.

Applicant's present vessel common carrier authority was restated in Decision (D.) 85-06-105, Application (A.) 83-02-43, as amended in D.86-08-077, A.86-05-013.

Applicant requests authority under Public Utilities (PU) Code § 454 and 491 to increase its fares by 12.5% for the transportation of persons between Sausalito and San Francisco. Applicant proposes to increase the adult one-way fare from its present fare of \$3.95 by \$.50 to \$4.45. The one-way child's fare will increase by \$.25 from its present fare of \$1.95 to \$2.20.

The last fare increase was granted by D.87-09-020, dated September 10, 1987. The tariff was filed with the Commission effective October 15, 1987.

Applicant has attached to this application its Balance Sheet, Income Statement and a projected Income Statement that includes present and proposed cash flow data.

Using the data provided by applicant, the following table sets forth the estimated results of operations under present and proposed passenger fares for the test year ending December 31, 1990.

TABLE 1

Test Period Ending December 31, 1990

SAUSALITO FERRY SERVICE

INCOME STATEMENT

	Historical Year ending December 31, 1989	Test Year ending December 31, 1990	
	<u>Present Fare</u>	<u>Present Fare</u>	<u>Proposed Fare</u>
Operating Revenue	\$1,291,960	\$1,291,960	\$1,423,279
Operating Expenses	\$1,137,794	\$1,165,082	\$1,165,082
Operating Income(Loss)			
Income Before Tax	\$154,166	\$126,878	\$258,197
Operating Ratio Before Income Taxes	88.07%	90.18%	81.86%

Applicant's service between Fisherman's Wharf in San Francisco and Sausalito is provided primarily for tourists and is an attraction that provides a panoramic view of the San Francisco Bay and its environs as well as a way of travelling from or to Sausalito. Applicant alleges that their vessels are restricted from using the docking facilities in Sausalito before 11:00 a.m. that impedes commuters from using the service. Applicant further states that the service is a discretionary pleasure trip. The proposed increase in fares will produce operating revenue in the amount of \$1,423,279 and an operating ratio before taxes of 81.86% at the end of the test year of 1990.

In D.87-09-020 the Commission observed that the income generated from the fare increase will serve to partially offset the losses for the other ferry services provided by applicant.

Applicant alleges that its commuter service between San Francisco and Tiburon experienced losses before income tax in the amount of \$455,052 for the year ended December 31, 1989.

The combined Tiburon and Sausalito Ferry service operations as shown in the following table provides the estimated results of operations under present and proposed passenger fares for the test year ending December 31, 1990.

TABLE 2

Test Period Ending December 31, 1990

SAUSALITO AND TIBURON FERRY SERVICE

INCOME STATEMENT

	Historical Year ending December 31, 1989	Test Year ending December 31, 1990	
		<u>Present Fare</u>	<u>Proposed Fare</u>
Operating Revenue	\$2,194,303	\$2,194,303	\$2,325,622
Operating Expenses	\$2,495,189	\$2,522,477	\$2,522,477
Operating Income(Loss)			
Income Before Tax	(\$300,886)	(\$328,174)	(\$196,855)
Operating Ratio Before Income Taxes	113.71%	114.96%	108.46%

As indicated by Table 2, applicant's combined Sausalito and Tiburon operations in the year ending December 1989 under the present fares resulted in a loss of \$300,886 with an operating ratio of 113.71% before income taxes.

The proposed fares will produce an annual gross operating revenue of \$2,325,622 that will reduce the loss to \$196,855 with an operating ratio before taxes of 108.46%.

Notice of filing of this application, appeared on the Commission's Daily Calendar of March 27. No protests have been received. A public hearing is not necessary. In the opinion of the staff, the proposed fare increases are justified and should be granted.

Findings of Fact

1. Applicant seeks authority to increase its Sausalito Ferry service by approximately 12.5%.

2. Applicant's present fares were granted by D.87-09-020, dated September 10, 1987.

3. Applicant's combined Sausalito and Tiburon Ferry operations in the test period ending December 31, 1990, under present fares would result in a loss of \$328,174 with an operating ratio of 114.96%.

4. The proposed fares will result in an annual gross revenue of \$2,325,622 with a loss of \$196,855 and an operating ratio of 108.46% before income taxes.

5. The requested fare increases under PU Code § 454 and 491 are necessary and justified.

6. No protests have been received.

7. Applicant is operating at a loss.

Conclusions of law

1. The vessel common carrier fare increases under PU Code § 454 and 491 herein requested are justified and reasonable.

2. The application should be granted.

3. A public hearing is not necessary.

4. Since applicant's combined Sausalito and Tiburon Ferry service is operating at a loss this order should be effective on the date it is signed.

ORDER

IT IS ORDERED that:

1. Harbor Carriers Inc., is authorized to establish the increased vessel common carrier fares proposed in A.90-03-033 under PU Code § 454 and 491. Tariffs may be filed on or after the effective date of this order. They may become effective five days or more after the effective date of this order provided that the Commission and the public are given not less than five days' notice.

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 his operating vessels a printed explanation of the fares. Such notice shall be posted not less than ten 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 JUN 20 1990, at San Francisco, California.

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

President G. Mitchell Wilk,
being necessarily absent, did
not participate.


NEAL J. SHULMAN, Executive Director 5 -

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