

ORIGINAL

Decision 82 01 31 JAN 5 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of ISLAND NAVIGATION COMPANY, INC.,)
a California corporation doing)
business as CATALINA ISLAND WATER)
TRANSPORTATION CO., for authority)
to increase rates of fare, and for)
an interim order authorizing the)
same.)

Application 60830
(Filed August 20, 1981)

O P I N I O N

Island Navigation Company, Inc., (applicant), doing business as Catalina Island Water Transportation Co. (VCC-43), is a common carrier by vessel transporting persons and their hand baggage among points on Santa Catalina Island and is also a water taxi service operator providing transportation among vessels within three miles of Santa Catalina Island. Its operations are conducted per a certificate of public convenience and necessity granted by Decision 86044, dated June 29, 1976. Its total assets as of September 30, 1980 amounted to \$112,000.

Applicant seeks authority to increase its passenger fares as shown in Tables A and B below:

Table A - Service Areas

- Area 1. Avalon Bay, between any two points within the line connecting Casino and Cabrillo points.
- Area 2. Seaward, between a point outside Avalon Bay to another such point, or to Avalon Bay.
- Area 3. Seaward, between points, one of which is westerly of Hamilton Beach and each of White's Landing.
- Area 4. Seaward, between points, one of which is White's Landing or westerly, and Long Point.
- Area 5. Seaward, between points, one of which is beyond the foregoing, or 1/2 mile at sea.
- Area 6. On-call charter.

Table B - Fares

<u>Area</u>	<u>Existing Conditions and Fare (a)</u>	<u>Proposed Conditions and Fare</u>
1	Adult.....\$ 0.75 Child (b).....0.35	Adult.....\$1.00 Child.....0.50
2	Adult.....1.00 Child.....0.50	Adult.....1.50 Child.....1.00
3	One-way trip, per person.....1.50 but at least....22.50	Per person.....\$ 2.00 Per hour.....75.00 Whichever is greater, with 1 hour as a minimum.
4	One-way trip, per person.....2.00 but at least....26.00	Per hour..75.00 with 4 hours as a minimum.
5	One-way trip....37.50	Per hour.....75.00 with 4 hours as a minimum.
6	Per hour.....37.50	Per hour.....75.00 with 4 hours as a minimum (c)

(a) Set by D.87697 of August 9, 1977, effective August 16, 1977.

(b) Twelve years of age and under.

(c) Within 3 miles of Catalina.

Applicant alleges that the fare increase is needed to offset increases in operating costs. As shown in Table C, applicant's operations for calendar year 1980 were conducted at a loss of \$19,917, as represented by an operating ratio of 118.7%.

Table C shows applicant's results of operations for 1980 under the present fares and what they would have been in 1980 under the proposed fares.

Table C

	<u>Test Year Ending December 31, 1980</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Passenger Revenue	\$106,571	\$146,383
Passenger Expenses	126,488	126,488
Operating Income (Loss) after Income Taxes	(19,917)	19,895
Operating Ratio After Taxes	118.7%	86.4%

(Red Figure)

The proposed fares would have produced a revenue increase of \$39,800 in the test year according to the applicant.

Notice of the filing of this application appeared on the Commission's Daily Calendar of August 25, 1981, and copies of the application were served upon six interested parties on August 19, 1981. No protests or requests for public hearing have been received.

Findings of Fact

1. As shown in Table C, applicant's operations in the test year 1980 were conducted at a loss of \$19,917 under existing fares.

2. Applicant states that, with the proposed fare increase, its operations in the test year 1980 would have produced a profit of \$19,895 and an operating ratio of 86.4%.

3. The proposed fares would have produced an increase in operating revenue of \$39,800 in the test year 1980 if the patronage under the proposed fares had been identical to that under the fares in effect.

4. Applicant seeks increases in fares as shown in Tables A and B.

5. The requested fare increases are necessary to enable applicant to operate without incurring continuing losses.

6. The requested fare increases are justified.

7. No protests have been received and a public hearing is not necessary.

8. Since the fare increases are necessary to ensure applicant's continued operations, the effective date of this order should be the date of signature.

Conclusion of Law

The increased fares are reasonable and justified and should be granted.

O R D E R

1. Island Navigation Company, Inc. is authorized to establish the increased rates proposed in Application 60830. Tariffs shall be filed not earlier than 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 posting and filing tariffs, applicant shall post printed explanations of its fares in its vessels and landing areas. The notices shall be posted at least five days before the effective date of the fare changes and shall remain posted for at least 30 days.

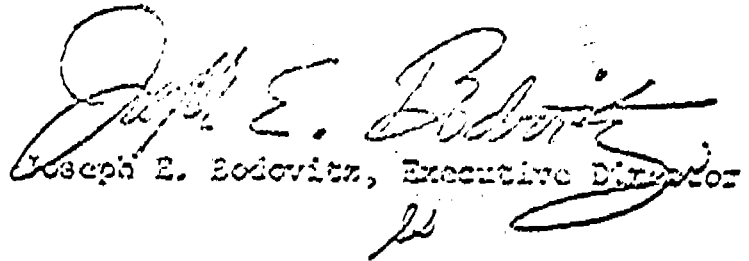
This order is effective today.

Dated JAN 5 1962, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. CRAVELLE
VICTOR CALVO
PRISCILLA C. CREW
Commissioners

Commissioner Leonard M. Grimes, Jr.,
being necessarily absent, did not
participate.

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


Joseph E. Solovitz, Executive Director