

Decision 83 04 045 APR 6 1983**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of BALBOA ISLAND)
 FERRY, a California corpora-)
 tion, to adjust rates.)

Application 82-12-20
 (Filed December 8, 1982)

O P I N I O N

Balboa Island Ferry (applicant), (VCC-2), a California corporation, operates common carrier ferry service for the transportation of persons and vehicles across Newport Bay between Balboa and Balboa Island, all in the City of Newport Beach.

By this application, applicant seeks to adjust its fares for an additional revenue of \$157,300. This would represent a fare increase of approximately 31%. The present and proposed fares are as follows:

<u>One-Way Fares</u>	<u>Present</u>	<u>Proposed</u>
Adult - 12 or over (pedestrian or vehicle occupant)	15 cents	20 cents
Child - 5 years and under 12 years	5 cents	10 cents
Child - under 5 years accompanied by passenger paying adult fare	Free	Free
Bicycle	5 cents	10 cents
Motor Cycle	10 cents	15 cents
Passenger Automobile or Truck under 1 ton capacity		
Regular fare	30 cents	35 cents
Commuter fare	20 cents	20 cents
Trucks over 1 ton rated capacity and not exceeding 2½ tons rated capacity	35 cents	35 cents
Vehicles not otherwise specified	60 cents	60 cents

A 30-trip ticket for car and driver is currently \$10.50 (35 cents per trip). It is proposed that this ticket be \$12.00 (40 cents per trip).

All increments of charges are in nickels. Fares are collected and change is made while the ferry is sailing. Since the crossing takes less than five minutes, applicant states that it is essential that increments be kept in nickels so that change can be readily made.

The present fares were authorized by Decision (D.) 90681 dated August 14, 1979 in Application (A.) 58829.

Applicant has supported its request for an increase in fares with adequate economic and operating data, including the basis for its 1983 projections. For the rate year 1983 at present fares, total income is estimated at \$495,400 and total operating expenses at \$542,600 for a net loss of \$47,200. For 1983 at proposed fares, total income is estimated at \$652,700, total operating expenses at \$548,100 with an operating profit of \$104,600 before taxes and an operating ratio before taxes of 83.4%. After taxes the estimates of operating profit and operating ratio are \$68,500 and 89.5%, respectively. The proposed fares are reasonable and necessary.

Notice of the filing of this application appeared in the Commission's Transportation Calendar on December 14, 1982. No protests have been received and a public hearing is not necessary.

Findings of Fact

1. Applicant seeks authority to increase its fares between Balboa Island and Balboa by approximately 31%.
2. Applicant's present fares were authorized by D.90681 dated August 14, 1979.
3. The requested fare increase will result in an additional annual revenue of \$157,300, an operating profit of \$104,600, with an operating ratio of 83.4% before income taxes.

4. The requested fares are necessary to offset the increase in operating costs.

5. The requested fare increase is justified.

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

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

Conclusion of Law

The fare increase requested is just and reasonable and should be granted.

O R D E R

IT IS ORDERED that:

1. Balboa Island Ferry is authorized to establish the increased fares proposed in Application 82-12-20. 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. The authority shall expire unless exercised within 90 days after the effective date of this order.

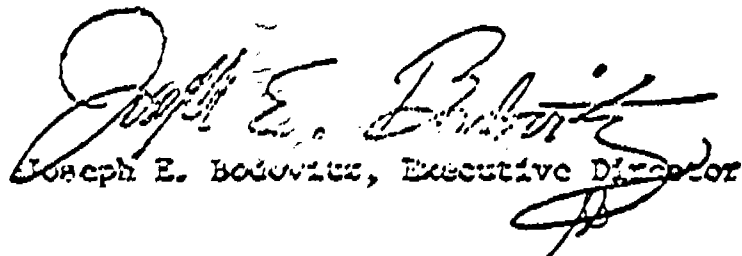
3. In addition to posting and filing tariffs, applicant shall post a printed explanation of its fares in its vessels and terminals. The notice shall be posted at least five days before the effective date of the fare changes and shall remain posted for at least 30 days.

The effective date of this order is today.

Dated APR 6 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
Commissioners

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


Joseph E. Bodovius, Executive Director