

Decision 83 08 064 AUG 17 1983**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of HARBOR CARRIERS, INC., a  
corporation, for authorization  
to increase rates for passenger  
vessel service between  
San Francisco and Sausalito.

Application 83-05-27  
(Filed May 13, 1983)

O P I N I O N

Harbor Carriers, Inc. (Harbor) is a California corporation and a wholly-owned subsidiary of the Harbor Tug and Barge Company, which is, in turn, a wholly-owned subsidiary of the Crowley Maritime Corporation. It is a common carrier of passengers and property by vessel between points around the San Francisco, San Pablo, and Suisun Bays under prescriptive operative rights and also under certificates issued by this Commission or transferred to it by Commission decision. Harbor now operates passenger ferry service between Tiburon, Angel Island, and Sausalito, on the one hand, and San Francisco, on the other hand.

In this application, Harbor is requesting a 20% increase for its service between Fisherman's Wharf-San Francisco and Sausalito which was instituted on August 21, 1982.

Present and proposed fares are shown below:

HARBOR CARRIERS, INC.  
PRESENT and PROPOSED FARES  
BETWEEN SAN FRANCISCO-FISHERMAN'S WHARF and SAUSALITO

	<u>Present</u>	<u>Proposed</u>
Adults	\$2.50	\$3.00
Children ages 5-11	1.25	1.50
Children under age 5	free	free

A.83-05-27 T/ctb \* \*

During the period from August 21, 1982 through December 31, 1982, Harbor's expenses in providing the service between Fisherman's Wharf-San Francisco and Sausalito exceeded revenues by \$118,000. In the first quarter of 1983, Harbor incurred an additional loss of \$104,000 for this service. This amounts to a loss of \$222,000 for the period August 21, 1982 through March 31, 1983.

Harbor's estimated results of operations for 1983 and for rate year are as follows:

	<u>1983</u> <u>Present Fares</u>	<u>Rate Year</u> <u>Proposed Fares</u>
Passengers	290,500	290,500
Operating Revenues	\$694,000	\$839,000
Total Operating Expenses	\$479,000	\$479,000
Total General and Administration Expenses	\$247,000	\$247,000
Depreciation and Amortization Expenses	\$ 63,000	\$ 63,000
Net Income (Loss)	\$ (95,000)	\$ 50,000
Operating Ratio (Before Taxes)	113.7%	94.0% ✓

These results of operations are based on actual revenues and expenses for the period January 1983 through March 1983 and on estimated revenues and expenses for the period April 1983 through December 1983. For the period April 1983 through December 1983, it was assumed that operating expenses would remain constant, except for increases in July and December due to an existing collective bargaining agreement. Harbor also claims operating expenses due to one additional deckhand in the peak summer months. ✓

Harbor avers that it has used the same method of cost separations and allocations as the Commission required by Decision 92809.

The proposed fare increase will result in a total revenue increase of approximately \$145,000 per year.

A.83-05-27 was placed on the Commission's Daily Calendar and the Commission's Transportation Calendar on May 17, 1983. There have been no protests and a public hearing is not necessary.

Findings of Fact

1. During the period August 21, 1982 through March 31, 1983, Harbor suffered a loss of \$222,000 in its service between Fisherman's Wharf-San Francisco and Sausalito.

2. At present fares, it is estimated that Harbor would lose \$95,000 in 1983.

3. At proposed fares, it is estimated that Harbor would make a profit of \$50,000 in the rate year.

4. Harbor needs the fare increase sought in order to eliminate its losses. The fare increase is reasonable. ✓

5. No protests have been received. A public hearing is not necessary.

6. The fare increase should be made effective as soon as possible in order to minimize operating losses.

Conclusions of Law

1. Harbor is in need of rate relief in order to reduce its operating losses on its service between Fisherman's Wharf-San Francisco and Sausalito.

2. We should make this decision effective the date it is signed and allow Harbor to institute its proposed fares with only five days' notice to the public in order to reduce Harbor's operating losses.

O R D E R

IT IS ORDERED that:

1. Harbor Carriers, Inc. is authorized to increase its fares for its service between Fisherman's Wharf-San Francisco and Sausalito to those set forth as proposed fares as described in this decision.

2. Tariff publications authorized to be made as a result of this order may take effect on not less than five days' notice to the Commission and to the public. Such notice to the public shall be given by posting the new fare schedules conspicuously on vessels used in the service and at the terminals not less than five days before the effective date of the fare change and shall remain posted for a period of not less than 30 days.

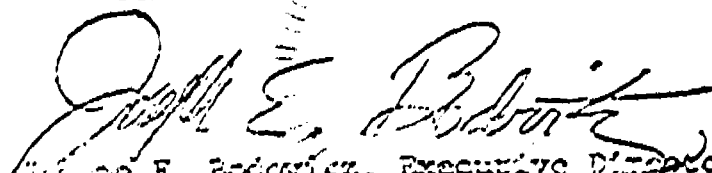
This order is effective today.

Dated AUG 17 1983, at San Francisco, California.

VICTOR CALVO  
PRISCILLA C. GREW  
DONALD VIAL  
WILLIAM T. BAGLEY  
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. Bodovick, Executive Director