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ORIGINAL

Decision No. 87559 July 6, 1977

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
of ISLAND ENTERPRISES INC. for an)
order authorizing an increase)
in fares pursuant to Public)
Utilities Code Section 454 and)
rule 23 of the rules of practice)
and procedure.)

Application No. 57256
(Filed April 25, 1977)

O P I N I O N

Island Enterprises Inc., a California corporation, presently provides service as a vessel common carrier (VCC-37) to transport passengers and their baggage in shoreboats between certain points on and along Santa Catalina Island.

By this application, Island Enterprises Inc., seeks authority to increase its passenger fares by 50 percent to 66 2/3 percent.

The applicant alleges that the requested fare increases would cover the substantial increase in fuel, maintenance, insurance and labor expenses incurred since the present fares were established.

Its present fares were established by Decision 84685, dated July 22, 1975, in Application 55493.

The staff of the Transportation Division has made an analysis of applicant's operations and submitted a report on the estimated results of operations, based on the rate year ending December 31, 1977 under present and proposed fares. The report is hereby received as Exhibit No. 1. The exhibit indicates the following results:

RESULTS OF OPERATIONS
FOR VESSEL COMMON CARRIER

<u>Item or Account</u> <u>No. Description</u>	<u>Adjusted</u> <u>Historical</u> <u>Year 1976</u>	<u>Rate Year 1977</u>	
		<u>Present</u> <u>Fares</u>	<u>Requested</u> <u>Fares</u>
<u>Revenue</u>			
302 Passengers	\$ 79,100	\$ 79,100	\$ 120,700
<u>Expenses</u>			
401 Maintenance	\$ 4,910	\$ 5,340	\$ 5,340
411 Depreciation	3,550	3,550	3,550
421 Operation of Vessel	64,880	77,330	81,070
461 General Expenses	9,530	9,530	9,530
471 Insurance	7,040	7,040	7,040
485 Taxes	4,740	5,950	5,950
Total Expenses	\$ 94,650	\$ 108,740	\$ 112,480
Operating Income	\$ -15,550	\$ -29,640	\$ 8,220
532 Income Taxes	-	-	2,240
Net Income	\$ -15,550	\$ -29,640	\$ 5,980
Operating Ratio - %	119.7	137.5	95.0

Notice of filing of this application appeared in the Commission's Daily Calendar on April 27, 1977. No protests have been received.

After consideration, the Commission finds that:

1. The shoreboat service at Catalina Island is primarily summer seasonal business.
2. The requested increase would result in additional annual revenue in the amount of \$41,600.
3. The proposed fare increase is justified.
4. A public hearing is unnecessary.

The Commission concludes that the application should be granted.

O R D E R

IT IS ORDERED that:

1. Island Enterprises, Inc. is authorized to establish the increased rates proposed in Application 57256. Tariff publications authorized to be made as a result of this order may be made effective not earlier than five days 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 ninety 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 its vessels and terminals a printed explanation of its rates. Such notice shall be posted not less than five days before the effective date of the rate changes and shall remain posted for a period of not less than thirty days.

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Since the summer season with increased traffic has already commenced, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 6th day of JULY, 1977.

Robert Bateman
President
William S. Jones, Jr.
Vernon L. Sturgeon
Richard D. Howell
Commissioners