

ORIGINAL

Decision No. 89211 AUG 8 1978

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., to amend )  
its Certificate of Public Conven- )  
ience and Necessity as a vessel )  
common carrier to conform to its )  
true name. )

Application No. 58048  
(Filed May 5, 1978)

O P I N I O N

By this application Jeffrey W. Stickler and Bruce J. Poncel, a partnership, doing business as Catalina Island Water Transportation Co., seek authorization to transfer the partnership assets and operating authority to a corporation, Island Navigation Company, Inc., doing business as Catalina Island Water Transportation Co., with each partner taking a half interest in the new entity by receiving ten shares each of capital stock at no par value, which constitutes all outstanding shares issued.

The Certificate of Public Convenience and Necessity authorizing applicant's present operation as a vessel common carrier was granted by Decision No. 86044, in Application No. 56067.

A certified copy of the Articles of Incorporation in the name of Island Navigation Company, Inc., was filed with the Commission on June 30, 1977, in connection with Application No. 57405 for a rate increase. The applicant at that time inadvertently failed to request the transfer of its Certificate of Public Convenience and Necessity to the new corporation and now is requesting in the instant application to correct this oversight.

After consideration, the Commission finds that the proposed transfer would not be adverse to the public interest and concludes that it should be authorized. A public hearing is not necessary. The order which follows will provide for the revocation of the

TD-11  
5/5/78

certificate presently held by Jeffrey W. Stickler and Bruce J. Poncel, a partnership, doing business as Catalina Island Water Transportation Co., and the issuance of a certificate in appendix form to Island Navigation Company, Inc., doing business as Catalina Island Water Transportation Co.

The proposed security issue is for proper purposes and the money, property, or labor to be procured or paid for by the issue of the security authorized by this decision is reasonably required for the purposes specified, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

In issuing this decision we place the issuer of the authorized stock and its shareholders on notice that we do not regard the number of shares outstanding, the total par value of the shares, nor the dividends paid, as measuring the return it should be allowed to earn on its investment in plant, and that this authorization is not to be construed as a finding of the value of the company's stock or property nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

Island Navigation Company, Inc., doing business as Catalina Island Water Transportation Co., is placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be modified or canceled at time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

✓ IT IS ORDERED that:

1. On or before September 1, 1978, Jeffrey W. Stickler and Bruce J. Poncel, a partnership, doing business as Catalina Island

Water Transportation Co. may transfer the operative rights and property referred to in the application to Island Navigation Company, Inc., doing business as Catalina Island Water Transportation Co.

2. Within thirty days after the transfer applicant shall file with the Commission written acceptance of the certificate and a true copy of the bill of sale or other instrument of transfer. Applicants are placed on notice that if they accept the certificate they will be required, among other things, to comply with the insurance requirements of the Commission's General Order No. 111-Series.

3. Applicant shall amend or reissue the tariffs and timetables on file with the Commission, naming rates and rules governing the common carrier operations transferred to show that it has adopted or established, as its own, the rates and rules. The tariff and timetable filings shall be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and the public, and the effective date of the tariff and timetable filings shall be concurrent with the transfer. The tariff and timetable filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs and timetables set forth in the Commission's General Orders Nos. 87-Series and 117-Series. Failure to comply with the provisions of General Orders Nos. 87-Series, 111-Series and 117-Series may result in a cancellation of the operating authority granted by this decision.

4. On or before the end of the third month after the transfer, applicant shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the operations of the transferee for the period commencing with the first day of the current year to and including the effective date of the transfer.

5. In the event the transfer authorized in paragraph 1 is completed, effective concurrently with the effective date of the tariff filings required by paragraph 3, a Certificate of Public Convenience

and Necessity is granted to Island Navigation Company, Inc., a corporation, doing business as Catalina Island Water Transportation Co., authorizing it to operate as a common carrier by vessel, as defined in Sections 211(b) and 238 of the Public Utilities Code between the points and over the routes set forth in Appendix A, attached hereto.

6. The Certificate of Public Convenience and Necessity granted by Decision No. 86044, in Application No. 56067, is revoked effective concurrently with the effective date of the tariff filings required by paragraph 3.

7. Purchaser shall maintain its accounting records on a calendar-year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission, and shall file with the Commission, on or before March 31 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

8. On or after the effective date of this order and on or before September 1, 1978, for the purposes specified in this proceeding transferee may issue not exceeding 20 shares of its common stock having no par value.

9. The issuer of the securities authorized by this order shall file with the Commission a report, or reports, as required by General Order No. 24-Series.

10. The order shall become effective when applicant has paid the minimum fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$50.

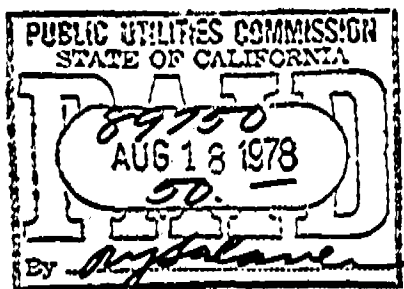
In all other respects the effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 8th day of AUGUST, 1978.

Robert B. Berman  
President

Leino L. Sturgeon  
Charles D. Hawk

Commissioners



Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.

CATALINA ISLAND WATER  
TRANSPORTATION CO.

CERTIFICATE  
OF  
PUBLIC CONVENIENCE AND NECESSITY  
AS A VESSEL COMMON CARRIER  
VCC-43

---

Showing vessel common carrier operative rights, restrictions,  
limitations, exceptions and privileges applicable thereto.

---

All changes and amendments as authorized by the Public Utilities  
Commission of the State of California will be made as revised pages  
or added original pages.

---

Issued under authority of Decision No. 89211, dated AUG 8 1978,  
of the Public Utilities Commission of the State of California, in  
Application No. 53048.

## Section 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS AND SPECIFICATIONS.

The certificate hereinafter noted supersedes all operative authority heretofore granted to Jeffrey W. Stickler and Bruce J. Poncel, doing business as Catalina Island Water Transportation Co., or its predecessors.

Island Navigation Company, Inc., dba Catalina Island Water Transportation Co., by the Certificate of Public Convenience and Necessity granted by the decision noted in the margin, is authorized to operate as a vessel common carrier to transport passengers and their hand baggage in a "water taxi shore-boat service" between vessels, and between vessels and shorepoints and between all points and places on Catalina Island subject to the following conditions:

- a. No vessel shall be operated unless it has met all applicable safety requirements including those of the United States Coast Guard.
- b. Service shall be operated on an "on-call" and "charter" basis.
- c. The term "on-call" as used herein refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs and timetables shall show the conditions under which each authorized "on-call" service will be rendered.
- d. The term "charter" service, as used herein refers to service in which the vessel is engaged, for a specified charge, by a person or group of persons for the exclusive use of said person or group of persons. The tariffs shall show the conditions under which each "charter" service will be rendered.
- e. Service shall not be rendered within the Two Harbors area between any vessels, points, and places.
- f. The Two Harbors area is described as the inland waters of Isthmus Cove which is within a line drawn from Blue Cavern Point to Lion's Head and Catalina Harbor which is within a line drawn from Pen Rock to Catalina Head.

Issued by California Public Utilities Commission.

Decision No. 89211, Application No. 53048.