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Decision No. 89689 NOV 28 1978

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of HARBOR CARRIERS, INC., a)	Application No. 58322
corporation, for authorization)	(Filed August 29, 1978)
to increase rates between)	(Amended September 18, 1978)
San Francisco and Sausalito.)	

O P I N I O N

In Application No. 58322 Harbor Carriers, Inc., (applicant) a California Corporation and subsidiary of the Harbor Tug and Barge Company (itself a subsidiary of the Crowley Maritime Corporation), seeks authority to increase its passenger fares between San Francisco and Sausalito.

Applicant was granted authority to transport passengers as a common carrier by vessel in scheduled service between San Francisco and Sausalito by Decision No. 73811, dated March 5, 1968 in Application No. 49712. By Decision No. 79143, dated September 8, 1971, applicant was granted an extension of time to commence the service until September 28, 1972.

At applicant's request, the Commission has granted an additional year extension of time to commence the service each year since that time, the latest being Decision No. 89426, dated September 19, 1978.

At the time the authority for the service was granted, the carrier established the following fares between San Francisco and Sausalito.

	<u>Adult</u>	<u>Children</u>
One Way	\$0.80	\$0.40
Round Trip	1.50	0.75

These were the same fares as the San Francisco to Tiburon Service at the time since the distances between termini are similar.

Subsequently, through various applications, the fares between San Francisco and Tiburon have been increased. Decision No. 89270, dated August 22, 1978 in Application No. 57767 authorized the following fares:

A. 58322 - FS

Local Passenger Tariff No. 11
Item No. 100

	<u>Fare</u>
Between S.F. and Angel Island	
Adult Fare (round trip)	\$4.00
Child Fare (round trip)	2.00
Between S.F. And Tiburon	
Fare (round trip)	\$4.00
Fare (one way)	2.00
Commute Book - 10 round-trip tickets between S.F. and Tiburon	\$25.00
Bicycles (accompanying passenger) between S.F. and Tiburon	
Fare (round trip)	\$1.00
Fare (one way)	0.50

By the instant application, the carrier requests authority to increase fares as follows:

Statement of Present and Proposed Fares

	<u>Present Fare</u>	<u>Proposed Fare</u>
Local Passenger Tariff No. 11 Item No. 100		
Between San Francisco and Sausalito		
Adult Fare (round trip)	\$ 1.50	\$ 4.00
Children's Fare (round trip)	.75	2.00
Adult Fare (one way)	.80 ¹	2.00
Children's Fare (one way)	.40	1.00

¹We take note that the Golden Gate Transit fare between San Francisco and Sausalito by ferry is \$1.00 single fare or \$0.80 by 20-ride commute book.

Since the service has never been operated, there are no operating revenues or expenses. However, the operating expenses per trip should approximate those of the San Francisco to Tiburon service. The operating revenues would depend upon the extent to which the public utilizes the service.

Exhibit A attached to the application is a balance sheet as of December 31, 1977 and a profit and loss statement for the year 1977. The balance sheet shows total assets amounting to \$523,658. The profit and loss statement shows \$139,665 net revenue from operations and a net income of \$64,024 after provision for income taxes.

This carrier and its affiliates have not complied with previous Commission decisions regarding recorded statistics (both financial and operating) filed with applications. In Decision No. 89275, we placed this carrier on notice that any future fare increase application would not be considered unless it was in conformance with the Uniform System of Accounts and the results from the entire operation were shown in respect to any claim of expense. However, since this portion of the system has never been operated, there are no expenses allocated to it and the application should be considered.

F I N D I N G S

1. Applicant's present rates and fares between San Francisco and Tiburon were established effective June 10, 1968 pursuant to Decision No. 73811.

2. Applicant's balance sheet and income statement for the year ending December 31, 1977 show a retained earnings deficit of \$1,398,165 and a net income of \$64,024.

3. Since applicant's rates and fares were established, applicant has experienced increases in various operating expenses, especially for labor, fuel, and repairs in those vessel services which it does operate.

4. Applicant seeks authority to increase passenger fares for its ferry commute service between San Francisco and Sausalito to the level of the fares between San Francisco and Tiburon.

5. The operating expenses per trip of this service should approximate those of the San Francisco-Tiburon service.

6. The increase in fares authorized by this decision is justified and reasonable.

7. The granting of this application will not have a significant impact on the environment.

8. Applicant was placed on notice in Decision No. 89275 that any future fare increase applications would not be considered unless they were in conformance with the Uniform System of Accounts as required by the Commission and the results of the entire operations were shown with respect to any claim of expense involving related, parent, subsidiary, or other controlled entities. However, since this service has never been operated and, therefore, has no operating data, we will consider this application as an exception to our order in Decision 89275.

C O N C L U S I O N S

It is concluded that Application No. 58322 should be granted.

O R D E R

IT IS ORDERED that:

1. Harbor Carriers, Inc., is authorized to establish the increased fares proposed in Application No. 58322. Tariff publications authorized to be made as a result of this order shall be filed not earlier than the effective date of this order and 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. Harbor Carriers, Inc. is again placed on notice that any future fare increase applications will not be considered unless they are in conformance with the Uniform System of Accounts as required by the Commission and the results of the entire operations are shown with respect to any claim of expense involving related,

A. 58322 - DLL

parent, subsidiary, or other controlled entities.

The effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 28th day of NOVEMBER, 1978.

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

Robert Bateman
President
William Lyons Jr.
Robert D. Hoyle
Clare T. Deane
Commissioners