

ORIGINAL

Decision No. 90340 MAY 22 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of MILTON McDONOGH, dba ANGEL)
ISLAND FERRY, FOR AUTHORIZATION)
TO INCREASE RATES.)

Application No. 58384
(Filed September 28, 1978)

William P. Clecak, Attorney at Law, for Milton
McDonogh, applicant.
Steven Steinhour, Attorney at Law, for Department
of Parks and Recreation, protestant.
Harold Edelstein, for City Council of Tiburon,
interested party.
R. O. Collins and T. E. Enderle, for the Commission
staff.

O P I N I O N

This is an application by Milton McDonogh (McDonogh),
doing business as Angel Island Ferry, seeking an increase in fares.

A duly noticed public hearing was held in this matter
before Administrative Law Judge Donald B. Jarvis in San Francisco
on April 9, 1979, and it was submitted on that date.

McDonogh provides ferry service between Tiburon and
Angel Island. The position of the parties at the outset of the hearing
was as follows:

	<u>Present Fares*</u>	<u>Applicant's Proposed Fares</u>	<u>Staff Proposed Fares</u>
Adult Fare	\$1.50**	\$3.00**	\$2.00**
Child's Fare	.75**	1.50**	1.00**
Bicycles	-	.50	.50

* The present fares were authorized by Decision No.
60801 in Application No. 40945 dated May 3, 1960.

** The Department of Parks and Recreation levies a \$.25
fee which must be added to these fares.

The Department of Parks and Recreation appeared as a protestant at the hearing. The city of Tiburon appeared as an interested party. The Commission staff also appeared in the proceeding. During the course of the hearing all the parties entered into a stipulation about the relevant facts. McDonogh agreed to provide certain data requested by the parties and modified his fare proposed as follows:

Adult Fare	\$2.25
Children (5-11 years old)	1.00
Bicycles	.50

In the light of the stipulation and modified fare request, the Department of Parks and Recreation withdrew its protest to the application.

Findings of Fact

1. McDonogh holds operating authority as a common carrier by vessel and operates ferry service between Tiburon and Angel Island, a distance of approximately three kilometers. The trip takes approximately 10 minutes each way. Service is provided by two vessels, "The Gaycin" with a capacity of 49 passengers and the "Angel Island" with a capacity of 400 passengers. During the winter months, regular service is provided on Saturdays and Sundays. Summer service is provided seven days per week.

2. The number of passengers carried by McDonogh and the revenue generated therefrom for the years 1974-1978 is as follows:

<u>Year</u>	<u>Passengers</u>	<u>Revenue</u>
1974	43,419	\$54,240
1975	42,152	54,684
1976	54,854	70,110
1977	56,899	76,086
1978	51,903	70,427

3. McDonogh's present fares were authorized by Decision No. 60801 dated May 3, 1960. For the calendar year ending December 31, 1978, McDonogh had a net loss of \$21,879 and an operating ratio of 131 percent. For the test rate year ending June 30, 1980, McDonogh will, under present rates, suffer a net loss of \$27,385 and have an operating ratio of 138 percent.

4. The following estimate of earnings for the test year ending June 30, 1980 is reasonable:

	Year Ended <u>12-31-78</u>	Estimate for Rate Year 6-30-80	
		Existing Fares	Applicant's Proposed Fares
<u>Operating Revenues</u>			
Passenger Total	\$ 70,427	\$ 70,427	\$106,349
<u>Operating Expenses</u>			
Repairs	4,030	4,664	4,664
Docking	1,065	1,186	1,186
Depreciation	14,193	14,275	14,275
Tax & Licenses	2,654	2,800	2,800
Labor (Hired)	9,905	11,864	11,864
Supplies	5,261	5,415	5,415
Fuel	2,715	2,923	2,923
Insurance	16,362	18,053	18,053
Publications	542	600	600
Accounting	2,130	2,300	2,300
Misc.	704	775	775
Utilities	2,609	2,807	2,807
Owner's Labor	30,000	30,000	30,000
Mileage	135	150	150
Total Oper. Exp.	92,305	97,812	97,812
Net Income	(21,879)	(27,385)	8,537
Operating Ratio	131%	138%	92%
Rate Base	\$ -	\$120,170	\$120,170
Rate of Return	-%	-%	7.1%

(Red Figure)

5. The fares proposed by McDonogh will result in yearly net income of \$8,537, an operating ratio of 92 percent and a rate of return of 7.1 percent.

6. McDonogh should be authorized to charge the following fares:

Adults	\$2.25
Children (5-11 years of age)	1.00
Bicycles	.50

7. McDonogh operated at a net loss in 1977 and 1978. The fares authorized herein which will yield net revenues of \$8,537 and a rate of return of 7.1 percent are within the wage and price standards promulgated by the Council on Wage and Price Stability.

8. McDonogh has agreed to furnish the Commission and the Department of Parks and Recreation a report showing the number of adults, children, and bicycles transported for the period from June 1, 1979 to December 31, 1979.

9. McDonogh has agreed not to file any additional fare increase applications during 1979.

10. The increases in fares and charges authorized by this decision are justified and are reasonable; and the present fares and charges, insofar as they differ from those prescribed by this decision, are for the future unjust and unreasonable.

Conclusions of Law

1. McDonogh should be authorized to increase his fares to those found herein to be just and reasonable.

2. McDonogh should be required to furnish the Commission and the Department of Parks and Recreation a report showing the numbers of adults, children, and bicycles transported for the period from June 1, 1979 to December 31, 1979.

3. Because of the seasonal nature of McDonogh's operations this order should be effective on the date of its issuance.

O R D E R

IT IS ORDERED that:

1. Milton McDonogh, doing business as Angel Island Ferry, is authorized to establish the increased fares set forth in Appendix A attached hereto.

2. Tariff publications required to be made by McDonogh 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 the fifth day after the effective date of this order on not less than five days' notice to the Commission and to the public.

3. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

4. In addition to the required posting and filing of tariffs McDonogh shall give notice to the public by posting in his vessels and terminals a printed explanation of the new fares. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

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5. On or before January 15, 1980, McDonogh shall transmit to the Transportation Division of the Commission and the Department of Parks and Recreation a report, in writing, showing the numbers of adults, children, and bicycles transported from June 1, 1979 to December 31, 1979.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 22nd
day of MAY, 1979.

John E. Guys
President
Debra L. Stinson
Richard D. Harold
Leonard M. ...
Commissioners

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

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APPENDIX A

Milton McDonogh, doing business as Angel Island Ferry,
is authorized to establish the following fares:

Adult	\$2.25
Children (5-11 years of age)	1.00
Bicycles	.50