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Decision No. 90681 AUG 14 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of BALBOA ISLAND)
 FERRY, a California corpora-
 tion, to adjust rates.)

Application No. 58829
 (Filed April 30, 1979)

O P I N I O N

Balboa Island Ferry, (VCC-2), a California corporation, operates common carrier ferry service for the transportation of persons and motor vehicles across Balboa Bay between Balboa and Balboa Island in the City of Newport.

By this application, Balboa Island Ferry seeks to adjust its fares for an additional annual revenue of \$95,648. This would represent a fare increase of approximately 26%. The present and proposed fares are summarized below:

	<u>Present Fares</u>	<u>Proposed Fares</u>
Adult	10¢	15¢ ⁽¹⁾
Child	5¢	5¢
Bicycle	5¢	5¢
Motorcycle	10¢	10¢
Auto-Regular	30¢	30¢
Commute	25¢	20¢ ⁽²⁾
Panel Truck and Truck under 1 ton	30¢	30¢
Truck over 1 ton	60¢	60¢

- (1) Only increase proposed in this application.
- (2) Auto commute fare reduced from 25¢ to 20¢. This will permit the fare for an automobile and driver to remain at 35¢ as it is under the present fares.

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The present fares were originally established by Decision No. 86107 in Application No. 56404 dated July 15, 1976.

Applicant alleges that his present fares do not yield sufficient revenue to allow it to conduct its vessel operations at a profit. For the rate year ending June 30, 1980 applicant alleges that there will be an operating loss of \$25,387 at present fares.

Applicant further alleges that additional revenue is required because of increased cost in phases of operation, including fuel, insurance, labor and maintenance.

While the fare increase authorized herein is an exception to the President's Guidelines for wage and price increases, the proposed fares are reasonable and necessary to ensure the continued viability of this transportation service.

Notice of filing of this application appeared in the Commission's Daily Calendar on May 1, 1979. No protests have been received.

After consideration the Commission finds that:

1. The requested fare would result in an additional annual revenue of \$95,648.
2. The proposed fare increase is justified.
3. A public hearing is unnecessary.

O R D E R

IT IS ORDERED that:

1. Balboa Island Ferry is authorized to establish the increased fares proposed in Application 58829.
2. Tariff publications required to be made by Balboa Island Ferry 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.

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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, Balboa Island Ferry shall give notice to the public by posting in its 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 change and shall remain posted for a period of not less than thirty days.

Since applicant is operating at a loss, the effective date of this order is the date hereof.

Dated AUG 14 1979, at San Francisco, California.

John E. Byrne
President
Thomas L. Sturgeon

Philip J. DeLoach
Leonard J. Gravelle
Commissioners

Commissioner Richard D. Gravelle, being necessarily absent, did not participate in the disposition of this proceeding.