

Decision No. 90731

AUG 28 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the )  
 Application of Harbor )  
 Carriers, Inc., a )  
 corporation, for an )  
 Order authorizing it )  
 to assess a surcharge )  
 for the transportation )  
 of passengers by vessels )  
 between points on San )  
 Francisco Bay. )

Application No. 59022  
 (Filed July 25, 1979)

O P I N I O N

Harbor Carriers, Inc., a corporation, operates as a common carrier by vessel in the transportation of persons and property between points in San Francisco, San Pablo, and Suisun Bays under prescriptive operative rights and a certificate of public convenience and necessity granted in Decision No. 82560 dated March 12, 1974 in Application No. 54499.

In this application Harbor Carriers, Inc. seeks authority to assess a surcharge to offset rising fuel costs for its service between San Francisco on the one hand and Tiburon and Angel Island on the other hand.

Applicant alleges that fuel costs have risen from 41 cents in 1978 to 62 cents in 1979 and request an increase of 15 cents for its one way fare and 25 cents for its round trip fare to offset these continually rising fuel costs.

In Decision No. 89270 dated August 22, 1978, in Application No. 57767, applicant was authorized to increase its fares to its present level. The Transportation Division staff has made an engineering economic study based on the results of operation adopted by the Commission in Decision No. 89270. The study is hereby received as Exhibit 1.

The following are the results of this study for the adopted year 1978 and rate year 1980 which reflects the fuel cost increase and additional revenue sought:

	1978 <u>Adopted Year</u>	1980 Rate Year <u>Present Fares</u>	<u>Proposed Fares</u>
Revenue	\$1,468,308	\$1,468,308	\$1,527,302
Expenses	1,566,550	1,619,944	1,619,944
Operating Income	-98,242	-151,636	-92,642
Income Taxes	200	200	200
Net Income	-98,442	-151,836	-92,842
Operating Ratio	106.70%	110.34%	106.08%

An analysis of this study shows that even with the proposed fare increase applicant's operating ratio will be over 106 percent with a net loss of \$92,842. and is approximately the same operating ratio as that contained in the 1978 adopted year results of operation.

Notice of the filing of this application appeared in the Commission's Daily Calendar on July 21, 1979. No protest have been received.

### F I N D I N G S

After consideration, the Commission finds that:

1. The requested fare increase would result in additional annual revenue of \$58,994.
2. The proposed fare increase is justified.
3. A public hearing is not necessary.
4. Applicant is operating at a substantial loss.

### O R D E R

IT IS ORDERED that:

1. Harbor Carriers, Inc. is authorized to establish the increased fares proposed in Application 59022. 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

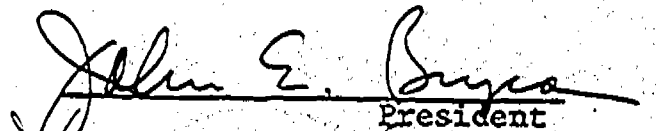
this order on not less than five days' notice to the Commission and to the public.

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 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

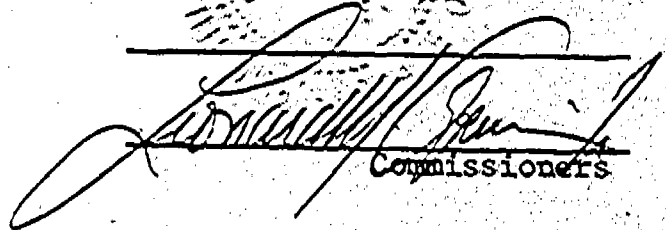
Since the carrier is operating at a loss the effective date of this order is the date hereof.

Dated AUG 28 1979, San Francisco, California.

  
President





  
Commissioners

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