

MAY 20 1980

ORIGINAL

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Decision No. \_\_\_\_\_

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 H. TOURIST, INC., DBA CATALINA ISLAND )  
 CRUISES, and DBA LONG BEACH CATALINA )  
 CRUISES, a corporation, for an order )  
 authorizing it to increase rates for )  
 the transportation of passengers by )  
 vessel between the Port of Los )  
 Angeles (San Pedro) or the Port of )  
 Long Beach, on the one hand, and, on )  
 the other, authorized points on )  
 Santa Catalina Island. )

Application No. 59394  
(Filed January 23, 1980)

O P I N I O N

By this verified application, H. Tourist, Inc. (Tourist), dba Catalina Island Cruises and dba Long Beach Catalina Cruises, seeks authority to increase its rates for the service of transporting passengers by vessel between the Port of Los Angeles (San Pedro) or the Port of Long Beach, on the one hand, and, on the other hand, authorized points on Santa Catalina Island.

The last general rate increase authorized Tourist was by Decision No. 89275 dated August 22, 1978. It is alleged that the inflationary spiral of 1978 and 1979 dramatically escalated both the direct and indirect cost of providing the service to and from Catalina Island. A continued high rate of inflation appears certain for 1980 and into 1981. Therefore, Tourist alleges it must secure a rate increase if it is to continue to provide the public with the quantum and quality of service that the public appears to desire.

Table 1, below, sets forth the present and proposed rates and the percentage increases therein.

TABLE 1

PRESENT AND PROPOSED ONE-WAY AND ROUND-TRIP FARES BETWEEN THE PORT OF LOS ANGELES (SAN PEDRO) OR THE PORT OF LONG BEACH, ON THE ONE HAND, AND POINTS ON SANTA CATALINA ISLAND, ON THE OTHER

	<u>Present<sup>1/</sup> Rate</u>	<u>Proposed Rate</u>	<u>Percent Increase</u>
Adult one way .....	\$ 6.15	\$ 7.50	22
Adult round trip .....	12.30	15.00	22
Child, five years and over, one way <sup>2/</sup>	3.15	3.75	19
Child, five years and over, round trip <sup>2/</sup>	6.30	7.50	19
Child, under five years, one way .... <sup>2/</sup>	.40	.40	
Child, under five years, round trip <sup>2/</sup>	.80	.80	
Commuter book .....	41.50	50.00	20
Groups (round trip)			
Regular .....	10.80	13.50	25
Special .....	9.80	12.00	22
Camp Fox .....	6.30	7.50	19
Isthmus .....	6.30	7.50	19

CHARTERS

Passenger Capacity  
of Vessels Used

	<u>Charge Per Hour</u>		
	<u>Present</u>	<u>Proposed</u>	<u>% Increase</u>
1 - 110 .....	\$150	\$190	27
111 - 149 .....	210	265	26
150 - 500 .....	450	565	26
501 - 700 .....	570	715	25

<sup>1/</sup> Present rates include the fuel surcharge authorized by Decision No. 90906.

<sup>2/</sup> Under proposed rates the age break for children is two years instead of five years.

Notice of the filing of this application was published in our Daily Calendar of January 24, 1980. Copies of the application and notices of hearing were served on the City Clerk of Avalon, the City Clerk of Long Beach, The Los Angeles County Counsel, and the County Clerk of Los Angeles. A prehearing conference was held on March 3, 1980. No protestants appeared at the prehearing conference nor have any protests been filed. Certain questions and problems that the staff had with the application were resolved at the prehearing conference. Additional backup data was provided the staff by Tourist after the prehearing conference. On April 1 the staff filed a letter addressed to the assigned Administrative Law Judge wherein it recommends that Application No. 59394 be granted on an ex parte basis.

Findings of Fact

1. The actual and estimated results of operations of Tourist are:

	Yr. Ended 9/30/79	Projected Yr. Ending 4/30/81
	(000's)	
Operating Revenue	\$5,485	\$6,895
Vessel Operating Expense	<u>2,922</u>	<u>3,735</u>
Gross Profit	2,563	3,160
Deduct:		
Administrative & Genl. Exp.	1,349	1,662
Other Shipping Operations	22	26
Depreciation & Amortization	<u>321</u>	<u>330</u>
Total	1,692	2,018
Net Income before Provision for Federal Income Tax	871	1,142
Less Income Tax (Federal @ 46%, State @ 7%, Effective 50%)	<u>435</u>	<u>570</u>
Net Income	436	572
Rate Base	4,210	4,139
Rate of Return	10.4%	13.8%
Operating Ratio (before Federal Income Tax)	84.1%	83.4%

2. The proposed rate increases range from approximately 19 percent to 25 percent and are estimated to generate approximately \$1,400,000 in additional revenue.

3. Tourist is a wholly owned subsidiary of Harbor Tug and Barge Company which is, in turn, a wholly owned subsidiary of Crowley Maritime Corporation.

4. No protests have been filed; therefore, a public hearing is not necessary.

5. In order for Tourist to take advantage of the start of the forthcoming tourist season in May, Tourist should be authorized to publish its rates as soon as possible after they are authorized.

6. To enable the prompt implementation of Finding 5, the effective date of this order should be the date hereof.

Conclusion of Law

The fare increases requested by Tourist are justified and should be granted.

O R D E R

IT IS ORDERED that:

1. H. Tourist, Inc. is authorized to establish the increased fares proposed in Application No. 59394.

2. 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.

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

The effective date of this order is the date hereof.

Dated     MAY 20 1980    , at San Francisco, California.

John E. Bryan  
President  
Herbert L. ...  
Richard A. ...  
Clare J. ...  
Lawrence M. ...  
Commissioners