

T/vcp

Decision 93068 MAY 19 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of UNIVERSAL }
 MARINE CORPORATION for }
 authority to increase }
 rates in the approximate }
 amount of 15% and for }
 interim relief. }

Application 60418
 (Filed April 3, 1981)

O P I N I O N

Universal Marine Corporation (applicant) is a California corporation conducting operations as a common carrier of persons and property by vessel (VCC 48) in Long Beach and Los Angeles Harbors under a certificate of public convenience and necessity granted in Decision (D.) 89353, dated September 6, 1978, in Application (A.) 57692, and in D.86732, dated December 7, 1976, in A. 56366.

By this application, applicant seeks authority to increase its presently authorized rates by approximately 15% for an estimated annual increase in gross revenue of approximately \$475,000.

Applicant alleges that it has not had an increase in rates since its operations were initially authorized and due to subsequent increases in the expense of operations, including labor, fuel and other costs, it is in need of a rate increase in order to continue in business.

The following table shows the existing rates and the requested rates:

	<u>Present</u> Rate \$ <u>Per Hour</u>	<u>Requested</u> Rate \$ <u>Per Hour</u>
Water Taxi		
Crew of one		
Daily	60	75
Holiday	85	95
Crew of Two		
Daily	85	100
Holiday	110	125
Crew of Three		
Daily	110	125
Holiday	135	160
Barge/Crane/Harbor Tug		
First eight hours	175	190
Over eight hours	215	230
Saturday Rate	215	230
Sunday Rate	240	260
Holiday Rate	275	295

The staff of the Transportation Division has made an analysis of applicant's results of operations contained along with other pertinent financial data in its verified application based on a future year ending September 30, 1981 under present and proposed rates. It is summarized as follows:

<u>Item</u>	<u>Test Year Ended September 30, 1981</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenue	\$3,165,900	\$3,640,800
Expenses	3,810,000	3,810,000
Operating Income	(644,100)	(169,200)
Income Taxes	200	200
Net Income	(644,300)	(169,400)
Operating Ratio	120.3%	104.6%

(Red Figure)

Applicant realizes that the sought rate increase will only minimize its losses but it desires to bring its rates only up to the level of its principal competitor's. As indicated, at present rates there will be a loss of \$644,300 after taxes for an operating ratio of 120.3%, and at proposed rates a loss of \$169,400 after taxes for an operating ratio of 104.6%.

Notice of the filing of the application which appeared in the Commission's Daily Calendar on April 7, 1981, was mailed in accordance with Rule 24 of the Commission's Rules of Practice and Procedure. No protests or requests for public hearing have been received.

Findings of Fact

1. Applicant is a water-taxi operating in Long Beach and Los Angeles Harbors.
2. Applicant's rates have not been increased since the service was authorized in 1976.
3. Applicant has recently incurred increases in fuel and other costs.
4. The requested rate increase would result in an annual gross revenue increase of \$474,900.

Conclusions of Law

1. A public hearing is not necessary.
2. The requested rate increase is justified and should be authorized.

3. The effective date of this order should be the date it is signed since applicant is experiencing operating losses.

O R D E R

IT IS ORDERED that:

1. Universal Marine Corporation is authorized to establish the increased rates proposed in Application 60418. 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 90 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 vessel and terminals a printed explanation of its rates. Such notice shall be posted not less than five days before the effective date of the rate changes and shall remain posted for a period of not less than 30 days.

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This order is effective today.

Dated MAY 19 1981, at San Francisco, California.

John E. Byrne President
Richard D. Parrella
James M. [unclear]
Victor Calvo
Presulla C. [unclear] Commissioners