

Decision 02-12-036 December 17, 2002

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Balboa Island Ferry, Inc., is seeking authority under Section 454 of the Public Utilities Code to publish tariff provisions resulting in increases.

Application 02-05-049
(Filed May 23, 2002)

O P I N I O N

Summary

This decision grants the application of Balboa Island Ferry, Inc. (Applicant), a corporation, to increase its fares and rates pursuant to Pub. Util. Code § 454.

Discussion

Applicant is authorized to operate as a vessel common carrier (VCC-2) transporting passengers and vehicles across the waters of Newport Bay between Balboa Island and Balboa Peninsula.

The last fare and rate increase was granted to Applicant by Decision (D.) 98-09-014 in Application 98-06-010. The decision authorized Applicant to sell a Frequent User Identification Card (FUID) for \$5, valid for a calendar year, that allows passengers to have their vehicles transported for a reduced one-way rate of \$1. Since its introduction, riders have preferred to purchase Commuter Cards rather than the FUID Cards. Applicant requests discontinuance of the sale of FUID Cards.

Applicant has submitted unaudited Balance Sheets and Income Statements for calendar years 1999, 2000, and 2001.

The following table shows the present and proposed fares and rates:

TABLE 1
Present and Proposed Fares and Rates

	<u>PRESENT</u>	<u>PROPOSED</u>
ONE-WAY FARES AND RATES		
PASSENGER FARES – PER PEDESTRIAN		
Adult	\$.50	\$.60
Child (over 5 but under 12 years)	.25	.30
VEHICLES FARES – INCLUDES VEHICLE AND DRIVER		
Bicycle		
With adult driver	.65	.80
With child driver	.40	.50
Motor Scooter or Motorcycle	.75	1.00
Passenger Automobile	1.25	1.50
Truck up to 5,000 pounds gross vehicle weight	1.25	1.50
Vehicle over 21 feet in length	2.00	3.00
Vehicle not otherwise specified	2.00	2.00
30-RIDE COMMUTER CARD (for passenger automobiles and trucks up to 5000 pounds gross vehicle weight)	20.00	25.00
PASSENGERS IN VEHICLES USING COMMUTER CARD		
Adult	.35	.60
Child	.15	.30
ALL OTHER VEHICLE PASSENGERS		
Adult	.50	.60
Child	.25	.30

Below is the operating ratio Table.

TABLE 2
Rate of Return

YEAR	OPERATING RATIO
1999	85.7%
2000	100.5%
2001	102.5%

After an increase in traffic due to favorable weather conditions in 1999, traffic declined in the following years because of the business climate nationally and locally. Applicant projects expenses in 2002 for insurance, rent, labor and related costs to increase by 6.8% above the average expenses of the past three years. A pro forma income statement for 2002 based on the proposed fares and rates, after adjustments, projects gross income of \$946,000 and expenses of \$943,800, resulting in an operating ratio of 99.8%. Without an increase, Applicant projects revenue of \$923,800 and expenses of \$943,800, or an operating ratio of 102.2%.

Notice of filing of the application appeared in the Commission's Daily Calendar on June 3, 2002. A copy of the application was served on the City of Newport Beach.

In Resolution ALJ 176-3089 dated June 6, 2002, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protest has been received. Given this status, public hearing is not necessary, and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3089.

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

Findings of Fact

1. The application requests authority to increase its vessel common carrier fares and rates.
2. Applicant's current fares and rates were authorized by D.98-09-014.
3. Under its current fares and rates, Applicant projects revenue of \$923,800 and expenses of \$943,800, or an operating ratio of 102.2%.
4. Under the proposed fares and rates, after adjustments, Applicant projects gross income of \$946,000, expenses of \$943,800, or an operating ratio of 99.8%.
5. Riders preferred to purchase Commuter Cards rather than FUID Cards.
6. The requested fares and rates under Pub. Util. Code § 454 are justified.
7. No protest to the application has been filed.
8. A public hearing is not necessary.
9. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusions of Law

1. The request to increase in fares and rates under Pub. Util. Code § 454 are just and reasonable.
2. Applicant's request to discontinue sale of FUID Cards is reasonable.
3. The application should be granted.
4. Since the matter is uncontested, the decision should be effective on the date it is signed.

Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

O R D E R

IT IS ORDERED that:

1. Balboa Island Ferry, Inc. (Applicant), is authorized to establish the increased vessel common carrier fares and rates set forth in the application and may discontinue the sale of Frequent User Identification Cards.
2. Tariffs may be filed on or after the effective date of this order. They may become effective five days or more after the effective date of this order provided that the Commission and the public are given not less than five days' notice.
3. Applicant shall inform the public of the increased fares and rates and their effective date by posting notice on its vessels. Such notice shall be posted not later than the date the new fares and rates take effect and shall remain posted for not less than 30 days.
4. This authority shall expire unless exercised within 90 days after the effective date of this order.
5. The Application is granted as set forth above.

6. This proceeding is closed.

This order is effective today.

Dated December 17, 2002, at San Francisco, California.

LORETTA M. LYNCH
President
HENRY M. DUQUE
CARL W. WOOD
GEOFFREY F. BROWN
MICHAEL R. PEEVEY
Commissioners