

1-2-20

Discover Lake Chelan dba Lake Chelan Boat Company has filed with the WUTC proposed rate and ticketing changes to their operations documented in a public notice (docket #191009) dated December 11, 2019.

These changes will significantly affect the business operations of Holden Village requiring adjustments to how we manage our business, impacting our operating budget, and affecting the ability of our guests to come to Holden Village.

The public notice indicates Lake Chelan Boat Company will be “changing the cumbersome rate structure...which will streamline ticket sales and all processes for our customers.” There are probably aspects of an online ticketing system that will improve the individual customer experience; however, Holden Village relies largely on the Commuter Ticket program which is being replaced with a Frequent Traveler program. Currently Holden Village purchases from the Lake Chelan Boat Company packets of five round-trip boat tickets (Lucerne-Field’s Point) for employees and volunteers on staff at Holden for long-term commitments (anywhere from four months to three years). These tickets are issued to a specific staff member and are good for one year after the purchase date. The cost of the packet of five round-trip tickets is \$143. The purchase, accounting, and tracking of these tickets is handled in Holden’s Business Office, and provided as a benefit to our mainly volunteer staff.

The public notice does not provide sufficient information for us to determine how we will manage the Frequent Traveler program. It also leaves us in limbo until 1/15/20 when the proposed changes go into effect. We have staff needing boat tickets now. If we purchase commuter tickets today will they be good for one year? We do not want to purchase individual tickets in the interim because the cost is 25% greater than that of a commuter ticket. Finally, the public notice does not address what happens to the 145 tickets Holden Village has already purchased in advance for staff and whether they will be honored by Lake Chelan Boat Company or the money refunded to Holden Village (\$4,147 value). An email communication on 12/31/19 between the Village business office and the Lady of the Lake indicates the boat company will honor the tickets already purchased by the Village and they will take responsibility for tracking our staff member’s purchases during the transition to the online system; however, we lack detail about the system in order for us to determine how we will need to adjust our business processes.

Holden Village is a 501(c)(3) non-profit corporation and our operating budget was approved by the Board of Directors this fall for a new fiscal year that started November 1, 2019. The impact of a 13.52% increase in boat ticket prices will increase our annual operating expenses by a minimum of \$2,950. The rate changes also affect freight costs for bulk commercial freight. A significant portion of supplies that come to Holden is freighted up lake by the Lake Chelan Boat Company. If we understand the public notice, this will increase our freight costs by 14.8% which is an additional \$1,960. These cost increases will have to be absorbed by the Village, passed onto our volunteer staff, or funded with additional donations. Passing the effect of this cost increase onto our guests is not an option at this time because our rates have been set through October 31, 2020.

The price increase may also affect the decision of our guests to travel to Holden Village. Only 60% of Village expenses are covered by guest fees. The balance comes from donor and investment support. Raising the Village’s rates is always a careful consideration to ensure we do not price ourselves beyond the ability of our guests to pay. Increased travel costs may make a trip to Holden Village cost prohibitive.

Finally, the window of time before notification to the WUTC and major changes to rates, schedules, and etc. go into effect is a concern to Holden Village. In this case, the Lake Chelan Boat Company filed with the WUTC on December 11, 2019. We found out about the proposed changes shortly after this date when we ordered commuter tickets, and they came to us with a six-month expiration date. Because this was different than the one-year to which we were accustomed, Holden Village reached out to the Lake Chelan Boat Company, and we were emailed the public notice on December 16<sup>th</sup>. There are unanswered questions about the implementation of the changes that may be easily resolved, but with only a one-month period of time to consider the implications and respond, this is a challenge. We request at a minimum two months for both Holden Village and the Lake Chelan Boat Company to work through the WUTC, raise our concerns and questions, and have them addressed before any changes go into effect.

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