

From: Scott Sevall

Date: June 1, 2021

Subject: TC-210357 Howling Moon Shuttle LLC Application

Recommendation

Staff finds there is no financial reason for withholding the applied for certificate. There is no statutory requirement that an auto transportation company have a 12-month feasibility analysis. Staff finds it a best practice and has provided one.

Discussion

Howling Moon Shuttle LLC (company) filed an application to obtain a certificate of public convenience and necessity, on May 24, 2021 with the Utilities and Transportation Commission. Staff has done a financial review of the company's financial documents provided in the application, to conclude the financial fitness of the company's ability to provide service for 12 months. Staff has reviewed the financial information and discusses below.

Company Structure:

The company listing with the Washington Secretary of State's Corporations Division indicated the company started business in Washington on January 28, 2021. The company listing with Washington Department of Revenue indicates the company is registered. The company is an LLC which is 100 percent owned by Eric Bolstad

Analysis:

The company provided an Income Statement, Balance Sheet and estimate of ridership. The Balance Statement shows a 100 percent equity structure. The proposed expenses provided on the Income Statement seem reasonable, the only item staff would note that may be low is payroll, but the company provides both regulated and unregulated service and the payroll may have been allocated between the two lines of service. The company provided a ridership estimate, which Staff used in the analysis.

The analysis consisted of three different scenarios to test the financial feasibility given different revenue scenarios. In one scenario the company was profitable, in two scenarios the company had a loss. However, with the company's current cash on hand any loss was able to be covered by the company. This means the company should be able to continue operations even if those scenarios were to come true.

Conclusion

Staff has reviewed Howling Moon Shuttle LLC's financial information submitted in Docket TC-210357 and concludes the company has made reasonable efforts to estimate its finances under the proposed application. Based on the company's financial records provided, the company has adequate resources and therefore staff concludes the company is financially fit to provide the applied-for service.