

Agenda Date: January 31, 2013  
Item Number: B1

**Docket:** TC-121803  
Company Name: Shuttle Express, Inc., C-975

Staff: Mike Young, Regulatory Analyst

### **Recommendation**

Allow the tariff revisions filed by Shuttle Express, Inc., on November 9, 2012, and revised on January 25, 2013, to take effect on February 1, 2013, by operation of law.

### **Discussion**

On November 9, 2012, Shuttle Express, Inc. (Shuttle Express or company), filed with the Washington Utilities and Transportation Commission (commission) revisions to its Tariff No. 9, with a stated effective date of December 1, 2012. The company did not file supporting work papers until November 19, 2012, and extended the effective date first to December 19, then to December 28, and finally to February 1, 2013. The company provides passenger transportation service to and from Sea-Tac International Airport for more than 400,000 customers in Pierce, King, Snohomish and Island Counties annually. The company's last general rate increase was effective on March 8, 2012.

The proposed tariff revisions would generate approximately \$272,000 (2.2 percent) in additional annual revenue and would increase rates for door-to-door service, some scheduled routes, and the route known as the "Downtown Airporter".

Fares for door-to-door service to and from Sea-Tac International Airport would increase (2.6 percent to 41.9 percent) for some zones, and decrease (1.9 percent to 5.4 percent) for other zones. The fare for additional passengers in a group would be \$5.00 for each one-way trip. The net results of these changes would generate approximately \$67,000 (0.5 percent) additional annual revenue. Staff's review of the company's supporting data showed the company did not demonstrate a need for additional revenue or support the proposed restructure of the fare zones. On January 25, 2013, the company withdrew the tariff pages filed for these rates.

Fares for scheduled routes between named downtown Seattle hotels and the piers would increase \$2.00 (20.0 percent) per one-way trip; scheduled routes between the piers and Sea-Tac International Airport would increase \$1.00 (4.8 percent) each way; and, scheduled routes between named downtown hotels and Sea-Tac International Airport would decrease by \$1.00 (5.2 percent) and eliminate the \$8.00 discounted fare for additional guests, requiring them to pay the full fare. The net effect of all these changes would generate approximately \$72,000 (0.6 percent) additional annual revenue. Staff reviewed the company's supporting books and records and determined the company has demonstrated a need for additional revenue and the proposed fares are reasonable.

Fares for scheduled routes between named downtown Seattle hotels and Sea-Tac International Airport, known as the "Downtown Airporter" schedule, would decrease by \$1.00 (5.2 percent) per one-way trip and eliminate the \$8.00 discount fare for additional guests, requiring them to pay the full

fare. The net effect of these changes would generate approximately \$133,000 (1.1 percent) additional annual revenue. Staff reviewed the company's supporting books and records and determined the company has demonstrated a need for additional revenue and the proposed fares are reasonable.

### **Rate Comparison**

The following table is a representative sample of fares from some of the scheduled runs published in the company's tariffs.

| <b>Between Named Seattle Downtown Hotels and Sea-Tac International Airport<br/>"Downtown Airporter" Route - One Way</b> |                     |                      |               |
|---|---------------------|----------------------|---------------|
| <b>Number of Guests</b>   | <b>Current Rate</b> | <b>Proposed Rate</b> | <b>Change</b> |
| 1   | \$ 19.00            | \$ 18.00             | (\$ 1.00)     |
| 2   | \$ 27.00            | \$ 36.00             | \$ 9.00       |
| 3   | \$ 35.00            | \$ 54.00             | \$ 19.00      |

| <b>Other Scheduled Routes – One Way</b>                                |                     |                      |               |
|--|---------------------|----------------------|---------------|
| <b>Fare for One Guest</b>  | <b>Current Rate</b> | <b>Proposed Rate</b> | <b>Change</b> |
| Named Downtown Seattle Hotels to/from Piers                            | \$ 10.00            | \$ 12.00             | \$ 2.00       |
| Named Downtown Seattle Hotels to/from<br>Sea-Tac International Airport | \$ 19.00            | \$ 18.00             | (\$ 1.00)     |
| Piers to/from Sea-Tac International Airport                            | \$ 21.00            | \$ 22.00             | \$ 1.00       |

### **Customer Comments**

On November 21, 2012, the company posted its customer notice in its vehicles and facilities. No comments have been received.

### **Conclusion**

Staff has completed its review of the company's supporting financial documents, books and records, and concluded that Shuttle Express has demonstrated a need for additional revenue in its scheduled operations (Downtown Airporter, between the piers and Sea-Tac International Airport, and between downtown hotels and Sea-Tac International Airport) and that the increases would result in rates that are reasonable.

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