

Agenda Date: April 30, 2015
Item Number: B1

Docket: TS-150497
Company Name: San Juan Express, Inc., BC-117

Staff: Mike Young, Regulatory Analyst
Ann LaRue, Regulatory Analyst
John Cupp, Consumer Protection Staff

Recommendation

Allow the tariff revisions filed on March 27, 2015, by San Juan Express, Inc., to become effective on May 1, 2015, by operation of law.

Discussion

On March 27, 2015, San Juan Express, Inc., (San Juan or company) filed with the Washington Utilities and Transportation Commission (commission) Tariff No. 48, canceling Tariff No. 47, with a stated effective date of May 1, 2015. The company provides commercial ferry service between Seattle and Friday Harbor to approximately 35,000 one-way equivalent customers annually. The company's last general rate increase became effective on March 10, 2006.

This filing was prompted by increases in labor, landing fees, insurance and other operating expenses. The company's cover letter stated its proposed rates would generate \$219,300 (20 percent) additional annual revenue. Staff reviewed the financial data provided by the company and performed an on-site review of the company's books and records and found that the proposed rates actually generated \$354,500 (28.8 percent) additional annual revenue. The generated revenue produces an operating ratio in excess of 100 percent. The company's proposed rates would still not generate enough revenue to meet the commission's 93 percent guideline for operating ratio and therefore staff finds the proposed rates to be fair, just and reasonable.

Rate Comparison

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

	Current Rate-One Way	Proposed Rate-One Way	Rate Increase	Current Rate-Round Trip	Proposed Rate-Round Trip	Rate Increase
Spring Service						
Adults	\$42.50	\$55.00	29.4%	\$75.00	\$94.00	25.3%
Children	\$21.25	\$27.50	29.4%	\$37.50	\$47.00	25.3%
Freight (under 40 lbs.)	\$21.00	\$27.00	28.6%			
Summer Service						
Adults	\$42.50	\$55.00	29.4%	\$80.00	\$100.00	25.0%
Children	\$21.25	\$27.50	29.4%	\$40.00	\$50.00	25.0%
Freight (under 40 lbs.)	\$21.00	\$27.00	28.6%			
Fall Service						
Adults	\$42.50	\$55.00	29.4%	\$75.00	\$94.00	25.3%
Children	\$21.25	\$27.50	29.4%	\$37.50	\$47.00	25.3%
Freight (under 40 lbs.)	\$21.00	\$27.00	28.6%			

Customer Comments

On March 27, 2015, the company notified its customers of the proposed rate increase by posting notices in terminals and on vessels. Staff received no comments on this filing.

Conclusion

Staff has completed its review of the company's supporting financial documents, books and records, and found the company's revised rates to be fair, just, and reasonable.

Recommendation

Allow the tariff revisions filed on March 27, 2015, by San Juan Express, Inc., to become effective on May 1, 2015, by operation of law.