

Pacific Northwest Transportation Services, Inc. (C-862)
Dba Capital Aeroporter
P.O. Box 2163
Olympia, Washington 985

January 11, 2011

Mr. Dave Danner
Executive Director and Secretary
Washington Utilities & Transportation Commission
1300 Evergreen Park Dr. SW
P.O. Box 47250
Olympia, Washington 98504

Re: Docket # T-101661 Fuel Surcharge Inquiry

Mr. Danner:

We request the continuance of a streamlined fuel surcharge methodology for the purpose of addressing the impact of the volatility of fuel prices. Prices have continued to rise since the beginning of this Docket. Experts currently are estimating an average increase of \$.14 per gallon in 2011 over 2010!

To make the current methodology more reflective of recent changes in company operations and to more effectively offset fuel cost changes the following changes are requested:

- 1) Use previous year's total fuel gallons
- 2) Multiply by the difference in current and base year fuel prices to determine total increased fuel cost—divide by 12 for average monthly increased fuel cost
- 3) Divide by average of last year's current and following month's number of passengers(reflects more accurate seasonal changes and dampens significant month to month changes)
- 4) Divide average monthly fuel cost increase by 2-month average number of passengers to determine the average cost per passenger
- 5) Round to \$.25, or optionally \$1 or \$.05
- 6) Eliminate the 14% (1 of 7%--93% ratio) since rounding already requires over 50% before fuel surcharge can be applied, especially if \$1 rounding is opted.

We appreciate your consideration of the aforementioned items in continuing the current fuel surcharge methodology.

Sincerely,

James N. Fricke
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