

Wyse, Lisa (UTC)

From: Cindy Engstrom [cindy@ladyofthelake.com]
Sent: Monday, December 01, 2008 4:46 PM
To: UTC DL Records Center
Cc: Kermode, Danny (UTC); Jones, Philip (UTC)
Subject: Lake Chelan Boat Company

Lake Chelan Boat Company
P.O. Box 186
Chelan, WA 98816
509-682-1123

December 1, 2008

Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

RE: Docket TS-081877

To Whom It May Concern:

We received the Formal document in the mail today, from the WUTC, laying out the reasoning for further examining our filing.

We were surprised to hear that there were customer comments, since we had inquired multiple times about whether the WUTC had received any, as we had not. Therefore, we did not have the opportunity to comment on them.

We believe that the customer that "believes that it is no longer feasible to operate Lake Chelan Recreation's existing fleet of boats" and "feels it is time to consider allowing other operator's to propose service on the lake" would be Cliff and/or Jim Courtney. We would like to request (again) copies of those comments.

Both of these individuals (brothers) have made it clear that they are working toward transporting passengers on the lake as early as summer 2009. Cliff Courtney has gone as far as stating that if the WUTC will not work with them, he will take the political route to get the WUTC off the lake. A copy of the e-mail he sent us in this regards is at the end of this letter.

As much as we find it difficult to operate a business under the regulation of the WUTC, we are very certain that if there are multiple operators, all will fail. The only way they may not fail is if they were all were allowed to operate in the high season and none were obligated to operate from mid-October through mid-April. Any operator that was mandated to run during the off-season would fail and there would be no off-season service.

We find it curious that they would complain about the level of service with this filing. Their intentions are clearly to run during the high season, thus skimming off profits that carry the year round service through the winter.

In closing, we reiterate, if the commission feels compelled to mandate that we run, we will and with no resistance. There are positives to us continuing those runs, such as more work for our staff and crew. The rate

charged per customer will be affected, so our hopes are that those who are more concerned about rates than having the service that we are filing to delete, will speak now as opposed to when we address the rates.

Thank you for your time, we look forward to working with you.

Sincerely,

Jack Raines

Jack Raines, President

E-mail from Cliff Courtney April 1, 2008

Cindy,

I just received a copy of the latest news from the UTC on Jim's boat operation. It brought to memory our conversation last year about how that same agency makes it tough for you folks to be agile or even to be able to show a profit. It seems that the disadvantages foisted upon your company by the UTC may outweigh the advantage of holding a certificate. I was also reflecting on what it would involve for Jim to take another run at a certificate and I do not like that alternative. The way the system is set it becomes necessary to attempt to villify the existing service (you folks) in an attempt to add any service. The same scenario could also be true if we take a run at changing the legislation if your company opposes such a change. In either case I am worried about it becoming poisonous and I think we are finally just recovering from the last go-around. Let me know your thoughts on this subject. I know your family has a lot invested in that company and the certificate but perhaps the time has come where profitability would be better without it. My initial thought is not to do anything that would rattle the staus quo elsewhere. I think a good angle would be to try and get an exemption in the language for inland waters which have no ocean access.

It is certainly fine however you stand upon this subject but I wanted to communicate about what is going through my mind. I feel is important that you learn ahead of time about where I would like to head politically so you are not blind-sided later.

I will appreciate hearing from you on this subject.

Sincerely,

Cliff