

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKET TS-090381
TRANSPORTATION	)	
COMMISSION,	)	ORDER 01
	)	
Complainant,	)	
	)	
v.	)	
	)	
LAKE CHELAN RECREATION,	)	
INC.,	)	
	)	
Respondent.	)	COMPLAINT AGAINST RATES
.....	)	

**BACKGROUND**

- 1     On March 12, 2009, Lake Chelan Recreation, Inc., (Lake Chelan Recreation or Company) filed a general rate case as required in Docket TS-081877, Order 2, with the Washington Utilities and Transportation Commission (Commission). The Company filed a tariff to replace its currently effective Tariff No. 63, but did not recommend a change in current fares or rates. The stated effective date is May 31, 2009.
- 2     The Company provides ferry service between Chelan and Stehekin, located in the North Cascade National Park, a 51-mile one-way trip. The Company also provides scheduled and flag stop(s) ferry service to a number of small communities between Chelan and Stehekin.
- 3     In this filing, Lake Chelan Recreation proposes in its application to reduce officer salaries, include a small pay increase for hourly employees, adjust fuel costs to \$2.56 per gallon, and operate the reduced service schedules previously approved by the Commission. The Company concludes that the rate case and proposed operating schedules support the current fares.
- 4     Staff’s review of the Company’s filing shows that the current fares, as refiled in this docket, may generate more revenue than the Company requires to pay reasonable operating expenses and earn a reasonable return.

## COMPLAINT

5 The Commission, on its own motion, and through its Staff, alleges as follows:

### PARTIES

6 The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including commercial ferries. *RCW 80.01.040, RCW 81.01, RCW 81.04, RCW 81.08, RCW 81.12, RCW 81.16, RCW 81.28 and RCW 81.84.*

7 Lake Chelan Recreation is engaged in the business of providing commercial ferry services within the state of Washington and is a public service company subject to Commission jurisdiction.

### JURISDICTION

8 The Commission has jurisdiction over this matter pursuant to *RCW 81.01, RCW 81.04.110, RCW 81.04.250, RCW 81.20, RCW 81.28 including but not limited to RCW 81.28.010 and RCW 81.28.020, RCW 81.84, RCW 34.05, WAC 480-07 and WAC 480-51.*

### STATEMENT OF FACTS

9 The Commission, through its Staff, realleges paragraphs 1 to 4 above.

### CAUSE OF ACTION

10 The Commission, through its Staff, realleges paragraphs 1 to 4 above.

11 RCW 81.04.110 allows the Commission to file a complaint against a commercial ferry company challenging the reasonableness of the schedules of rates or charges.

12 RCW 81.28.010 requires the Commission to set prospective rates that are fair, just, reasonable, and sufficient whenever the Commission determines that rates charged are unfair, unjust, unreasonable, or insufficient.

- 13 Staff's review of the Company's filing shows that the current fares, as refiled in this docket, may generate more revenue than the Company requires to pay reasonable operating expenses and earn a reasonable return. Therefore, Lake Chelan Recreation's rates may be unjust and unreasonable, in which case, the Commission should issue a complaint against the rates charged by Lake Chelan Recreation, Inc.
- 14 THEREFORE, the Commission commences an adjudicative proceeding pursuant to RCW 81.04.110, RCW 34.05, and WAC 480-07 for the following purposes:
- a. To determine whether Lake Chelan Recreation, Inc.'s current rates and charges provide the Company with an excessive return.
  - b. To determine whether Lake Chelan Recreation, Inc., should be required to make a new tariff filing reducing rates.
  - c. To make any other determinations and enter orders as may be just and reasonable.
- 15 The Commission will hold hearings at such times and places as may be required.
- 16 In order to carry out the duties imposed by the Commission by law, and as authorized n RCW 81.20.20, the Commission believes it is necessary to investigate Lake Chelan Recreation, Inc.'s books, accounts, practices and activities; to make a valuation or appraisal of the Company's property; and to investigate and appraise various phases of the Company's operations.
- 17 Lake Chelan Recreation, Inc., may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with RCW 81.20.

DATED at Olympia, Washington, and effective May 28, 2009.

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**PATRICK J. OSHIE, Commissioner**

**PHILIP B. JONES, Commissioner**