Seatac Shuttle, LLC

Fare Flexibility permitted under RCW 81.28.250

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| WAC 480-30-306 |  |
| Tariffs and time schedules, one calendar day notice to the commission. |

1. A company must provide at least one calendar day's notice to the commission for filings whose only purpose is to implement decreases in rates.
2. Except any changes in fares within an approved flexible fare band then effect is exempt from this section.

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| WAC 480-30-311 |  |
| Tariffs and time schedules, requiring thirty calendar day notice to the commission. |

1. A company must provide at least thirty calendar days' notice to the commission for any filing that will result in an increase in rates to customers.
2. Except any changes in fares within an approved flexible fare band then effect is exempt from this section.

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WAC 480-30-316

Tariffs and time schedules, customer notice requirements.

1. Notice. Each auto transportation company must provide notice to its customers at least thirty days prior to the stated effective date for any proposed tariff change that would increase recurring or prepaid rates or restrict access to services (e.g., rate increase, route reduction, time schedule change).
2. Except any changes in fares within an approved flexible fare band then effect is exempt from this section.

(2) **Thirty-day notice to public.** At least thirty days prior to the stated effective date, the company must post a notice in a conspicuous place for each affected route or routes. The published notice must remain posted until the commission takes action on the request. The notice must be posted:

(a) In each vehicle;

(b) At each passenger facility; and

(c) On the company's internet web site, if the company maintains an internet web site accessible to the public through which it sells its transportation services and posts its rates or time schedules.

(3) **Content of postings.** The published notice required by this rule must include:

(a) The date the notice is issued;

(b) The company's name, address, and telephone number;

(c) A comparison of current and proposed rates by service, when applicable;

(d) The requested effective date;

(e) A description of how customers may contact the company if they have specific questions or need additional information about the proposal;

(f) A description of how customers may contact the commission to comment or oppose the company's proposal.

(4) **Other customer notice.** The commission may require additional notice to customers other than described in this rule when the commission is holding a public hearing in a contested case, or when a company proposal may have a significant impact on customer rates or access to services or when the commission determines that additional customer education is needed.

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480-30-421

Tariffs, general rate increase filings

(1) A general rate increase filing is a tariff change that would:

 (a) Increase the company's gross annual revenue from activities regulated by the commission by three percent or more.

 (b) Restructure tariffs so that the gross revenue generated by any customer class would increase by three percent or more.

(2) The following tariff changes are not considered general rate increase filings even though the request may meet one or more criteria identified above:

 (a) Filings for collection of per-customer pass-through surcharges and taxes imposed by the jurisdictional local government based on the current year customer count either as a specified dollar amount or percentage fee amount.

 (b) Filings by existing auto transportation companies for the implementation of new transportation services.

(3) Except any changes in fares within an approved flexible fare band then effect is exempt from this section.

(4) The commission may require that any filing to increase rates for any customer class, or to restructure rates, is subject to the additional requirements of WAC [480-30-426](http://apps.leg.wa.gov/wac/default.aspx?cite=480-30-426).

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480-30-426

Tariffs, general rate increase filings, work papers

1. General rate increase filings must include work papers supporting the proposed tariff changes based on a test year which is the most recent or appropriate consecutive twelve-month period for which financial data are available. Work papers must include, but are not limited to, the following:

(a) A detailed pro forma income statement by account including restating and pro forma adjustments, and all supporting calculations and documentation for each adjustment. See sample pro forma income statement below.

(i) Restating adjustments modify historic operating results to more properly reflect a "normal, representative" twelve-month test period and give recognition to those areas where the company's accounting methodology may differ from accepted regulatory practice. Restating adjustments fall into three categories:

(A) Reclassification - Reclassification moves dollars from one account to another with no effect on the final net income.

(B) Accounting adjustments - Accounting adjustments are necessary if the income statement does not properly apply basic accounting principles, such as an out-of-period expense posted in the test year, or to correct an error or oversight.

(C) Ratemaking - Ratemaking adjustments modify the records of the company to reflect proper ratemaking theory, such as removing expenses that were incurred by the company but are not generally allowed to be passed on to ratepayers, or converting from accelerated depreciation to straight line depreciation.

(ii) Pro forma adjustments give effect to all known and measurable changes in revenues and expenses not offset by other factors that have or will soon occur as if they had been in effect for the full twelve months of the test year. Examples include changes in tax rates, revenue impact of the tariff changes sought to be changed in the filing. Pro forma adjustments give effect to changes in expense or revenue levels, not the gallons of fuel used, passengers transported, or labor hours worked, etc.

(b) A total passenger count or representative sample of all tickets sold and fares charged during the test year, including all routes, zones, and types of service, and breakdowns between one-way and round trip fares, adults, children, commuters, etc. Revenues of the passenger count/tickets sold analysis must be reconciled to the revenues of the chosen test period. The passenger count/tickets sold analysis forms the basis of the revenue impact of the filing called for in WAC [480-30-381](http://apps.leg.wa.gov/wac/default.aspx?cite=480-30-381) (2)(b)(ii). See sample passenger count below.

(c) A current depreciation schedule separately listing all assets used by the company during the test period including the date the asset was placed into service, cost, salvage value, service life, and straight-line depreciation expense and accumulated depreciation at the beginning and at the end of the test period.

(d) A balance sheet as of the last day of the test period chosen.

(e) If non-regulated operations represent more than ten percent of total company test period revenue, then the starting point of the pro forma income statement must be total company operations, supplemented with a detailed separation of all total company revenues and expenses between regulated and non-regulated operations.

(f) Backup information concerning every transaction between the regulated company and any affiliated or subsidiary entity describing the services or transactions that occurred, the costs assessed and the basis of the charge, and the relationship to the regulated company.

 (D) Except any changes in fares within an approved flexible fare band then effect is exempt from this section.

480-30-291

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Tariffs, rates, general

 (1) It is in the public interest to provide flexibility to auto transportation companies to charge fares for service.

 (2) For the purposes of this section, the following definitions apply:

 (a) “Base fare” means the fares set forth in the company’s tariff in effect on the date the company files a proposed tariff for flexible fares as a means to establish maximum fares.

 (b) “Flexible fares” means the authority to charge fares, at the company’s discretion, in any amount up to the maximum fare.

 (c) “Maximum fare” means a fare set initially at twenty-five percent above the company’s base fare, as published in the company’s effective tariff. After a maximum fare has been published and become effective, the maximum fare will increase annually by three percent or the Regional CPI which ever is higher

 (3) A company may file a tariff with the commission to charge flexible fares. Because the filing represents an increase, the tariff must be filed on 30 days’ notice to the commission under RCW 81.28.050. The tariff must show the base fare in effect on the date of the tariff filing and the maximum fares the company may charge. Once the commission approves a flexible fare tariff, the base fare used to establish the maximum fare does not operate as a minimum fare.

 (4) A company’s tariff filing to charge flexible fares under this section is not subject to an earning’s review or fare case under WAC 480-30-421 or WAC 480-30-426.

 (5) If a company seeks to offer special or promotional fares above the flexible fare maximum, the company must file tariff revisions in compliance with WAC 480-30-~~436~~ 421, 426 and all other filing requirements, including tariff publication rules and notice requirements

 (7) (6) If a company seeks to offer specialor promotional fares that are below the base fare then in effect, it shall provide notice as required under WAC 480-30-436. In the instance of free or discounted fares to the public or employees and their relatives or for frequent rider programs or like discounts, the company must file tariff revisions, if not already contained in the company tariff, in compliance with WAC 480-30-396 and all other filing requirements, including tariff publication rules and notice requirements.

 (8) (7) Any change in the fares charged by a company up to the maximum fare is not considered a tariff change and is not subject to tariff filing rules, publication rules and notice requirements under this chapter. Companies may provide notice of changes in fares that the company will charge and changes in time schedules by posting their actual fares on the company’s website, or notices or brochures provided to customers, subject to the requirements in subsection (8) of this section.

(9) (8) If a company changes the fare ~~rate~~ it charges, up to the maximum fare, it must honor the fares ~~rates~~ charged for tickets previously sold. However, the company may refund the amount paid for a ticket above the new fare ~~rate~~.

(10) (9) A company authorized to charge flexible fares ~~rates~~ must use the fares up to the maximum fare to recover all costs associated with providing passenger service, including, but not limited to, fuel costs, tolls, ferry fares, surcharges and taxes. A company may not seek, or impose, any charge on any customer other than a single fare ~~rate~~ for the service provided.

 (11) (10) Effective May 1, 2014, and each May 1 thereafter, a company’s maximum fare will increase by three percent or the regional CPI, which ever is higher, to reflect the rate of inflation. Each company will implement the adjusted flexible fare by filing the appropriate tariff pages at least six business days before the effective date of the change.

 (12) (11) A company may file a tariff that removes flexible fare authority and reflects only the ~~original~~ base fare in effect at the time of the filing ~~rate~~.

(13) (12) If the company seeks to change the base fare ~~rate~~ upon which the commission approved flexible fares, except in the case of annual adjustments, the proposed tariff filing will be subject to an earning’s review or fare case under WAC 480-30-421 or WAC 480-30-426, and all tariff publication rules and notice requirement rules.

(14) Tariffs must provide adult fares, stated in dollars and cents, per passenger, together with the names of the stations or stopping places to or from which those fares apply, arranged in a simple and systematic manner.

(15) The tariff must clearly state whether fares apply "one way" or "round trip."

(16) Fares applying to specific groups of passengers must clearly define the criteria that define that group. For example, "children, under two years of age" or "active military personnel with military identification."

(17) Fares applying during specific periods must be clearly labeled with definitions of those periods. For example: A company may charge one fare during peak service months, and charge a different fare during off-peak service months.