

Agenda Date: June 28, 2018
Item Number: B1

Docket: TC-180431

Company Name: BML Investments LLC, dba Wenatchee Valley Shuttle

Staff: Greg Hammond, Regulatory Analyst
Andrew Roberts, Consumer Protection Staff

Recommendation

Take no action, thereby allowing the revised tariff pages, filed on June 21, 2018, to take effect June 29, 2018.

Discussion

On May 15, 2018, BML Investments LLC, dba Wenatchee Valley Shuttle (Wenatchee Valley Shuttle or company), filed revisions to Tariff No. 4 with the Utilities and Transportation Commission (commission) that would generate approximately \$159,000 (16.1 percent) additional annual revenue. The proposed increase would become effective June 14, 2018, and is prompted by the acquisition of new vans, along with increases in payroll expenses, and other general operating expenses.

Upon review of the filing, it was discovered that the company did not notice its customers of the rate increase and tariff rule changes. The notice was posted on the company's website on May 29, 2018, and on June 5, 2018, the company filed to extend the effective date to June 29, 2018. Wenatchee Valley Shuttle provides scheduled auto transportation service, by reservation only, between the Wenatchee area and Sea-Tac International Airport. The company's last general rate increase became effective March 31, 2017, where the company received approximately \$52,400 (7.3 percent) additional annual revenue.

Commission staff's (staff) review found the proposed rates would result in excessive revenue. There were issues with the company's workbook, which still included adjustments from its previous rate case, along with expenses that did not match the provided general ledger. Staff rebuilt the company's workbook using the company's general ledger as the basis, and made adjustments based on these numbers. Among the adjustments made by staff were revised depreciation expense, payroll expense, rent expense, travel expenses, and disallowance of some minor expense items that were not supported by the company's general ledger. In addition, staff proposed some rate design changes, making the rates on the shorter routes slightly cheaper than the longer routes.

The company and staff have agreed on a revised revenue requirement of approximately \$145,000 (14.6 percent) additional annual revenue, and on revised rates which are fair, just, reasonable, and sufficient. On June 21, 2018, the company filed revised rates at staff recommended levels.

Rate Comparison

From:	To:	Current Rate	Company Proposed Rate	Revised Rate
Wenatchee	SeaTac Int'l Airport	\$45.00	\$52.00	\$52.00
Peshastin	SeaTac Int'l Airport	\$45.00	\$52.00	\$50.00
Pangborn Airport	SeaTac Int'l Airport	\$50.00	\$60.00	\$57.00

Customer Comments

On May 28, 2018, the company posted notice of the proposed tariff revisions on its website. Staff received no customer comments regarding the proposed rate increase.

Conclusion

Take no action, thereby allowing the revised tariff pages, filed on June 21, 2018, to take effect June 29, 2018.