

Lake Chelan Boat Company
P.O. Box 186
Chelan, WA 98816

May 25, 2011

Mr. David W. Danner
Washington Utilities and Transportation Commission
1300 S Evergreen Park DR SW
PO Box 47259
Olympia, WA 98504-7250

RE: Special Fuel Surcharge Supplement No. 43 for Lake Chelan Recreation, Inc,
dba Lake Chelan Boat Company, Certificate Number B-34, D-3

Dear Mr. Danner:

The company requests Commission approval to amend its filed Tariff No. 63 on Less Than Statutory Notice to include a Special Fuel Surcharge Tariff Supplement No. 43 to help recover the rising cost of fuel. The amount of the surcharge, per calculations on the workbook given to us by WUTC staff member Chris Mickelson, varies by ticket due to the maximum 20% allowed. Most tickets will have a fuel surcharge of \$1.25 per one-way fare, and \$2.50 per round-trip passenger, to become effective on June 1, 2011. The full surcharge request by ticket is shown on the attached worksheet.

The percentage that rates will change is from 6.41% to 7.25%.

The revenue expected with the proposed surcharge on rates is \$8,856.25. The gallons that will be used during the month of June for our scheduled service are 14,680. The current price per gallon increase over our rate case is \$1.34 per gallon, which equates to an additional expense of \$19,671.20. This surcharge will not come close to covering the additional fuel expense. It will be at least \$10,814.95 short. However, with no other immediate option, it is better than none at all. We understand from our discussions with WUTC staff Gene Eckhart and Chris Mickelson that this is our only avenue for collecting a fuel surcharge other than going with deferred accounting.

We do not feel this is an appropriate method for fuel surcharges for our company. It is not fair, reasonable, nor sufficient. In 2004 we worked with WUTC staff member Bob Colbo and in later years with Nicki Johnson, who along with other staff recognized that we have a very seasonal business and prepared a worksheet that recognized this and was more correct. The current worksheet sets us up for failure.

If you have any questions about this filing, please contact Cindy Engstrom at (509) 682-1123 or via email at cindy@ladyofthelake.com.

Sincerely,
Jack Raines
Jack Raines
President