

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

October 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. 48 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. 48 to help recover the cost of fuel. The amount of the surcharge, per calculations on the workbook given to us by WUTC staff member Chris Mickelson, may vary by ticket due to the maximum 20% allowed.

We are requesting a revised (lower) fuel surcharge of \$3.50 per one-way passenger ticket, and \$7.00 per round-trip passenger ticket, on most tickets, to become effective on November 1, 2011. We have enclosed two tables; TABLE 1 shows the automatically calculated maximum fuel surcharge per ticket type, and TABLE 2 shows the actual (lower-rounded) surcharge we are requesting on tickets that are pertinent to this time of the year. Due to lower lake levels many stops are inaccessible, the rates for those stops have been deleted. The ports accessible during this time of the year are Chelan, Field's Point, Lucerne and Stehekin.

We are requesting slight departures from the calculated surcharge worksheet TABLE 1, in an effort to keep the process as consistent as possible for our frequent passengers, who are the bulk of the small number of travelers during the months of November through March. Our customers are use to the fuel surcharge being the same for all destinations and being half of the round trip surcharge for one-way tickets. Because there are so few travelers during the off-season months, the surcharge lost due to these adjustments is minimal and the value of less customer confusion is important.

This is the first time that the frequent passengers will be faced with a much higher fuel surcharge in the months when passengers counts are very low. This is caused by the change the WUTC made this year in our process for calculating fuel surcharges. In previous years, the surcharge was calculated by using the annual numbers, so the additional fuel cost burden of the off season was carried by those using the service during other times of the year. This change will most likely cause concern and confusion, until the customers come to understand the new required process. They will not realize that the surcharge is capped at 20% of the ticket price, nor realize this surcharge is not coming close to covering the true additional fuel costs above our rate case. They will only be concerned that they are paying more.

The following is our request for adjustments to round trip surcharges from the calculated surcharge.

- 1) We wish to lower the Stehekin Round Trip ticket surcharge to \$7, from the 7.80 calculated
- 2) We wish to round the Lucerne Round Trip ticket surcharge to \$7, from the 6.90 calculated.
- 3) We wish to round the Lucerne/Stehekin Round Trip ticket surcharge to 2.50, from the calculated 2.45.

We wish to change (lower) the following one way ticket surcharges so they are half of the round trip surcharge as detailed below. Note: We have very few one way tickets.

- 1) We wish to lower the Stehekin One Way ticket surcharge to 3.50, from the calculated 4.65.
- 2) We wish to lower the Lucerne One Way ticket surcharge to 3.50, from the calculated 4.30.
- 3) We wish to change the Lucerne/Stehekin One Way ticket surcharge from the calculated 1.65 to 1.25.

The percentage that rates will change is from 18% to 20%.

The revenue expected with the proposed surcharge on rates is \$3,955

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