

Agenda Date: September 26, 2013
Item Number: B2

Docket: TC-131269
Company Name: Shuttle Express, Inc.,
dba Shuttle Express, Go Shuttle Express, Limos by Shuttle Express, and
Downtown Airporter

Staff: Mike Young, Regulatory Analyst
Roger Kouchi, Consumer Protection Staff

Recommendation

Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Shuttle Express, Inc., on July 5, 2013, and allow the revised rates filed September 16, 2013, to become effective September 27, 2013.

Discussion

On July 5, 2013, Shuttle Express, Inc., dba Shuttle Express, Go Shuttle Express, Limos by Shuttle Express, and Downtown Airporter (Shuttle Express or company) filed tariff revisions with the Utilities and Transportation Commission (commission) that would generate approximately \$190,000 (2.0 percent) additional annual revenue. The company also proposes to discontinue scheduled service to and from the Monroe Park and Ride location and standardize the fare for additional adult passengers travelling in a group for all locations served by door-to-door service. The company provides passenger transportation to approximately 400,000 customers annually to and from Sea-Tac International Airport from points in Pierce, King, Snohomish, Jefferson, and Island Counties. The company's last rate increase became effective on February 1, 2013.

Further, the company proposes to replace its current zone-based pricing schedule with a zip code-based pricing schedule for door-to-door service. The company also proposes to set fares at \$6.00 for second and third passengers traveling on a single reservation and at \$5.00 for the fourth passenger on up to seven additional passengers on a single reservation.

A central issue in this filing was the allocation of overhead costs between regulated and non-regulated activities. Staff and the company agreed upon an allocation methodology based on revenues from non-regulated and regulated activities. This allocation resulted in 92.9 percent operating ratio, which is very close to the accepted standard operating ratio of 93 percent. Therefore no additional revenue is required.

The company filed a revised pricing schedule in which certain zip codes' fares for one-way service to and from Sea-Tac International Airport for one passenger in a group would increase between \$1.00 and \$3.00 while others would remain the same or decrease between \$1.00 and \$4.00. Fares for additional passengers in a group travelling to and from the Everett Train Station would increase from \$12.00 to \$29.00 one-way. The revised pricing schedule does not generate any additional annual revenue and actually results in a net decrease of \$3,100 (0.01 percent) additional annual revenue.

Staff has completed its review of the company's supporting books and records and staff agrees with the company's revised fare design. The company has demonstrated it requires no additional revenue and the revised fares are fair, just, reasonable and sufficient.

Rate Comparison

Sample One-Way Door-to-Door Fares To Sea-Tac From:	Current Fare	Proposed Fare	Increase	Percent Increase
98003-Federal Way, One Passenger In a Group	\$37.00	\$39.00	\$2.00	5.4%
98003-Federal Way, Two Passengers In a Group	\$39.00	\$45.00	\$6.00	15.4%
98020-Edmonds, One Passenger In a Group	\$45.00	\$45.00	\$0.00	0%
98020-Edmonds, Two Passengers In a Group	\$51.00	\$51.00	\$0.00	0%
98027-Issaquah, One Passenger In a Group	\$45.00	\$46.00	\$1.00	2.3%
98027-Issaquah, Two Passengers In a Group	\$51.00	\$52.00	\$1.00	2.0%
98036-Lynnwood, One Passenger In a Group	\$45.00	\$44.00	<\$1.00>	<2.3%>
98036-Lynnwood, Two Passengers In a Group	\$51.00	\$50.00	\$1.00	<2.0%>
98105-Seattle, One Passenger In a Group	\$38.00	\$38.00	\$0.00	0%
98105-Seattle, Two Passengers In a Group	\$46.00	\$44.00	<\$2.00>	<4.4%>
98126-West Seattle, One Passenger In a Group	\$37.00	\$39.00	\$2.00	5.4%
98126-West Seattle, Two Passengers In a Group	\$39.00	\$45.00	\$6.00	15.4%
98178-Skyway, One Passenger In a Group	\$30.00	\$33.00	\$3.00	10.0%
98178-Skyway, Two Passengers In a Group	\$36.00	\$39.00	\$3.00	8.4%
98258-Lake Stevens, One Passenger In a Group	\$105.00	\$101.00	<\$4.00>	<3.8%>
98258-Lake Stevens, Two Passengers In a Group	\$110.00	\$107.00	<\$3.00>	<2.8%>
98371-Puyallup, One Passenger In a Group	\$50.00	\$52.00	\$2.00	4.0%
98371-Puyallup, Two Passengers In a Group	\$61.00	\$58.00	<\$3.00>	<5.0%>

Customer Comments

On July 8, 2013, the company notified its customers of a proposed rate increase. To date, no comments regarding the proposed rate increase have been received.

Recommendation

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