

**BREMERTON-KITSAP AIRPORTER, INC.**

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April 4, 2011

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

Dear Mr. Danner,

Re: Docket Number T-101661 Fuel Surcharge

Thank you for your letter of March 29, 2011 in which you correct some erroneous data with regards to the Bremerton-Kitsap Airporter, Inc. presented in WUTC Fuel Surcharge Inquiry dated March 18, 2011.

The rate case that you cite for BKA, Inc. in Table 1 on Page 2 of your letter was withdrawn on May 4, 2006. The passenger revenue that you report for the rate case of April '06 (withdrawn) shows two passenger revenue amounts varying by \$ 316,180. I'm confused, just as I am confused by most of the other data presented by staff for BKA, Inc.

The withdrawal letter is Enclosure 1 to this letter. I requested withdrawal of this case (TC-060177) simply because we had already accumulated a large box of spreadsheets, justification letters to staff and a large amount of supporting data to justify the filing for a \$1.00 fare increase. Finally after audits and considerable discussion with staff, Mr Colbo finally proposed a 25 cent increase in Kitsap fares and a \$2.25 increase in Ft. Lewis/McChord fares. I felt the considerable increase in Ft. Lewis/McChord AFB fares would quickly drive passengers there to find alternate means and the tariff request was withdrawn on May 4, 2006. Simultaneously on May 4<sup>th</sup> a fuel surcharge filing was made which granted BKA, Inc. a \$1.00 surcharge, and coincidentally was the identical amount of the fare increase request.

The last approved rate case for BKA was in December 2004. There have been no other rate cases since for the reasons cited in the above paragraph and also at the same time the WUTC was reviewing current fare methodology for transportation companies. No results of this review have been published to date.

Also, page 2 and page 3 reports the officer's salary was decreased from \$421,000 to \$82,500. Financial statements for 2000 show officer's salary to be \$66,000 and no bonus. In 2001, officer's salary was \$66,000 and \$200,000 bonus and finally in 2002 the salary was \$82,500 and

no bonus. Fuel expense for 2000 was \$198,290, in 2001 it was \$190,118 and finally in 2002 it was \$166,885.

I can find no data presently to either support or challenge the staff's data presented in Table 2, page 3. Given the data presented in paragraph (2) above they appear to be suspect.

Again, we must dispute the staff's data, since the personal and corporate tax returns validate our data shown above. I also am extremely reluctant to file for a rate increase because of past experience of rate filings, one of which resulted in a \$2.00 rate decrease across the board.

Sincerely,

Richard E. Asche  
President