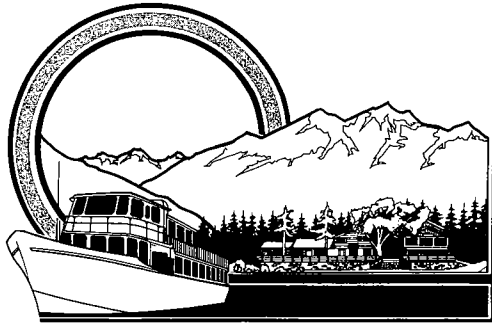


TS-040942 (P)
5-26-04



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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

Lady of the Lake

Lake Chelan Boat Co.

P.O. Box 186 • Chelan, WA 98816
(509) 682-4584

May 21, 2004

Washington Utilities & Transportation Commission
Attn: Tariff Division
1300 S. Evergreen Park Drive S.W.
Olympia, WA. 98504-7250

To whom it may concern,

The rise in fuel costs has become a grave concern. During the 2003 operating season our fuel cost averaged 1.15 per gallon. Our last invoice was 1.90 per gallon. This increase will have severe financial consequences if we do not address it with a fuel surcharge.

We were recently granted an increase in our passenger fares. However, there was no consideration for the fuel increases we are experiencing. At the time that was being prepared, the fuel cost per gallon was similar to our 2003 purchases. The fuel price rose with our 4/13/04 shipment and again with our 5/8/04 shipment.

We are submitting this request for a fuel surcharge to our passenger fares under Tariff No. 63.

Enclosed you will find:

1. Special Fuel Surcharge Supplement No. 1
2. 2004 Boat Fuel Surcharge Calculation Sheet – Bob Colbo assisted us in preparing this statement.
3. L.S.N. request to waive statutory requirements giving us permission to begin the fuel surcharge on 5/27/04.
4. A copy of our most recent bulk fuel purchase

We respectfully request your approval of these changes to our tariff 63. If additional information is needed please Cindy Engstrom at 509-682-2012. Thank you for your consideration.

Sincerely,

Jack Raines
Jack Raines
President