

Agenda Date: September 11, 2002
Item Number: B2

Docket: TC-021088
Company Name: Bremerton-Kitsap Airporter, Inc., C-903

Staff: Bob Colbo, Transportation Consultant

Recommendation:

Suspend the schedule reduction proposals contained within the filing of Bremerton-Kitsap Airporter, Inc., C-903, in Docket TC-021088, and require the Company to maintain its existing schedule.

Discussion:

Bremerton-Kitsap Airporter provides passenger transportation service to Sea-Tac Airport from points in Kitsap and Pierce Counties. On August 26, 2002, the above-named company filed proposed schedule changes in Docket TO-021088 decreasing the number of daily runs from Kitsap County to Sea-Tac Airport from the present 20 to 18 for all days except Saturday, and Saturday runs from the present 20 to 15. In July 2002, the Company expanded its number of Saturday runs from 15 to 20 per day. The Company represents that the service reductions are in response to uncertain conditions in the airline industry, and normal seasonal passenger decreases after the summer vacation months. The Company's Pierce County operations remain unaffected.

BK filed to increase rates in November 2000, using a test year ending September 2000 in Docket TC-001846. During the test year BK operated 20 runs per day, the same number of schedules that the Company operates today, except the Company increased Saturday service from 15 trips to 20 in July 2002. The rate case was converted to a complaint case. The Commission's final order on August 2, 2002, ordered the Company to decrease fares on the Kitsap runs by \$2.00 and to increase fares on the Pierce runs by \$2.75.

The Bremerton Sun reported on the Commission's order on September 6, 2002, :

Asche said he'll also ask the commission to allow him to reduce the number of daily runs in an effort to save costs, although the ruling specifies that the company should be able to maintain the current level of service under the new fare structure.

Asche also will reduce the operating hours of the Airporter office and eliminate the practice of stationing an employee at Sea-Tac. That person sells tickets and helps load the shuttle. Without that employee, he said, shuttle runs will be delayed slightly.

On Wednesday, August 28th, Staff requested total company passenger count breakdowns through the present via fax. The Company responded on Wednesday, September 4th with monthly Kitsap only passenger summaries to and from Sea-Tac through 2001. On September 4th Staff reiterated its original request, and the Company responded via fax that evening with statistics containing 1) monthly 2002 reservation data (including no-shows and cancellations) from Kitsap and Pierce County to SeaTac, by run (but excluding return trips), 2) weekly passenger counts from Sea-Tac to Kitsap, by run, for the period March 31, 2002, through May 25, 2002 (but excluding Pierce County statistics and also excluding trips from Kitsap County to Sea-Tac), and 3) the 2002 monthly Kitsap passenger information to and from Sea-Tac excluded from the earlier submission, plus similar total monthly Pierce County passengers through 2002.

The following table recaps what Staff believes to be the most reliable, relevant information compiled from all of the data received from the Company to date:

Total Kitsap Passenger Information							
Month	1999	2000	% Chg	2001	% Chg	2002	% Chg
Jan	6676	7,688	15.16%	7,665	-0.30%	7,908	3.17%
Feb	6194	6,748	8.94%	6,563	-2.74%	6,942	5.77%
Mar	7244	7,439	2.69%	8,078	8.59%	8,145	0.83%
Apr	7770	7,464	-3.94%	8,042	7.74%	8,467	5.28%
May	8575	8,092	-5.63%	8,652	6.92%	9,052	4.62%
Jun	8574	8,737	1.90%	9,291	6.34%	9,705	4.46%
Jul	8733	9,194	5.28%	10,613	15.43%	10,325	# -2.71%
Aug	8820	9,216	4.49%	10,189	10.56%	10,434	# 2.40%
SubTotal	62586	64,578	3.18%	69,093	6.99%	70,978	2.73%
Sep	7827	8,240	5.28%	6,988	-15.19%		
Oct	7982	8,435	5.68%	8,472	0.44%		
Nov	7757	7,983	2.91%	7,833	-1.88%		
Dec	9496	9,391	-1.11%	8,524	-9.23%		
Total	95,648	98,627	3.11%	100,910	2.31%		

Saturday run frequency increases from 15 to 20 effective July 18

A review of the above data reveals that customer counts decrease somewhat after August of each year, but total Kitsap monthly and year to date 2002 passenger counts are

up over comparable 2000 and 2001 amounts, not down. The Company has therefore failed to demonstrate that the proposed service reductions are justified.

It is therefore recommended that the Commission suspend the schedule reduction proposals contained within the filing of Bremerton-Kitsap Airporter, Inc., C-903, in Docket TC-021088, and require the Company to maintain its existing schedule.