

PUBLIC NOTICE

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

February 8, 2013

To Whom It May Concern:

Lake Chelan Boat Company has filed a full rate case with the Washington Utilities and Transportation Commission for changes to service and rates.

Our rates have remained the same for the past six years. We must request a small increase in our passenger fares and freight rates resulting from an overall increase in costs, including a substantial increase in fuel costs over this same period of time. Historically, the rise in fuel cost has been passed on through the use of fuel surcharges, which have been periodically added to ticket prices over the past years.

As previously announced to the public, Holden Village will not be open to guests from May through late November for a minimum of two years. This will enable the mining company, Rio Tinto; to perform the federally mandated cleanup of the historic mine tailings in the area. Holden will be fully open for guests during the winter months from late November through Spring each year and anticipates a significant number of volunteer workers, regular staff, contractors and others coming and going to and from the Village during the summer periods. However, these numbers do not replace normal ridership.

Because of this loss of ridership, we are requesting a slight reduction in our services from April through June 14 on the Lady Express only. Rio Tinto and the Lake Chelan Boat Company worked together to develop a plan to reduce the financial burden on the public during the cleanup work near the Village through the use of increased contractor ridership and financial assistance. This assistance to the public ensures that even with reduced runs, the rate increases are virtually what they would have been without this closure.

We have submitted the following changes, after reviewing the options, and balancing our goals of remaining an available, fairly priced, reliable, safe, and viable business.

We have requested the following changes to our passenger Tariff No. 63:

- 1) We are requesting increases of 3.54% to passenger fares. This increases the most common fares of the Lady II Summer/Lady Express Winter Stehekin round trip ticket by 1.50 (to \$40.50), the Lady Express Summer Stehekin round trip ticket by 2.00 (to \$61.00), and the Lady II Summer/Lady Express Winter Lucerne round trip ticket by 1.25 (to 35.75), (Tariff Pages 6 & 7).
- 2) We are requesting to discontinue the "Continuation Allowance on Stehekin Round-Trip Tickets". This is a privilege that has been offered to Lucerne passengers only, and is not fair to passengers traveling to other ports, (Tariff Page 6).
- 3) We are requesting to increase the grocery pickup charge to \$2.50 per 100 lbs, with a minimum charge of \$5.00. This carrier pick up service has been left unchanged in past years because it is so nominal. However, our costs for providing customer grocery pick-ups at Safeway and the Red Apple Market have very direct costs in Captain's wages, fuel, and vehicle costs. This will help cover the actual costs of this service, (Tariff Page 10, Item 170).
- 4) We are requesting an increase of 11.08% to all of our freight rates, which are far below normal shipping rates. This is a rate increase of 1 cent per lb on regular freight and 2 cents per lb on Special Handling Freight, respectively. The minimum shipment would be increased from 6.00 to 6.75, (Tariff Pages 9 & 11).

We are submitting Time Schedule No 36 canceling Time Schedule No 35.

All cancelled runs occur during historically low ridership periods, which will be even lower without the Holden Village guests. The savings in costs help keep the rates lower.

We are requesting to discontinue:

Table No. 2 - "Lady Express"

* Lady Express Winter Service - Tuesday and Thursday service in April (9 days).
The Lady Express would run on all days except Tuesdays and Thursdays in April.

Table No. 3 - " Lady Express"

* Lady Express Saturday and Sunday service in May (will still run on Memorial Day Weekend).
* Lady Express Daily service from June 1-14.
This is an additional service to the Lady of the Lake II, which runs daily in May and June. Having two boats running during this time would cause both boats to run at a loss with so few passengers.

We are requesting an effective date of April 1, 2013 for all changes.

We will update the schedule and rates that are posted on www.ladyofthelake.com during this process to keep the information available to you. This site is kept current, and is a good source of accurate information year around.

Please contact Cindy Engstrom at 509-682-1123, or by e-mail at cindy@ladyofthelake.com if you have questions.

This is a continued effort to achieve our goal of a responsible balance between customer rates and service levels, while maintaining a safe, reliable, and viable service on Lake Chelan.

Sincerely,

Jack Raines

Jack Raines, President

The Washington Utilities and Transportation Commission (commission) has authority and oversees the rates and schedule of this company.

The commission will schedule this proposal at an open meeting.

If you are unable to attend the open meeting in person, you may participate by telephone. If you intend to comment by phone or attend the open meeting in person, please contact Dennis Shutler toll-free at 1-800-562-6150.

You may also comment by e-mail by using the "Public Comment" form located at the commission's web site, <http://www.utc.wa.gov>. Here's how you can contact the commission in writing or by phone:

Mail: Post Office Box 47250, Olympia, WA 98504-7250

E-mail: comments@utc.wa.gov

Telephone: 1-800-562-6150 (toll-free)