

# Weldon T. Burton CPA

2 South 56<sup>th</sup> Place, Suite 201-E • Ridgefield, WA. 98642  
Office 360-727-3643 • Fax: 360-727-7637 • Email weldon@weldontburtoncpa.com

January 27, 2016

## **VIA ELECTRONIC FILING WITH THE RECORDS CENTER AND FEDERAL EXPRESS**

Steven King, Executive Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive, SW  
Olympia, WA 98504

RE: Please Docket  
Arrow Launch Service, Inc.  
Certificate BC-97  
Tariff Revision Filing: Passenger/Freight Launch Rates and Deckhand Rates

Dear Mr. King:

Enclosed please find the accounting working papers and revised tariff pages for a general rate increase proposed by Arrow Launch Service, Inc. for review by staff.

The Customer Notice is also enclosed. The notice will be mailed to all customers.

Under separate cover printed copies of the accounting working papers, revised tariff pages and customer notice will be sent to the records center via Federal Express.

If you have any questions please contact me.

Yours truly,

*Weldon Burton*

Weldon T. Burton

cc: Jack Harmon  
Terri Harmon  
David Wiley



January 27, 2016

Steven King, Executive Secretary  
Washington Utilities and Transportation Commission  
Attention: Records Center  
P.O. Box 47250  
Olympia, WA 98504-7250

Dear Mr. King:

Thank you for allowing Arrow Launch Service, Inc., BC-97 to participate in the Electronic Tariff Filing Program.

The individuals who are authorized to submit e-filings are:

Name:	David W. Wiley	(Maggi Gruber, Assistant)
Telephone	206-233-2895	206-233-2972
Fax	206-628-6611	206-628-6611
E-mail Address:	<a href="mailto:dwiley@williamskastner.com">dwiley@williamskastner.com</a>	<a href="mailto:Mgruber@williamskastner.com">Mgruber@williamskastner.com</a>

Name:	Jack L. Harmon, President
Telephone	360-457-9617, Extension 101
Fax	360-457-1552
E-mail Address:	<a href="mailto:jack@arrowlaunch.com">jack@arrowlaunch.com</a>

Name:	Weldon T. Burton CPA
Telephone	360-727-3643
Fax	360-727-7637
E-mail Address	<a href="mailto:weldon@weldontburtoncpa.com">weldon@weldontburtoncpa.com</a>

Sincerely

ARROW LAUNCH SERVICE, INC.

Jack L. Harmon  
President



January 27, 2016

To: All Arrow Launch Service Customers

Arrow Launch Service, Inc. ("Arrow") last applied to the Washington Utilities and Transportation Commission ("WUTC") for a rate adjustment in the fall of 2010. As I have discussed with many of you, since that rate filing, our costs to provide 365-day a year, 24-hours a day staffing and equipment availability have increased substantially. For example, during the five-plus years since our last rate change we have absorbed significant cost attrition, particularly in employee health insurance premiums (up an average of 15%-20% per year), moorage, parts, insurance and outside vendor expenses. We also just granted to all our employees, except management, a wage increase of 2% for the first time in that five-year period which we believe was conservative and overdue.

Additionally, in that interval, we have concertedly strived to reduce expenses while also expanding our fleet to bring larger capacity, more efficient equipment on line in efforts to bring all vessel costs to a superior efficiency level.

We also recognize that borrowing costs to acquire newly-constructed equipment would significantly balloon our costs of service so we have consciously opted instead to upgrade and expand our fleet with used vessels that are in turn improved and upgraded for your use after their acquisition. As most of you are aware, we have made significant vessel retrofits particularly on the recently-acquired *Brave*, *Motega*, *Chief* and *Pacific Arrow* all of which are 65-80 feet long and have been acquired in the last five years.

Over this interval, in order to defer and defray the need for rate increases, we have also explored and expanded "special projects" such as the Polar Pioneer arctic exploration venture, which have served to cushion our regular customers from rate changes, but now, after more than half a decade, we have reluctantly recognized a need to seek price adjustments for our services from the WUTC.

Additionally, business volumes in our core of regulated service areas have either declined or been generally flat over this period. Due to all of the above, we are now compelled to seek a 4% increase in our basic hourly service rate (from \$245 to \$255 per hour) and an approximate 11% increase in deckhand rates (from \$45 to \$50 per hour), respectfully, which averages an approximate 5% overall increase.

...Continued

While, under current law and regulation, our own internal calculations demonstrate a revenue need of over 10%, we realize that economic conditions in the maritime industry, which is the mainstay of our customer base, are not benign at the present time. We are thus attempting to mitigate and otherwise protect against the full impact of this adjustment by asking for less than half of that amount and reaffirm our commitment to you and your principals to maintain the utmost vigilance on cost containment. Enclosed is our proposed tariff schedule to become effective March 1, 2016 that has now been filed with the WUTC for review and approval.

The Commission has the authority to set rates higher or lower than the company's request, depending on the results of its investigation. Commission staff will make a recommendation to the commissioners at an open meeting in Olympia, which is scheduled for 9:30 a.m. on Thursday, February 25, 2016. You will have an opportunity to comment in person at this meeting. If you are unable to attend the open meeting, the Commission has a bridge line which enables you to participate or listen by telephone. Call 360-664-1234 the day before the open meeting for instructions and to sign in. You can also comment by using the comment form at the Commission's web site at [utc.wa.gov/comment](http://utc.wa.gov/comment), or by using the contact information below:

Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
P.O. Box 47250, Olympia, WA 98504-7250  
E-mail: [comments@utc.wa.gov](mailto:comments@utc.wa.gov)  
Telephone: 1-888-333-9882

While we regret having to request any increase in our rates to serve you, we hope that you, as our loyal customer, endorse our desire to maintain the highest quality on-demand, round-the-clock reliable service that we have offered you over the past two-and-a-half decades and look forward to partnering with you in the months and years to come.

Sincerely,

Arrow Launch Service, Inc.

A handwritten signature in black ink, appearing to read "Jack L. Harmon, Jr.", with a long horizontal flourish extending to the right.

Jack L. Harmon, Jr., President

**CERTIFICATE NO. B-97  
 TARIFF RATES  
 SHIP LAUNCH & FREIGHT SERVICE  
 BETWEEN  
 VARIOUS MAINLAND PORTS  
 AND THE  
 FOLLOWING SPECIFIED ANCHORAGE ZONES  
 THIRD REVISED SCHEDULE NO. 6**

**ALL RATES ON THIS PAGE ARE INCREASED**

**PER HOUR**

ANACORTES TO ANACORTES .....	\$255.00
ANACORTES AND THE BELLINGHAM ANCHORAGE ZONES .....	255.00
ANACORTES AND SANDY POINT/CHERRY POINT/FERNDALE .....	255.00
ANACORTES TO VENDОВI ISLAND.....	255.00
BELLINGHAM TO BELLINGHAM ANCHORAGE ZONE .....	255.00
BELLINGHAM AND THE VENDОВI ISLAND ANCHORAGE ZONE.....	255.00
GRAYS HARBOR TO GRAYS HARBOR .....	255.00
EVERETT TO EVERETT .....	255.00
FISHERMAN'S COVE AND SHIPS AT ANCHOR OFF CHERRY POINT/ FERNDALE/SANDY POINT .....	255.00
OLYMPIA TO OLYMPIA.....	255.00
PORT ANGELES TO PORT ANGELES .....	255.00
PORT ANGELES AND ANCHORAGE ZONES BOUNDED BY CRESCENT BAY TO THE WEST AND DUNGENESS BAY TO THE EAST .....	255.00
PORT TOWNSEND TO PORT TOWNSEND .....	255.00
SANDY POINT TO CHERRY POINT/SANDY POINT/FERNDALE.....	255.00
SEATTLE TO MANCHESTER.....	255.00
SEATTLE TO SEATTLE.....	255.00
STANDBY TIME, AT DOCK .....	255.00
TACOMA TO TACOMA.....	255.00
WILLAPA TO WILLAPA BAY .....	255.00
DEADHEAD TIME.....	255.00
DECKHAND .....	50.00

**SERVICES OTHER THAN BOARDING LAUNCHES CONSISTING OF SHIPS' AGENTS AND/OR U.S. CUSTOMS/IMMIGRATION AGENTS BETWEEN THE HOURS OF 0001 TO 0700, WILL BE ASSESSED AT TIME AND A-HALF RATES.**

**HOLIDAY RATES: DOUBLE TIME (THANKSGIVING, CHRISTMAS EVE DAY, CHRISTMAS DAY, NEW YEARS EVE DAY, NEW YEARS DAY, PRESIDENTS' DAY, EASTER, MEMORIAL DAY, FOURTH OF JULY, LABOR DAY & VETERANS DAY)**

**ISSUE DATE: January 27, 2016**

**EFFECTIVE DATE: March 1, 2016**

**ARROW LAUNCH SERVICE, INC.  
 P.O. BOX 2376 PORT ANGELES, WASHINGTON 98362**

Arrow Launch Service  
 Quartely Income Statement  
 For the Test Year Ending September 30, 2015

	4th Quarter 2014	1st Quarter 2015	2nd Quarter 2015	3rd Quarter	Test Period
Revenues					
Sales - Anacortes	342,873.44	305,882.57	\$ 370,672.66	\$ 332,317.81	1,351,746.48
Freight-Anacortes	62,536.27	41,343.77	57,901.26	51,235.65	213,016.95
Freight Deckhand-Anacortes	17,206.90	9,090.02	11,986.89	10,929.40	49,213.21
Tariff Deckhand-Anacortes	70,008.84	62,240.71	77,917.61	68,225.76	278,392.92
Sales - Bellingham	0.00	18,720.02	20,553.75	0.00	39,273.77
Crane - Anacortes	32,325.00	22,500.00	33,864.23	28,575.00	117,264.23
Forklift - Anacortes	11,125.00	7,450.00	9,050.00	8,953.00	36,578.00
Port Charges - Anacortes	15,375.00	11,275.00	14,172.75	13,450.00	54,272.75
Dumpster - Anacortes	8,970.00	9,165.00	6,045.00	7,215.00	31,395.00
Sales - Port Angeles	258,168.79	251,951.88	185,839.61	173,676.22	869,636.50
Freight-Port Angeles	25,418.76	29,798.13	28,052.51	20,511.25	103,780.65
Freight Deckhand-PA	7,993.14	9,765.01	7,818.76	6,142.50	31,719.41
Tariff Deckhand-PA	49,543.17	47,032.51	34,588.13	32,131.91	163,295.72
Barge Rental	1,600.00	0.00	0.00	13,400.00	15,000.00
Sales - Non-Regulated	89,338.57	9,601.60	19,038.10	29,034.10	147,012.37
Sales - Seattle	182,035.19	219,829.62	127,706.34	50,924.91	580,496.06
Freight-Seattle	16,843.75	22,907.50	20,702.50	6,400.63	66,854.38
Freight Deckhand-Seattle	5,118.75	6,761.25	7,627.50	2,092.51	21,600.01
Tariff Deckhand-Seattle	36,437.69	41,253.87	22,635.09	8,555.66	108,882.31
Crane - Seattle	4,350.00	3,750.00	4,200.00	1,200.00	13,500.00
Forklift - Seattle	950.00	1,050.00	950.00	375.00	3,325.00
Port Charges - Seattle	2,100.00	2,400.00	1,950.00	500.00	6,950.00
Sales - Warrior	91,073.13	88,536.25	76,231.25	69,620.00	325,460.63
Freight Deckhand-WARRIOR	15,395.63	14,602.50	9,367.51	12,810.00	52,175.64
Crane - Warrior	7,725.00	5,175.00	142.50	(1,350.00)	11,692.50
Forklift - Warrior	2,675.00	1,725.00	1,100.00	800.00	6,300.00
Port Charges - Warrior	4,300.00	3,150.00	1,575.00	975.00	10,000.00
Dumpster - Warrior	0.00	0.00	0.00	390.00	390.00
Sales-Polar Pioneer			749,735.40	0.00	749,735.40
Crane - Port Angeles	18,525.00	18,975.00	11,962.50	11,150.00	60,612.50
Forklift - Port Angeles	5,575.00	5,925.00	4,200.00	2,975.00	18,675.00
Port Charges - Port Angeles	8,500.00	9,107.34	4,687.50	3,500.00	25,794.84
Dumpster - Port Angeles	1,755.00	195.00	465.00	0.00	2,415.00
Customs Fees	0.00	507.00	0.00	2,134.10	2,641.10
Equipment Rental	0.00	9,256.55	75.00	(1,059.75)	8,271.80
Sales - Motega	20,312.50	2,640.00	64,688.75	50,923.75	138,565.00
Freight Deckhand - Motega	2,025.00	720.00	7,976.26	8,881.88	19,603.14
Crane - Motega	1,500.00	300.00	2,100.00	3,023.27	6,923.27
Forklift - Motega	500.00	100.00	700.00	1,050.00	2,350.00
Port Charges - Motega	625.00	125.00	950.00	950.00	2,650.00

Arrow Launch Service  
 Quartely Income Statement  
 For the Test Year Ending September 30, 2015

	4th Quarter 2014	1st Quarter 2015	2nd Quarter 2015	3rd Quarter	Test Period
Sales - Tacoma	111,138.17	116,038.20	66,425.66	41,450.75	335,052.78
Freight-Tacoma	18,681.25	9,983.75	5,915.00	1,347.50	35,927.50
Freight Deckhand-Tacoma	5,400.00	2,362.50	1,428.75	337.50	9,528.75
Tariff Deckhand-Tacoma	20,188.17	21,448.20	11,733.78	7,419.42	60,789.57
Crane - Tacoma	3,900.00	1,950.00	1,650.00	0.00	7,500.00
Forklift - Tacoma	1,150.00	650.00	500.00	0.00	2,300.00
Port Charges - Tacoma	1,775.00	1,100.00	850.00	0.00	3,725.00
Finance Charge Income	2,804.10	2,883.76	8,100.78	1,985.27	15,773.91
Miscellaneous Income	2,743.69	1,354.29	2,270.97	2,766.82	9,135.77
Wage Allocation AMS	(50,000.00)	0.00	0.00	0.00	(50,000.00)
<b>Total Revenues</b>	<b>1,538,584.90</b>	<b>1,452,578.80</b>	<b>2,098,104.30</b>	<b>1,087,926.82</b>	<b>6,177,194.82</b>
Cost of Sales					
Customs Fees	78.30	38.00	0.00	43.60	159.90
Security Costs- Anacortes	0.00	4,702.50	0.00	0.00	4,702.50
Security Costs- Port Angeles	106.19	341.00	627.00	0.00	1,074.19
Port Charges- Anacortes	3,587.69	3,047.28	3,905.65	3,701.14	14,241.76
Port Charges- Bellingham	0.00	0.00	0.00	900.00	900.00
Port Charges- Port Angeles	11,461.85	7,186.87	8,304.60	5,771.94	32,725.26
Port Charges- Seattle	3,130.00	1,629.07	1,820.31	6,333.24	12,912.62
Port Charges Tacoma	0.00	219.00	421.21	0.00	640.21
Boat Fuel- Polar Pioneer	0.00	0.00	8,074.78	0.00	8,074.78
Boat Fuel- Strait Arrow	3,889.10	424.55	680.21	0.00	4,993.86
Boat Fuel- Crow Arrow	1,762.35	1,676.16	1,870.56	1,096.53	6,405.60
Boat Fuel- Sealth Arrow	5,912.85	4,842.41	2,575.96	4,334.04	17,665.26
Boat Fuel- Sound Arrow	1,780.47	602.68	1,077.51	605.20	4,065.86
Boat Fuel- Warrior	5,740.99	2,716.83	2,915.65	1,427.08	12,800.55
Boat Fuel- General	38,871.72	24,030.32	21,692.84	32,802.49	117,397.37
Boat Fuel- Swift Arrow	6,917.49	5,091.72	2,741.58	1,452.35	16,203.14
Boat Fuel- Sioux Arrow	2,456.23	1,660.31	2,879.33	0.00	6,995.87
Boat Fuel - Chief Arrow	0.00	0.00	2,577.75	0.00	2,577.75
Boat Fuel- Motega	1,631.58	758.43	2,462.85	2,136.20	6,989.06
Boat Fuel- Cheyenne Arrow	9,014.64	2,970.92	3,372.65	1,331.84	16,690.05
Boat Fuel - Brave Arrow	11,032.19	16,645.34	1,721.39	2,268.49	31,667.41
Moorage Anacortes	12,746.11	13,890.18	12,343.88	12,984.30	51,964.47
Moorage Bellingham	75.00	381.09	215.81	684.41	1,356.31
Moorage Port Angeles	9,509.29	9,186.70	12,424.68	18,938.18	50,058.85
Moorage Seattle	2,083.94	4,964.30	2,422.06	2,303.82	11,774.12
Moorage Warrior	2,640.80	950.84	0.00	0.00	3,591.64
Moorage General	2,387.70	1,763.42	0.00	428.50	4,579.62

Arrow Launch Service  
 Quartely Income Statement  
 For the Test Year Ending September 30, 2015

	4th Quarter 2014	1st Quarter 2015	2nd Quarter 2015	3rd Quarter	Test Period
Moorage Motega	1,381.47	0.00	0.00	0.00	1,381.47
Moorage Tacoma	3,032.96	3,101.18	3,022.88	3,570.16	12,727.18
Boat M & R- Strait Arrow	9,817.06	5,256.66	2,973.15	9,473.49	27,520.36
Boat M & R- Crow Arrow	1,711.38	113.07	358.81	5,919.67	8,102.93
Boat M & R- Sealth Arrow	6,735.07	5,643.83	9,460.39	12,112.02	33,951.31
Boat M & R- Sound Arrow	1,860.24	334.52	652.50	5,819.97	8,667.23
Boat M & R- Warrior	12,971.14	9,886.89	9,248.78	10,134.01	42,240.82
Bulk Fleet Purchases	161,843.28	41,966.07	70,906.82	56,750.82	331,466.99
Boat M & R- Swift Arrow	9,198.20	7,617.85	11,429.19	1,837.78	30,083.02
Boat M & R - Pacific Arrow	0.00	18,842.50	(18,842.50)	0.00	-
Boat M & R- Sioux Arrow	6,814.26	447.93	7,563.58	14,074.59	28,900.36
Boat M & R - Chief Arrow	(225.16)	24,541.31	(24,541.31)	0.00	(225.16)
Boat M & R- Barges	136.25	280.59	61.18	5,264.69	5,742.71
Boat M & R- Motega	31,643.25	0.00	17,409.46	9,791.11	58,843.82
Boat M & R- Cheyenne Arrow	763.87	4,580.85	3,625.73	9,455.60	18,426.05
Boat M & R - Brave Arrow	12,287.49	8,321.91	13,698.68	8,834.02	43,142.10
Truck & Transport-Port Angeles	339.08	344.19	0.00	0.00	683.27
Boat Supplies- Strait Arrow	1,153.62	1,478.52	0.00	681.38	3,313.52
Boat Supplies- Crow Arrow	68.99	81.61	0.00	919.46	1,070.06
Boat Supplies- Sealth Arrow	892.12	3,012.58	365.87	2,751.20	7,021.77
Boat Supplies- Sound Arrow	0.00	0.00	0.00	78.23	78.23
Boat Supplies- Warrior	856.37	1,785.41	0.00	2,191.43	4,833.21
Boat Supplies- General	15,230.51	21,060.86	16,019.87	29,483.18	81,794.42
Boat Supplies- Swift Arrow	34.78	11.38	21.66	86.64	154.46
Boat Supplies - Pacific Arrow	0.00	2,785.21	0.00	0.00	2,785.21
Boat Supplies- Sioux Arrow	0.00	3,248.96	1,014.86	648.20	4,912.02
Boat Supplies - Chief Arrow	0.00	2,698.47	0.00	1,297.02	3,995.49
Boat Supplies- Barges	0.00	0.00	0.00	328.09	328.09
Boat Supplies- Motega	132.03	0.00	2,299.47	5,425.41	7,856.91
Boat Supplies- Cheyenne Arrow	0.00	0.00	2,181.50	1,101.22	3,282.72
Boat Supplies - Brave Arrow	308.14	147.60	3,510.80	562.11	4,528.65
Equipment Rental- Anacortes	0.00	4,123.45	(1,059.75)	547.00	3,610.70
Equipment Rental- Port Angeles	92.12	210.61	216.92	382.69	902.34
Equipment Rental- Seattle	0.00	2,764.26	3,913.20	0.00	6,677.46
Salaries/Wages Anacortes	64,657.28	28,349.97	60,425.21	13,296.35	166,728.81
Salaries/Wages Port Angeles	425,545.14	452,184.16	567,346.51	443,953.07	1,889,028.88
Salaries/Wages Seattle	684.48	617.44	676.60	86.54	2,065.06
ATO	0.00	0.00	26,614.82	11,709.03	38,323.85
Salaries/Wages Tacoma	0.00	0.00	454.88	274.64	729.52
FICA General	30,862.79	102,084.84	(697.31)	44,478.90	176,729.22
FUTA General	904.45	1,699.19	2,404.94	(2,219.54)	2,789.04



Arrow Launch Service  
 Quartely Income Statement  
 For the Test Year Ending September 30, 2015

	4th Quarter 2014	1st Quarter 2015	2nd Quarter 2015	3rd Quarter	Test Period
SUTA General	1,656.67	5,958.31	11,869.93	7,305.20	26,790.11
L & I/ Industrial Insurance	1,676.01	0.00	0.00	3,510.86	5,186.87
Subcontractors Port Angeles	14,253.70	10,609.73	0.00	3,301.25	28,164.68
Shop/Boat Maint	8,519.47	2,866.08	6,198.05	9,228.69	26,812.29
Total Cost of Sales	964,654.99	888,777.91	907,933.63	833,989.53	3,595,356.06
Gross Profit	573,929.91	563,800.89	1,190,170.67	253,937.29	2,581,838.76
Officers Wages	38,970.68	39,298.56	39,298.56	39,298.56	156,866.36
Office Wages/ Salaries	106,657.02	107,828.06	96,909.69	112,945.76	424,340.53
IRA Match	17,215.45	15,591.81	21,356.66	21,094.42	75,258.34
Advertising	4,207.94	7,900.58	9,654.78	15,049.62	36,812.92
Amortization	0.00	0.00	0.00	0.00	-
Accountant	14,729.72	6,497.21	7,357.26	40,250.00	68,834.19
Attorney	28,223.15	13,605.56	8,665.85	29,288.30	79,782.86
Auto Expense	7,362.81	816.25	3,922.78	12,101.84	24,203.68
Bad Debts	130.57	64.71	1,458.82	404.36	2,058.46
Bank Loan Fees	0.00	0.00	0.00	0.00	-
Bank Service Charges	88.61	426.69	560.08	0.00	1,075.38
Contributions	2,250.00	17,950.00	4,620.00	40.00	24,860.00
Depreciation	164,040.04	25,171.44	25,171.44	25,171.44	239,554.36
Drug Testing	956.00	1,018.00	1,245.00	959.34	4,178.34
Dues	300.00	190.00	20,086.06	2,023.48	22,599.54
Employee Meals- Polar Pioneer	0.00	0.00	6,624.72	0.00	6,624.72
Employee Benefits	10,167.35	4,496.35	5,891.72	10,213.40	30,768.82
Employee Meals	9,961.87	16,005.04	16,575.16	20,788.75	63,330.82
Entertainment/Meals	2,514.76	0.00	763.03	1,107.48	4,385.27
Freight	474.09	354.35	259.89	1,740.80	2,829.13
Fuel	10,550.33	13,733.88	14,731.60	20,561.35	59,577.16
Insurance	35,474.83	42,752.42	40,482.29	28,227.00	146,936.54
Insurance- Employee Medical	68,661.68	28,592.13	54,033.70	50,907.89	202,195.40
Insurance- Vessel & Vehicle	9,803.88	1,838.25	629.01	2,303.15	14,574.29
Licenses/Permits	1,785.75	1,602.75	3,769.35	4,404.75	11,562.60
Miscellaneous Expense	0.00	0.00	0.00	1,137.95	1,137.95
Office Expense	34,857.82	33,389.77	28,350.47	47,474.68	144,072.74
Postage	955.51	4,550.46	1,455.81	2,927.10	9,888.88
Professional Fees	3,074.73	3,526.25	2,303.59	15,725.76	24,630.33
Rent	30,435.78	2,809.22	7,247.64	8,656.00	49,148.64
Repair/Maintenance Coles Crane	0.00	50.45	(50.45)	0.00	-
Repair/Maintenance Non Boat	181.48	2,397.89	5,096.03	4,121.42	11,796.82

Arrow Launch Service  
 Quartely Income Statement  
 For the Test Year Ending September 30, 2015

	4th Quarter 2014	1st Quarter 2015	2nd Quarter 2015	3rd Quarter	Test Period
Repair/Maintenance Boom Truck	971.09	2,128.49	2,735.62	188.14	6,023.34
Repair/Maintenance Shop Truck	0.00	0.00	0.00	231.06	231.06
Repair/Maintenance General	1,627.63	4,089.50	1,000.00	8,264.76	14,981.89
Repair/Maintenance 1997 GMC	0.00	119.16	0.00	0.00	119.16
Repair/Maintenance Forklifts	79.30	46.67	197.80	0.00	323.77
Repair/Maintenance 1995 Chevy	0.00	0.00	27.90	12.55	40.45
Subscriptions	1,670.42	420.48	320.04	322.23	2,733.17
Taxes- Property	0.00	0.00	2,439.00	0.00	2,439.00
Taxes- B & O	15,968.13	10,999.71	10,752.22	7,049.34	44,769.40
Taxes- Other	7,078.95	0.00	4,189.52	0.00	11,268.47
Telephone/Radio	18,978.42	16,282.79	15,099.77	32,026.44	82,387.42
Training	2,259.20	0.00	0.00	739.81	2,999.01
Crew Relocation/Accommodations	68,440.31	49,442.53	48,119.81	58,075.61	224,078.26
Travel- Polar Pioneer	0.00	0.00	5,395.58	0.00	5,395.58
Uniforms	8,510.63	21,414.11	7,924.09	19,430.53	57,279.36
Utilities	1,988.97	2,158.38	4,564.56	4,182.32	12,894.23
Interest Expense	14,441.89	2,797.23	30,137.58	16,492.81	63,869.51
Owner's Life Insurance	8,270.79	8,270.79	8,270.79	8,905.21	33,717.58
Suspense	0.00	0.00	(2,889.87)	2,889.87	-
Bad Debt Expense	0.00	0.00	0.00	0.00	-
Total Expenses	<u>754,317.58</u>	<u>510,627.92</u>	<u>566,754.95</u>	<u>677,735.28</u>	<u>2,509,435.73</u>
Net Income	(180,387.67)	53,172.97	623,415.72	(423,797.99)	72,403.03

**Arrow Launch Service, Inc.**  
**Statement of Operations**  
**For the Fiscal Period Ended September 30, 2015**

A	B	C	D	E	F	G	H	I	J	K	L
			September 30, 2015			Adjustments	Total before Non-Regulated	Non-regulated Adjustments	Adjusted	Estimated Revenue Adjustment Operating .93%	Results of Operations
			Historical Operations	Revenue Restatement	Restated						
10	Sales		3,314,771	-42,112	3,272,659		3,272,659		3,272,659	246,815	3,519,474
11	Freight		439,183		439,183		439,183		439,183		439,183
12	Freight Deckhand		112,061		112,061		112,061		112,061		112,061
13	Tariff Deckhand		611,361		611,361		611,361		611,361		611,361
14	Sales -Non-Regulated-Warrior/Charters		975,175		975,175	218,275	1,193,450	1,193,450	0		0
15	Sales-Polar Pioneer		749,735	42,112	791,847	-218,275	573,572		573,572		573,572
16	Finance Charge Income		15,774		15,774		15,774	15,774	0		0
17	Wage Allocation AMS		-50,000	50,000	0		0		0		0
18	Miscellaneous Income		9,136		9,136		9,136	9,136	0		0
19	Total Revenues		6,177,195	50,000	6,227,195	0	6,227,195	1,218,360	5,008,835	246,815	5,255,650
	Non-Regulated Revenue Allocator							-19.17%			
22	<b>Cost of Sales</b>										
23	Customs Fees		160		160	0	160	31	129		129
24	Security Costs		5,777		5,777	0	5,777	1,107	4,670		4,670
25	Port Charges		61,420		61,420	0	61,420	11,771	49,649		49,649
26	Boat Fuel- Polar Pioneer		8,075		8,075	0	8,075		8,075		8,075
27	Boat Fuel		244,452		244,452	-21,863	222,589	42,659	179,929		179,929
28	Moorage		137,434		137,434	-21,759	115,674	22,169	93,505		93,505
29	Boat Maintenance & Repair		636,863		636,863	44,356	681,218	130,556	550,662		550,662
30	Truck & Transport		683		683	0	683	131	552		552
31	Boat Supplies		125,955		125,955	0	125,955	24,139	101,815		101,815
32	Equipment Rental		11,191		11,191	0	11,191	2,145	9,046		9,046
33	Salaries/Wages Anacortes		166,729		166,729	3,156	169,885	32,559	137,326		137,326
34	Salaries/Wages Port Angeles		1,889,029		1,889,029	35,051	1,924,080	368,752	1,555,327		1,555,327
35	Salaries/Wages Seattle		2,065		2,065	0	2,065	396	1,669		1,669
36	ATO		38,324		38,324	0	38,324	7,345	30,979		30,979
37	Salaries/Wages Tacoma		730		730	0	730	140	590		590
38	FICA General		176,729		176,729	0	176,729	33,870	142,859		142,859
39	FUTA General		2,789		2,789	0	2,789	535	2,255		2,255
40	SUTA General		26,790		26,790	0	26,790	5,134	21,656		21,656
41	L & I/ Industrial Insurance		5,187		5,187	0	5,187	994	4,193		4,193
42	Subcontractors		28,165		28,165	-21,847	6,317	1,211	5,107		5,107
43	Shop/Boat Maint		26,812		26,812	0	26,812	5,139	21,674		21,674
44	Total Cost of Sales		3,595,356		3,595,356	17,092	3,612,448	690,783	2,921,666	0	2,921,666
45	Gross Profit		2,581,839		2,581,839	-17,092	2,564,746	527,577	2,087,169	246,815	2,333,985

**Arrow Launch Service, Inc.**  
**Statement of Operations**  
**For the Fiscal Period Ended September 30, 2015**

A	B	C	D	E	F	G	H	I	J	K	L
			September 30, 2015			Adjustments	Total before Non-Regulated	Non-regulated Adjustments	Adjusted	Estimated Revenue Adjustment Operating .93%	Results of Operations
			Historical Operations	Revenue Restatement	Restated						
48	Officers Wages		156,866		156,866	0	156,866	30,064	126,803		126,803
49	Office Wages/ Salaries		424,341		424,341	0	424,341	81,325	343,015		343,015
50	IRA Match		75,258		75,258	0	75,258	14,423	60,835		60,835
51	Advertising		36,813		36,813	0	36,813	7,055	29,758		29,758
52	Amortization		0		0	0	0	0	0		0
53	Accountant		68,834		68,834	29,388	98,222	18,824	79,397		79,397
54	Attorney		79,783		79,783	17,552	97,335	18,654	78,680		78,680
55	Auto Expense		24,204		24,204	0	24,204	4,639	19,565		19,565
56	Bad Debts		2,058		2,058	0	2,058	395	1,664		1,664
57	Bank Loan Fees		0		0	0	0	0	0		0
58	Bank Service Charges		1,075		1,075	0	1,075	206	869		869
59	Contributions		24,860		24,860	-24,860	0	0	0		0
60	Depreciation		239,554		239,554	-11,960	227,595	43,619	183,976		183,976
61	Drug Testing		4,178		4,178	0	4,178	801	3,378		3,378
62	Dues		22,600		22,600	-19,481	3,119	598	2,521		2,521
63	WUTC Regulatory Fee				0	20,035	20,035		20,035	987	21,022
64	Employee Meals- Polar Pioneer		6,625		6,625	0	6,625		6,625		6,625
65	Employee Benefits		30,769		30,769	0	30,769	5,897	24,872		24,872
66	Employee Meals		63,331		63,331	0	63,331	12,137	51,193		51,193
67	Entertainment/Meals		4,385		4,385	0	4,385	840	3,545		3,545
68	Freight		2,829		2,829	0	2,829	542	2,287		2,287
69	Fuel		59,577		59,577	0	59,577	11,418	48,159		48,159
70	Insurance		146,937		146,937	0	146,937	28,161	118,776		118,776
71	Insurance- Employee Medical		202,195		202,195	0	202,195	38,751	163,444		163,444
72	Insurance- Vessel & Vehicle		14,574		14,574	0	14,574	2,793	11,781		11,781
73	Licenses/Permits		11,563		11,563	0	11,563	2,216	9,347		9,347
74	Miscellaneous Expense		1,138		1,138	0	1,138	218	920		920
75	Office Expense		144,073		144,073	3,386	147,459	28,261	119,198		119,198
76	Postage		9,889		9,889	0	9,889	1,895	7,994		7,994
77	Professional Fees		24,630		24,630	0	24,630	4,720	19,910		19,910
78	Rent		49,149		49,149	0	49,149	9,419	39,729		39,729
79	Repair/Maintenance Non Boat		33,516		33,516	0	33,516	6,423	27,093		27,093
80	Subscriptions		2,733		2,733	0	2,733	524	2,209		2,209
81	Taxes- Property		2,439		2,439	0	2,439	467	1,972		1,972

**Arrow Launch Service, Inc.**  
**Statement of Operations**  
**For the Fiscal Period Ended September 30, 2015**

A	B	C	D	E	F	G	H	I	J	K	L
			September 30, 2015			Adjustments	Total before Non-Regulated	Non-regulated Adjustments	Adjusted	Estimated Revenue Adjustment Operating .93%	Results of Operations
			Historical Operations	Revenue Restatement	Restated						
82	Taxes- B & O		44,769		44,769	0	44,769	8,580	36,189	3,702	39,892
83	Taxes- Other		11,268		11,268	0	11,268	2,160	9,109		9,109
84	Telephone/Radio		82,387		82,387	0	82,387	15,790	66,598		66,598
85	Training		2,999		2,999	0	2,999	575	2,424		2,424
86	Crew Relocation/Accommodations		224,078		224,078	0	224,078	42,945	181,133		181,133
87	Travel- Polar Pioneer		5,396		5,396	0	5,396	1,034	4,362		4,362
88	Uniforms		57,279		57,279	0	57,279	10,978	46,302		46,302
89	Utilities		12,894		12,894	0	12,894	2,471	10,423		10,423
90	Interest Expense		63,870		63,870	-63,870	0	0	0		0
91	Owner's Life Insurance		33,718		33,718	-33,718	0	0	0		0
92	Suspense		0		0	0	0	0	0		0
93	Bad Debt Expense		0		0	0	0	0	0		0
94	Total Expenses		2,509,436	0	2,509,436	-83,527	2,425,909	459,819	1,966,089	4,689	1,970,779
					0						
95	Net Income		72,403	0	72,403	66,435	138,838	67,758	121,080	242,126	363,206
97	Operating Ratio		1.172%					94.439%	97.583%		93.089%

Arrow Launch Service, Inc.  
Revenue Restatement Adjustments  
September 30, 2015

Revenues from work done for the Noble Discoverer, Harvey and Sisauq were originally classified as regulated passenger/freight revenues. Upon investigation these revenues related to the Polar Pioneer Work

Wage allocation-AMS was an year-end income tax accounting misposting. This entry is to correct the mistake and remove the negative revenue.

**Arrow Launch Service, Inc.**  
**Statement of Operations**  
**For the Fiscal Period Ended September 30, 2015**

	<b>R-1</b>	<b>R-2</b>	<b>R-3</b>	<b>R-4</b>	<b>R-5</b>	<b>R-6</b>	<b>R-7</b>	<b>R-8</b>	<b>R-9</b>	<b>R-10</b>	<b>R-11</b>	<b>Total</b>
	Polar Pioneer Restating Adjustments	Reclass Posting Errors	Expense Asset Additions	Depreciation Adjustment	Capitalize Repairs	Remove Out of Period	Wage Increase	Remove Interest Expense and Contributions Life Insurance	Payroll Adjustment	Adjust 2015 Regulatory Fee	Rate Case Cost	
<b>ROW Revenues</b>												
10 Sales												0
11 Freight												0
12 Freight Deckhand												0
13 Tariff Deckhand												0
14 Sales -Non-Regulated-Warrior/Charters	218,275											218,275
15 Sales-Polar Pioneer	-218,275											-218,275
16 Finance Charge Income												0
17 Wage Allocation AMS												0
18 Miscellaneous Income												0
19 Total Revenues	0	0	0	0	0	0	0	0	0	0	0	0
<b>22 Cost of Sales</b>												0
23 Customs Fees												0
24 Security Costs												0
25 Port Charges												0
26 Boat Fuel- Polar Pioneer												0
27 Boat Fuel		-21,863										-21,863
28 Moorage		-4,035			-16,725	-999						-21,759
29 Boat Maintenance & Repair		25,898	18,457									44,356
30 Truck & Transport												0
31 Boat Supplies												0
32 Equipment Rental												0
33 Salaries/Wages Anacortes									3,156			3,156
34 Salaries/Wages Port Angeles							35,051					35,051
35 Salaries/Wages Seattle												0
36 ATO												0
37 Salaries/Wages Tacoma												0
38 FICA General												0
39 FUTA General												0
40 SUTA General												0
41 L & I Industrial Insurance												0
42 Subcontractors					-21,847							-21,847
43 Shop/Boat Maint												0
44 Total Cost of Sales	0	0	18,457	0	-38,572	-999	35,051	0	3,156	0	0	17,092
45 Gross Profit	0	0	-18,457	0	38,572	999	-35,051	0	-3,156	0	0	-17,092

**Arrow Launch Service, Inc.**  
**Statement of Operations**  
**For the Fiscal Period Ended September 30, 2015**

	<b>R-1</b>	<b>R-2</b>	<b>R-3</b>	<b>R-4</b>	<b>R-5</b>	<b>R-6</b>	<b>R-7</b>	<b>R-8</b>	<b>R-9</b>	<b>R-10</b>	<b>R-11</b>	<b>Total</b>
	Polar Pioneer Restating Adjustments	Reclass Posting Errors	Expense Asset Additions	Depreciation Adjustment	Capitalize Repairs	Remove Out of Period	Wage Increase	Remove Interest Expense and Contributions Life Insurance	Payroll Adjustment	Adjust 2015 Regulatory Fee	Rate Case Cost	
48 Officers Wages												0
49 Office Wages/ Salaries												0
50 IRA Match												0
51 Advertising												0
52 Amortization												0
53 Accountant											29,388	29,388
54 Attorney											17,552	17,552
55 Auto Expense												0
56 Bad Debts												0
57 Bank Loan Fees												0
58 Bank Service Charges												0
59 Contributions								-24,860				-24,860
60 Depreciation				-11,960								-11,960
61 Drug Testing												0
62 Dues		-19,481										-19,481
63 WUTC Regulatory Fee		19,481								554		20,035
64 Employee Meals- Polar Pioneer												0
65 Employee Benefits												0
66 Employee Meals												0
67 Entertainment/Meals												0
68 Freight												0
69 Fuel												0
70 Insurance												0
71 Insurance- Employee Medical												0
72 Insurance- Vessel & Vehicle												0
73 Licenses/Permits												0
74 Miscellaneous Expense												0
75 Office Expense			3,386									3,386
76 Postage												0
77 Professional Fees												0
78 Rent												0
79 Repair/Maintenance Non Boat												0
80 Subscriptions												0
81 Taxes- Property												0
82 Taxes- B & O												0
83 Taxes- Other												0
84 Telephone/Radio												0
85 Training												0
86 Crew Relocation/Accommodations												0
87 Travel- Polar Pioneer												0



**Arrow Launch Service, Inc.**  
**Statement of Operations**  
**For the Fiscal Period Ended September 30, 2015**

	<b>R-1</b>	<b>R-2</b>	<b>R-3</b>	<b>R-4</b>	<b>R-5</b>	<b>R-6</b>	<b>R-7</b>	<b>R-8</b>	<b>R-9</b>	<b>R-10</b>	<b>R-11</b>	Total
	Polar Pioneer Restating Adjustments	Reclass Posting Errors	Expense Asset Additions	Depreciation Adjustment	Capitalize Repairs	Remove Out of Period	Wage Increase	Remove Interest Expense and Contributions Life Insurance	Payroll Adjustment	Adjust 2015 Regulatory Fee	Rate Case Cost	
88 Uniforms												0
89 Utilities												0
90 Interest Expense								-63,870				-63,870
91 Owner's Life Insurance								-33,718				-33,718
92 Suspense												0
93 Bad Debt Expense												0
94 Total Expenses	0	0	3,386	-11,960	0	0	0	-122,447	0	554	46,939	-83,527
95 Net Income	0	0	-21,844	11,960	38,572	999	-35,051	122,447	-3,156	-554	-46,939	66,435

Arrow Launch Service, Inc.  
Restating Adjustments  
September 30, 2015

- R-1 Polar Pioneer Restating**  
The company accounted for Polar Pioneer revenues separately in their general ledger during the test period. This restatement separates regulated and non-regulated revenue from this activity. (See Polar Pioneer Revenue Worksheet Tab.)
- R-2 Reclass Posting Errors**  
This entry reclassifies and corrects accounting postings errors shown on the fuel reclassification worksheet and moorage analysis worksheet. Also reclassifies WUTC Regulatory Fee from Dues into an individual category.
- R-3 Expense Asset Additions**  
During the fiscal year, the company accumulates various expenditures into a "general ledger account 14600 - Assets Current Year Purchases." The transactions in this general ledger account are summarized in the tab Capital Assets 9-30-15
- R-4 Depreciation Adjustment**  
Regulatory depreciation is calculated at the Depreciation Schedule tab with an adjustment to reflect regulatory depreciation as compared to book depreciation.
- R-5 Capitalize Repairs**  
This adjustment is to capitalize repairs classified and shown in the moorage tab and subcontractor's tab.
- R-6 Remove out of period expense**  
Remove out of period expense for payments to Das Vier, LLC and Foss Waterway Marina for October 2015 moorage.
- R-7 Wage Increase**  
To record wage increase granted by management.
- R-8 Remove Expenses not allowed for rate making**  
Remove interest expense, officer life insurance and charitable contributions which are not allowable expenses for rate making purposes.
- R-9 Payroll Adjustment**  
This adjustment reconciles payroll per financial statement and payroll detail by individual for the test period.
- R-10 Adjust 2015 Regulatory Fee**  
This adjustment recognizes the WUTC Fee on additional regulatory revenue for 2015.
- R-10 Rate Case Cost**  
The above reflects rate case preparation costs incurred by the company during October, November, December 2015 and January 2016. These costs are not proposed to be amortized because the company will be filing another rate case within fifteen months or so due to the extraordinary and isolated effect of the Polar Pioneer. If the company had not received almost \$800,000 of revenue from that project in a 30-day period, the rate increase request in this filing would have been \$500,000 to \$600,000, or more than double what is being sought. As noted, the company anticipates another filing in a year to eighteen months.

# Arrow Launch Service, Inc.

## NEW IMPROVED LURITO - GALLAGHER FORMULA

**NOTE:**  
 Red numbers are input file  
 Black are formula calculated

!!!	Revenue Requirement		\$5,309,638	!!!<--	
!!!	Revenue Deficiency		\$300,803	!!!<--	
*	Revenue	input>	\$5,008,835	* p/f before rates	
*	Expenses	input>	\$4,887,755	* p/f before rates	
*	Avg. Investment -	input>	\$1,757,544	* p/f before rates	
	curve turnover		347.63	(calculated)	
	final turnover		301.75	(calculated)	
	curve No. used		3	(calculated)	
	Company actual				
	capital structure:		!!! OPERATING RATIO ->		92.16 !!!<--
-----					=====
*	Actual Debt Ratio	input>	46.5%	Conversion factor data:	
*	Actual Equity Ratio	input>	53.5%	B & O Tax	input> 0.015 *
*	Actual Cost of Debt	input>	5.3%	WUTC Fee	input> 0.004 *
				City Tax	input> 0.000 *
*	Tax Rate	input>	35.0%	Bad Debts	input> 0.000 *
-----					
			Revenue Sensitive		1.90%
			Conversion Factor		0.9026

Arrow Launch  
Payroll Recon  
Test Period 10-1-14 to 9-30-15

	10-1-14 to 12-31-14	1-1-15 to 3- 31-15	4-1-15 to 6- 30-15	7-1-15 to 9- 30-15	Total by Quarter
Salaries/Wages Anacortes	64,657.28	28,349.97	60,425.21	13,296.35	166,728.81
Salaries/Wages Port Angeles	425,545.14	452,184.16	567,346.51	443,953.07	1,889,028.88
Salaries/Wages Seattle	684.48	617.44	676.60	86.54	2,065.06
ATO	0.00	0.00	26,614.82	11,709.03	38,323.85
Salaries/Wages Tacoma	0.00	0.00	454.88	274.64	729.52
Officers Wages	38,970.68	39,298.56	39,298.56	39,298.56	156,866.36
Office Wages/ Salaries	106,657.02	107,828.06	96,909.69	112,945.76	424,340.53
<b>Payroll per Books per Quarter</b>	<u>636,514.60</u>	<u>628,278.19</u>	<u>791,726.27</u>	<u>621,563.95</u>	<u>2,678,083.01</u>

Total for period 10/1/14 thru 12/31/14 from Payroll File  
Total for period 1/1/15 thru 9/30/15 from Payroll File  
Total for the test period from Payroll File

624,984.17  
2,056,254.56  
2,681,238.73

Adjustment to reconcile books to payroll file

3,155.72

Arrow Launch  
Payroll Recon  
Test Period 10-1-14 to 9-30-15

	10-1-14 to 12-31-14	1-1-15 to 3- 31-15	4-1-15 to 6- 30-15	7-1-15 to 9- 30-15	Total by Quarter	
Salaries/Wages Anacortes	64,657.28	28,349.97	60,425.21	13,296.35	166,728.81	
Salaries/Wages Port Angeles	425,545.14	452,184.16	567,346.51	443,953.07	1,889,028.88	
Salaries/Wages Seattle	684.48	617.44	676.60	86.54	2,065.06	
ATO	0.00	0.00	26,614.82	11,709.03	38,323.85	
Salaries/Wages Tacoma	0.00	0.00	454.88	274.64	729.52	
Officers Wages	38,970.68	39,298.56	39,298.56	39,298.56	156,866.36	
Office Wages/ Salaries	106,657.02	107,828.06	96,909.69	112,945.76	424,340.53	
<b>Payroll per Books per Quarter</b>	<u>636,514.60</u>	<u>628,278.19</u>	<u>791,726.27</u>	<u>621,563.95</u>	<u>2,678,083.01</u>	
Payroll Costs						
FICA General	30,862.79	102,084.84	(697.31)	44,478.90	176,729.22	34.00%
FUTA General	904.45	1,699.19	2,404.94	(2,219.54)	2,789.04	0.54%
SUTA General	1,656.67	5,958.31	11,869.93	7,305.20	26,790.11	5.15%
L & I/ Industrial Insurance	1,676.01	0.00	0.00	3,510.86	5,186.87	1.00%
IRA Match	17,215.45	15,591.81	21,356.66	21,094.42	75,258.34	14.48%
Employee Benefits	10,167.35	4,496.35	5,891.72	10,213.40	30,768.82	5.92%
Insurance- Employee Medical	68,661.68	28,592.13	54,033.70	50,907.89	202,195.40	38.90%
	<u>131,144.40</u>	<u>158,422.63</u>	<u>94,859.64</u>	<u>135,291.13</u>	<u>519,717.80</u>	
Benefits as a percent of payroll	20.60%	25.22%	11.98%	21.77%	19.41%	

POLAR PIONEER APRIL/MAY/JUNE REVENUE TYPE VS. FINANCIAL ASSIGNMENT

12/2/2015

INVOICE #	AMOUNT	Comment	G/L ASSIGNMENT		REVENUE TYPE								
			30525 Sales-Non Regulated	30546 Sales - Polar Pioneer	Freight Boat Motega/Warrior	Launch Service (Personnel)	Crane	Forklift	Deckhand	Port Forklift	Port Charges	Non- Regulated	
25357	<del>\$ 1,985.80</del>	Line Handlers	<del>1,985.80</del>										<del>1,985.80</del>
25509	\$ 65,850.97	Freight Boats		65,850.97	49,171.88		2,250.00	750.00	10,968.76	715.14	1,995.19		
25483	\$ 139,155.00	Water Taxi		139,155.00		101,185.00	450.00	150.00	37,170.00		200.00		
25580	\$ 128,975.00	Water Taxi		128,975.00		94,325.00			34,650.00				
25581	\$ 40,056.65	Freight Boats		40,056.65	30,093.75		1,950.00	350.00	5,152.50		1,640.40		870.00
25639	\$ 238,428.75	Water Taxi		238,428.75		174,501.25	150.00	50.00	63,652.50		75.00		
25640	\$ 77,427.15	Freight Boats		77,427.15	57,843.75		5,400.00	925.00	9,855.00		3,403.40		
25715	\$ 8,700.00	Safety Patrol - SEATTLE		8,700.00									8,700.00
25763	\$ 17,400.00	Safety Patrol - SEATTLE		17,400.00									17,400.00
25921	\$ 23,200.00	Safety Patrol - SEATTLE		23,200.00									23,200.00
25924	\$ 6,815.00	Safety Patrol - SEATTLE		6,815.00									6,815.00
25926	\$ 3,726.88	Photography Boat - SEATTLE		3,726.88									3,726.88
			<del>1,985.80</del>	749,735.40	137,109.38	370,011.25	10,200.00	2,225.00	161,448.76	715.14	7,313.99		62,697.68
Regulated Services				531,460.01		370,011.25			161,448.76				
Non-Regulated Services				218,275.39	137,109.38		10,200.00	2,225.00		715.14	7,313.99		60,711.88
Total				749,735.40	137,109.38	370,011.25	10,200.00	2,225.00	161,448.76	715.14	7,313.99		60,711.88

Arrow Launch Service, Inc.  
Regulated Price Out

A	B	C	D	E	F	G	H	I	J	K	L	M
Regulated Service Description	Service Units			Service Rate		Extended		Revised Service Rate		Revised Extended		Revenue Increase
Deckhand	13,257.75			45.00		596,598.75		50.00		662,887.50		66,288.75
Deckhand Overtime	1,452.50			67.50		98,043.75		75.00		108,937.50		10,893.75
Deckhand Holiday	329.50			90.00		29,655.00		100.00		32,950.00		3,295.00
Deckhand Overtime Holiday	40.50			135.00		5,467.50		150.00		6,075.00		607.50
Passenger	11,909.00			245.00		2,917,705.00		255.00		3,036,795.00		119,090.00
Passenger Overtime	1,373.00			367.50		504,577.50		382.50		525,172.50		20,595.00
Passenger Holiday	293.75			490.00		143,937.50		510.00		149,812.50		5,875.00
Passenger Holiday Overtime	36.25			735.00		26,643.75		765.00		27,731.25		1,087.50
	<u>28,692.25</u>					<u>4,322,628.75</u>				<u>4,550,361.25</u>		<u>227,732.50</u>
Regulated Revenue Per Books						4,435,263						5.27%
Difference												2.61%

**Arrow Launch Service - Moorage Cost Analysis - September 30, 2015**

Reference	Jrnl	Trans Description	Debit Amt	Port Angeles		Everett	Seattle	Port	
				Anacortes	Bellingham			Moorage	Boat Yard
		Beginning Balance							
992 10/2014	PJ	Port of Anacortes - 992 10/2014	116.83	116.83					
991 10/31/14	PJ	Port of Anacortes - 991 10/2014	116.83	116.83					
747 10/2014	PJ	Port of Anacortes - 747	963.39	963.39					
970 10/2014	PJ	Port of Anacortes - 970 10/2014	2,757.50	2,757.50					
747 11/1/14	PJ	Port of Anacortes - 747 11/1/14	982.37	982.37					
991 11/1/14	PJ	Port of Anacortes - 991 11/1/14	116.85	116.85					
992 11/1/14	PJ	Port of Anacortes - 992 11/1/14	116.85	116.85					
907 11/24/14	PJ	Port of Anacortes - 907 11/24/14	3,101.64	3,101.64					
008328FC	PJ	Port of Anacortes - 008328FC (Revised invoice)	15.29	15.29					
970 12/2/14	PJ	Port of Anacortes - 970 12/2/14	3,218.78	3,218.78					
747 12/2/14	PJ	Port of Anacortes - 747 12/2/14	967.92	967.92					
991 12/2/14	PJ	Port of Anacortes - 991 12/2/14	156.76	156.76					
992 12/2/14	PJ	Port of Anacortes - 992 12/2/14	115.10	115.10					
747 1/1/2015	PJ	Port of Anacortes - 747 1/1/2015	967.92	967.92					
970 1/1/2015	PJ	Port of Anacortes - 970 1/1/2015	3,454.89	3,454.89					
991 1/1/15	PJ	Port of Anacortes - 991	115.10	115.10					
992 1/1/15	PJ	Port of Anacortes - 992	115.10	115.10					
970 2/1/15	PJ	Port of Anacortes - 970 2/1/15	3,367.85	3,367.85					
747 2/1/15	PJ	Port of Anacortes - 747 2/1/15	967.92	967.92					
991 2/1/15	PJ	Port of Anacortes - 991 2/1/15	115.10	115.10					
992 2/1/15	PJ	Port of Anacortes - 992 2/1/15	115.10	115.10					
747 3/1/15	PJ	Port of Anacortes - 747 3/1/15	982.44	982.44					
992 3/1/15	PJ	Port of Anacortes - 992 3/1/15	116.83	116.83					
991 3/1/15	PJ	Port of Anacortes - 991 3/1/15	116.83	116.83					
970 3/15	PJ	Port of Anacortes - 970 3/15	3,455.10	3,455.10					
747 4/1/15	PJ	Port of Anacortes - 747 4/1/15	967.92	967.92					
970 4/1/15	PJ	Port of Anacortes - 970 4/1/15	3,380.78	3,380.78					
991 4/1/15	PJ	Port of Anacortes - 991 4/1/15	115.10	115.10					
992 4/1/15	PJ	Port of Anacortes - 992 4/1/15	115.10	115.10					
970 5/1/15	PJ	Port of Anacortes - 970 5/1/15	3,310.66	3,310.66					
991 5/1/15	PJ	Port of Anacortes - 991 5/1/15	115.10	115.10					
992 5/1/15	PJ	Port of Anacortes - 992 5/1/15	115.10	115.10					
747 5/1/15	PJ	Port of Anacortes - 747 5/1/15	967.92	967.92					
992 6/1/15	PJ	Port of Anacortes - 992 6/1/15	115.10	115.10					
991 6/1/15	PJ	Port of Anacortes - 991 6/1/15	115.10	115.10					
747 6/1/15	PJ	Port of Anacortes - 747 6/1/15	967.92	967.92					



**Arrow Launch Service - Moorage Cost Analysis - September 30, 2015**

<b>Reference</b>	<b>Jrnl</b>	<b>Trans Description</b>	<b>Debit Amt</b>	<b>Anacortes</b>	<b>Bellingham</b>	<b>Port Angeles Moorage</b>	<b>Port Angeles Boat Yard</b>	<b>Everett</b>	<b>Seattle</b>	<b>Port Townsend</b>	<b>Tacoma</b>
970 6/1/15	PJ	Port of Anacortes - 970 6/1/15	2,058.08	2,058.08							
970 7/1/15	PJ	Port of Anacortes - 970	2,849.24	2,849.24							
747 7/1/15	PJ	Port of Anacortes - 747 7/1/15	982.44	982.44							
991 7/1/15	PJ	Port of Anacortes - 991 7/1/15	116.83	116.83							
992 7/1/15	PJ	Port of Anacortes - 992 7/1/15	116.83	116.83							
970 8/1/15	PJ	Port of Anacortes - 970 8/1/15	3,096.04	3,096.04							
747 8/1/15	PJ	Port of Anacortes - 747 8/1/15	967.92	967.92							
991 8/1/15	PJ	Port of Anacortes - 991 8/1/15	115.10	115.10							
992 8/1/15	PJ	Port of Anacortes - 992 8/1/15	115.10	115.10							
747 9/1/15	PJ	Port of Anacortes - 747 9/1/15	967.92	967.92							
991 9/1/15	PJ	Port of Anacortes - 991 9/1/15	115.10	115.10							
992 9/1/15	PJ	Port of Anacortes - 992 9/1/15	115.10	115.10							
970 9/1/15	PJ	Port of Anacortes - 970 9/1/15	3,032.68	3,032.68							
154183	PJ	Port of Anacortes - 9/19/15 - Wharf / dockage	394.00	394.00							
0074235	PJ	Port of Bellingham - October 2014	25.00		25.00						
0074943	PJ	Port of Bellingham - November 2014	25.00		25.00						
0075673	PJ	Port of Bellingham - December 2014	25.00		25.00						
RE000311	PJ	Port of Bellingham - February	25.00		25.00						
RE000582	PJ	Port of Bellingham - 3/1-3/31	25.00		25.00						
RE000827	PJ	Port of Bellingham - April 2015	25.00		25.00						
14321	PJ	Port of Bellingham - 2/12-2/20	306.09		306.09						
14321 remaing bal.	PJ	Port of Bellingham - 2/25-3/1 and 3/2 crane	100.22		100.22						
RE001078	PJ	Port of Bellingham - May 2015	25.00		25.00						
RE001331	PJ	Port of Bellingham - 6/1-6/30	25.00		25.00						
	CDJ	American Express - Moorage Bellingham Temp Moorage	65.59		65.59						
7/1/15 RE001576	PJ	Port of Bellingham - 7/1/15	25.00		25.00						
14321 7/1/15	PJ	Port of Bellingham - see invoice for details	555.07		555.07						
RE001827	PJ	Port of Bellingham - august 2015	25.00		25.00						
14321 7/23/15	PJ	Port of Bellingham - 7/23-7/29	54.34		54.34						
RE002072	PJ	Port of Bellingham - September 2015	25.00		25.00						

**Arrow Launch Service - Moorage Cost Analysis - September 30, 2015**

Reference	Jrnl	Trans Description	Debit Amt	Port Angeles		Everett	Seattle	Port	
				Anacortes	Bellingham			Moorage	Boat Yard
107442	PJ	PA Marine Moorage - C-2	404.77			404.77			
107443	PJ	PA Marine Moorage - C1	413.54			413.54			
107444	PJ	PA Marine Moorage - C4	368.27			368.27			
107785	PJ	PA Marine Boatyard - Sealth Haul Out	477.90					477.90	
107820 10/1/14	PJ	PA Marine Moorage - C-2	405.88			405.88			
107821	PJ	PA Marine Moorage - C-1 Sealth	411.42			411.42			
107822	PJ	PA Marine Moorage - C-4 Sound	368.27			368.27			
107824 10/1/14	PJ	PA Marine Moorage - C-0 Wolfpacker	191.83			191.83			
107794	PJ	PA Marine Moorage - Keycards	60.00			60.00			
108141	PJ	PA Marine Moorage - Cheyenne C-2	434.32			434.32			
108142	PJ	PA Marine Moorage - Chief Arrow	723.42			723.42			
108143	PJ	PA Marine Moorage - Sealth Arrow	464.25			464.25			
108144	PJ	PA Marine Moorage - Sound Arrow C-4	369.79			369.79			
108146	PJ	PA Marine Moorage - Wolfpacker C-0	191.83			191.83			
108369	PJ	PA Marine Boatyard - Pacific Haul Out	4,223.80					4,223.80	
108519	PJ	PA Marine Moorage - Cheyenne C-2	432.98			432.98			
108520	PJ	PA Marine Moorage - Chief Arrow	815.34			815.34			
108521	PJ	PA Marine Moorage - Sealth Arrow	462.35			462.35			
108522	PJ	PA Marine Moorage - Sound C-4	369.62			369.62			
108524	PJ	PA Marine Moorage - Wolfpacker C-0	191.83			191.83			
108831	PJ	PA Marine Moorage - C-2 Cheyenne	439.72			439.72			
108832	PJ	PA Marine Moorage - Chief Arrow	855.10			855.10			
108833	PJ	PA Marine Moorage - Sealth Arrow	464.46			464.46			
108834	PJ	PA Marine Moorage - Sound Arrow	369.71			369.71			
108836	PJ	PA Marine Moorage - wolfpacker c-0	191.83			191.83			
109112	PJ	PA Marine Moorage - 109112	860.60			860.60			
109113	PJ	PA Marine Moorage - 109113	448.73			448.73			
109114	PJ	PA Marine Moorage - 109114	368.80			368.80			
109115	PJ	PA Marine Moorage - 109115	488.76			488.76			
109116	PJ	PA Marine Moorage - 109116	191.83			191.83			
109368	PJ	PA Marine Moorage - access card - reid	630.31			630.31			
1090775	PJ	PA Marine Boatyard - Pacific Arrow Yard fees	1,604.73					1,604.73	
109412	PJ	PA Marine Moorage - Cheyenne - c2	443.87			443.87			
109413	PJ	PA Marine Moorage - chief arrow	818.18			818.18			
109414	PJ	PA Marine Moorage - Motega	652.73			652.73			
109415	PJ	PA Marine Moorage - Sealth arrow	448.73			448.73			
109416	PJ	PA Marine Moorage - Sound arrow c-4	368.80			368.80			

**Arrow Launch Service - Moorage Cost Analysis - September 30, 2015**

Reference	Jrnl	Trans Description	Debit Amt	Port Angeles		Everett	Seattle	Port	
				Anacortes	Bellingham			Moorage	Boat Yard
109417	PJ	PA Marine Moorage - Warrior c-3	488.76			488.76			
109418	PJ	PA Marine Moorage - wolf packer c-0	191.83			191.83			
13626	PJ	PA Marine Boatyard - Swift	775.89				775.89		
1090746	PJ	PA Marine Boatyard - Posiden Barge	207.26				207.26		
1090885	PJ	PA Marine Moorage - Cheyenne - C2	409.93			409.93			
1090886	PJ	PA Marine Moorage - Chief Arrow	655.51			655.51			
1090887	PJ	PA Marine Moorage - Motega	733.51			733.51			
1090888	PJ	PA Marine Moorage - Sealth arrow	458.37			458.37			
1090889	PJ	PA Marine Moorage - Sound Arrow	391.57			391.57			
1090890	PJ	PA Marine Moorage - Warrior C-3	494.30			494.30			
1090891	PJ	PA Marine Moorage - wolfpacker c-0	191.83			191.83			
24079 5/2015	PJ	Port of Everett	356.86					356.86	
1091163-2	PJ	PA Marine Boatyard - 2nd half April charges	1,171.80				1,171.80		
1091163	PJ	PA Marine Boatyard - Pacific Arrow - april charges	1,257.55				1,257.55		
119667	PJ	PA Marine Moorage - 119667	373.66			373.66			
119669	PJ	PA Marine Moorage - 119669	429.60			429.60			
119670	PJ	PA Marine Moorage - 119670	375.42			375.42			
119671	PJ	PA Marine Moorage - 119671	472.07			472.07			
119672	PJ	PA Marine Moorage - 119672	191.83			191.83			
120013	PJ	PA Marine Moorage - 120013	64.82			64.82			
24009 guest moorage	PJ	Port of Everett - guest moorage	41.00					41.00	
24130	PJ	Port of Everett - guest moorage	164.00					164.00	
137770	PJ	PA Marine Moorage - Cheyenne C-2	368.27			368.27			
13771	PJ	PA Marine Moorage - Chief Arrow	622.26			622.26			
13772	PJ	PA Marine Moorage - Sealth arrow	449.91			449.91			
13773	PJ	PA Marine Moorage - Sound arrow c- 4	428.64			428.64			
13774	PJ	PA Marine Moorage - Warrior C-3	500.23			500.23			
13775	PJ	PA Marine Moorage - Wolfpacker C-0	191.83			191.83			
120169	PJ	PA Marine Moorage - Transient moorage - 10 @ 53.00	530.00			530.00			
120275	PJ	PA Marine Moorage - Cheyenne C2	368.27			368.27			
120276	PJ	PA Marine Moorage - Chief Arrow	741.21			741.21			
120277	PJ	PA Marine Moorage - Sealth	443.71			443.71			
120278	PJ	PA Marine Moorage - Sound	429.66			429.66			
120279	PJ	PA Marine Moorage - Warrior	500.23			500.23			
120280	PJ	PA Marine Moorage - Wolfpacker	191.83			191.83			
123782	PJ	PA Marine Boatyard - Sound Arrow Haulout	609.96				609.96		
120657	PJ	PA Marine Boatyard - Haulout _____ ?	1,268.45				1,268.45		
120929 -need approve	PJ	PA Marine Boatyard - Pacific	7,667.60				7,667.60		
13818	PJ	PA Marine Boatyard - Chief Arrow	799.20				799.20		
120942	PJ	PA Marine Moorage - Cheyenne - C2	492.59			492.59			

**Arrow Launch Service - Moorage Cost Analysis - September 30, 2015**

Reference	Jrnl	Trans Description	Debit Amt	Port Angeles		Everett	Seattle	Port	
				Anacortes	Bellingham			Moorage	Boat Yard
120944 - Sealth	PJ	PA Marine Moorage - Sealth Arrow	438.80						
120945 - Sound Arrow	PJ	PA Marine Moorage - C4	429.90						
120946 - Warrior	PJ	PA Marine Moorage - C3 Warrior	496.01						
120947 - Wolfpacker	PJ	PA Marine Moorage - Wolfpacker	191.83						
121274 - Bdock/Chief	PJ	PA Marine Moorage - B-Dock / Chief	572.79						
101060 10/1/14	PJ	Port of Seattle - 101060 10/1/14	1,041.97				1,041.97		
10078 12/1/14	PJ	Port of Seattle - 10078 12/1/14	1,041.97				1,041.97		
101060 1/1/15	PJ	Port of Seattle - 101060 1/1/15	1,041.97				1,041.97		
10089	PJ	Port of Seattle - 10089- February	1,440.18				1,440.18		
HM1775	PJ	Port of Seattle - HM1775	398.21				398.21		
HM1849	PJ	Port of Seattle - HM1849	1,041.97				1,041.97		
HM-1928	PJ	Port of Seattle - April moorage	1,041.97				1,041.97		
101060 4/20/15	PJ	Port of Seattle - May moorage	1,338.46				1,338.46		
101060 6/19/15	PJ	Port of Seattle - July Moorage	1,083.60				1,083.60		
101060 8/1/15	PJ	Port of Seattle - 101060 8/1/15	1,220.22				1,220.22		
101060 8/20/15	PJ	Port of Seattle - 101060 8/20/15	1,083.60				1,083.60		
107445	PJ	PA Marine Moorage - C3 Warrior	471.24						
107823	PJ	PA Marine Moorage - C-3 Warrior	441.65						
108117	PJ	PA Marine Boatyard - Warrior	546.00						
108127	PJ	PA Marine Boatyard - Warrior Haulout	695.60					695.60	
108145	PJ	PA Marine Moorage - Warrior C-3	486.31						
108523	PJ	PA Marine Moorage - Warrior C-3	481.64						
108835	PJ	PA Marine Moorage - Warrior c-3	469.20						
2372 10/14/14	PJ	US Bank	1,655.70						
	CDJ	American Express - Moorage General	560.00						
	CDJ	American Express - Moorage General	172.00						
1280 1/22/15	PJ	First Bankcard - 1280 1/22/15 Huggins, Justin	61.50					61.50	
	CDJ	American Express - Moorage General	63.00						

**Arrow Launch Service - Moorage Cost Analysis - September 30, 2015**

Reference	Jrnl	Trans Description	Debit Amt	Port Angeles		Everett	Seattle	Port	
				Anacortes	Bellingham			Moorage	Boat Yard
2/3/15 24009	PJ	Port of Everett - 2/3/15	61.50			61.50			
35015	PJ	Port of Port Townsend - Charge - 2/6-2/10	180.00					180.00	
30515 2/15	PJ	Port of Port Townsend - 30515	180.00					180.00	
24075	PJ	Port of Everett - Sound Arrow	105.00			105.00			
24009	PJ	Port of Everett - Cheyenne Arrow	93.17			93.17			
24079	PJ	Port of Everett - Swift Arrow+	675.00			675.00			
27049	PJ	Port of Everett - Swift Arrow	67.50			67.50			
3/31/15 Sioux	PJ	Port of Everett - 3/31/15 Sioux	276.75			276.75			
24079 July	PJ	Port of Everett - Moorage	225.00			225.00			
3306 7/21/15	PJ	First Bankcard	68.50						
3306 8/20/15 BJ	PJ	First Bankcard	135.00						
107747	PJ	PA Marine Moorage - D Dock (Motega)	647.83			647.83			
108071	PJ	PA Marine Moorage - Motega	733.64			733.64			
72978	PJ	Foss Waterway Marina - October 2014	552.72						552.72
DVL-1009	PJ	Das Vier, LLC - November Moorage	450.00						450.00
73704	PJ	Foss Waterway Marina - November 2014	556.88						556.88
DVL-1017	PJ	Das Vier, LLC - December 2014	450.00						450.00
74309	PJ	Foss Waterway Marina - December Moorage	573.36						573.36
DVL-1026	PJ	Das Vier, LLC - Jan 2015	450.00						450.00
74894	PJ	Foss Waterway Marina - January Moorage	581.04						581.04
75124	PJ	Foss Waterway Marina - Guest moorage	37.58						37.58
DVL-1034	PJ	Das Vier, LLC - Feb 2015	450.00						450.00
75461	PJ	Foss Waterway Marina - February	581.28						581.28
DVL-1043	PJ	Das Vier, LLC - DVL-1043	450.00						450.00
75985	PJ	Foss Waterway Marina - March Moorage	551.28						551.28
DVL-1051	PJ	Das Vier, LLC - April 2015	450.00						450.00
76631	PJ	Foss Waterway Marina - April 2015	567.52						567.52
DVL- May	PJ	Das Vier, LLC - May	450.00						450.00
77296	PJ	Foss Waterway Marina - May Moorage	550.72						550.72
DVL-1068	PJ	Das Vier, LLC - June 2015	450.00						450.00

**Arrow Launch Service - Moorage Cost Analysis - September 30, 2015**

Reference	Jrnl	Trans Description	Debit Amt	Port Angeles		Port Angeles		Port			
				Anacortes	Bellingham	Moorage	Boat Yard	Everett	Seattle	Townsend	Tacoma
78022	PJ	Foss Waterway Marina - June moorage	554.64								554.64
DVL-1077	PJ	Das Vier, LLC - July 15	450.00								450.00
78820	PJ	Foss Waterway Marina - July 15 moorage	554.16								554.16
DVL-1085	PJ	Das Vier, LLC - August 2015	450.00								450.00
79742	PJ	Foss Waterway Marina - August moorage	557.04								557.04
DVL-1094	PJ	Das Vier, LLC - September 2015	450.00								450.00
80554	PJ	Foss Waterway Marina - Sept 2015	559.52								559.52
DVL-1102	PJ	Das Vier, LLC - October 2015	450.00								450.00
81397	PJ	Foss Waterway Marina - Moorage - October	549.44								549.44
		Current Period Change		51,964.47	1,356.31	33,710.36	20,759.74	2,127.28	11,774.12	360.00	12,727.18
		Remove out of period Expense									-999.44
				51,964.47	1,356.31	33,710.36	20,759.74	2,127.28	11,774.12	360.00	11,727.74
		Port Angeles Moorage per day $33,710.36/365=92.36$									
		Polar Pioneer in Port Angeles 27 days * 92.36				-3,140.24					
		Reclass to Maintenance					-4,035.06				
		Capitalize Pacific & Chief					-16,724.68				
		Total Moorage		51,964.47	1,356.31	30,570.12	0.00	2,127.28	11,774.12	360.00	11,727.74

**Arrow Launch Service, Inc. Sub-Contractors Analysis - September 30, 2015**

<u>Account Description</u>	<u>Date</u>	<u>Reference</u>	<u>Jrnl</u>	<u>Trans Description</u>	<u>Debit Amt</u>	<u>Which Vessel and work done?</u>	<u>Warrior</u>	<u>Brave</u>	<u>Chief</u>	<u>Motega</u>	<u>Pacific</u>	<u>Sound</u>	<u>Sealth</u>						
Subcontractors Port Angeles	10/1/14			Beginning Balance															
Subcontractors Port Angeles	10/3/14	79557	CDJ	Thor's Electronics - Warrior - 11.25	281.25	Warrior Electrical work	281.25												
Subcontractors Port Angeles	10/3/14	79557	CDJ	Thor's Electronics - Brave - 31.75	793.75	Brave Electircal work		793.75											
Subcontractors Port Angeles	10/10/14	79634	CDJ	Thor's Electronics - Subcontractors Port Angeles	113.18	Brave Electircal work		113.18											
Subcontractors Port Angeles	10/10/14	79634	CDJ	Thor's Electronics - Subcontractors Port Angeles	210.18	Warrior Electircal work	210.18												
Subcontractors Port Angeles	10/17/14	1100	PJ	Thor Clevenger - 1100	1,284.54	Brave Electircal work		1,284.54											
Subcontractors Port Angeles	11/20/14	79864	CDJ	Thor's Electronics - Subcontractors Port Angeles	2,357.70	Chief Electrical Work			2,357.70										
Subcontractors Port Angeles	11/26/14	79989	CDJ	Leroy Acosta - Subcontractors Port Angeles	1,500.00	Motega Z Drive Work				1,500.00									
Subcontractors Port Angeles	12/8/14	80108	CDJ	Thor's Electronics - 77 hours	2,504.04	Electrical Work Chief			2,504.04										
Subcontractors Port Angeles	12/8/14	80108	CDJ	Thor's Electronics - 2.5 hours	81.30	Electrical work Warrior	81.30												
Subcontractors Port Angeles	12/18/14	80168	CDJ	Thor Clevenger - Subcontractors Port Angeles	2,707.29	Chief Electrical Work			2,707.29										
Subcontractors Port Angeles	12/18/14	80168	CDJ	Thor Clevenger - Subcontractors Port Angeles	146.34	Sealth Electrical Work							146.34						
Subcontractors Port Angeles	12/18/14	80168	CDJ	Thor Clevenger - Subcontractors Port Angeles	8.13	Warrior Electrical Work	8.13												
Subcontractors Port Angeles	12/22/14	80227	CDJ	EE Propuksion Services - Subcontractors Port Angeles	2,266.00	Motega Z Drive Work				2,266.00									
Subcontractors Port Angeles	1/1/15			Beginning Balance															
Subcontractors Port Angeles	1/1/15	1/15	PJ	Leroy Acosta	8,000.00	Motega Z Drive work				8,000.00									
Subcontractors Port Angeles	2/18/15	80627	CDJ	Thor Clevenger - Subcontractors Port Angeles	2,609.73	Pacific, Chief, & Sound Electrical Work 1691.04 Pacific 821.13 Chief 97.56 Sound				821.13	1691.04	97.56							
Subcontractors Port Angeles	7/2/15	81767	CDJ	Express Services, Inc. - Subcontractors Port Angeles	3,250.00	I Believe this is for them finding us our HR guy													
Subcontractors Port Angeles	8/4/15	82000	CDJ	Express Services, Inc. - Subcontractors Port Angeles	51.25	Auto CAD tech- Swift Arrow													
					<u>28,164.68</u>								<u>580.86</u>	<u>2,191.47</u>	<u>7,569.03</u>	<u>12,587.13</u>	<u>1,691.04</u>	<u>97.56</u>	<u>146.34</u>

**Arrow Launch Service, Inc.**  
**Regulatory Depreciation Schedule**  
**9/30/2015**

3                    Months in first year  
9                     Months in second year  
2014                First year  
2015                Second year

Depreciation Schedule No.	DESCRIPTION	Date in Service		Salvage Value %	Method	Life	Year Fully Depreciated	Asset Cost	Depreciable Cost	Monthly Depreciation	Test year Depreciation	Beginning	Ending	Average Investment
		Year	Mo.									Accumulated Depreciation 4/1/2014	Accumulated Depreciation 3/31/2015	
1	OFFICE EQUIPMENT	1995	7		SL	7	2002	4,863	4,863	58	0	4,863	4,863	0
2	CANON 1C220 COPIER	2000	11		SL	7	2007	3,883	3,883	46	0	3,883	3,883	0
3	NETWORK SERVE-POE	2001	2		SL	7	2008	3,122	3,122	37	0	3,122	3,122	0
4	OFFICE WORKSTATIONS	2002	3		SL	5	2007	1,188	1,188	20	0	1,188	1,188	0
5	OFFICE EQUIPMENT	2004	6		SL	7	2011	2,651	2,651	32	0	2,651	2,651	0
6	E DOCK SOFTWARE	2007	3		SL	7	2014	24,165	24,165	288	0	24,165	24,165	0
7	E DOCK SOFTWARE	2006	6		SL	3	2009	46,600	46,600	1,294	0	46,600	46,600	0
8	COMPUTER	2007	6		SL	5	2012	2,900	2,900	48	0	2,900	2,900	0
9	FLAT SCREEN MONITOR-LOB	2007	6		SL	5	2012	3,000	3,000	50	0	3,000	3,000	0
10	Vessel - Crowe	1989	10		SL	20	2009	67,500	67,500	281	0	67,500	67,500	0
11	Vessel-Sioux	1989	10		SL	20	2009	67,500	67,500	281	0	67,500	67,500	0
12	Barge-Juneau	1989	10		SL	20	2009	25,000	25,000	104	0	25,000	25,000	0
13	Barge-Wolfpacker	1989	10		SL	20	2009	25,000	25,000	104	0	25,000	25,000	0
14	TANK	1989	10		SL	10	1999	2,500	2,500	21	0	2,500	2,500	0
15	VESSEL- CHEYENNE	1989	10		SL	20	2009	131,110	131,110	546	0	131,110	131,110	0
16	VESSEL - STRAIT	1994	4		SL	20	2014	113,974	113,974	475	0	113,974	113,974	0
17	RADIO EQUIPMENT	1994	10		SL	10	2004	1,440	1,440	12	0	1,440	1,440	0
18	FORK LIFT	1994	11		SL	10	2004	6,783	6,783	57	0	6,783	6,783	0
19	VESSEL- WARRIOR	1996	5		SL	20	2016	200,000	200,000	833	10,000	184,167	194,167	10,833
20	REBUILD-WARRIOR	1996	8		SL	7	2003	16,000	16,000	190	0	16,000	16,000	0
21	DIESEL PUMP	1996	10		SL	7	2003	2,182	2,182	26	0	2,182	2,182	0
22	TOTES	1996	10		SL	7	2003	5,140	5,140	61	0	5,140	5,140	0
23	VESSEL-STEALTH	1997	9		SL	7	2004	150,000	150,000	1,786	0	150,000	150,000	0
24	EQUIPMENT	1997	9		SL	7	2004	21,689	21,689	258	0	21,689	21,689	0
25	EQUIPMENT	1998	3		SL	7	2005	10,066	10,066	120	0	10,066	10,066	0
26	VESSEL - SOUND	1998	4		SL	20	2018	50,000	50,000	208	2,500	41,250	43,750	7,500
27	EQUIPMENT	1998	9		SL	7	2005	6,087	6,087	72	0	6,087	6,087	0
28	DUMPSTERS	1999	1		SL	10	2009	1,518	1,518	13	0	1,518	1,518	0
29	WELDER	1999	5		SL	10	2009	2,288	2,288	19	0	2,288	2,288	0
30	BOAT ENGINE- STRAIT	1999	8		SL	10	2009	10,000	10,000	83	0	10,000	10,000	0
31	FLYING FORKLIFTS	1999	11		SL	10	2009	2,252	2,252	19	0	2,252	2,252	0
32	FLYING FORKLIFTS	2000	11		SL	10	2010	2,254	2,254	19	0	2,254	2,254	0
33	BOOM TRUCK STABILIZERS	2000	8		SL	7	2007	6,000	6,000	71	0	6,000	6,000	0
34	TWO-WAY RADIO	2000	5		SL	7	2007	1,904	1,904	23	0	1,904	1,904	0
35	HONDA GENERATORS X2	2000	6		SL	7	2007	2,891	2,891	34	0	2,891	2,891	0
36	ENGINE REBUILD-STEALTH	2000	6		SL	7	2007	23,835	23,835	284	0	23,835	23,835	0
37	ENGINE REBUILD-SIOUX	2000	6		SL	7	2007	12,903	12,903	154	0	12,903	12,903	0
38	ENERPAC PIPE BENDER	2000	8		SL	7	2007	2,136	2,136	25	0	2,136	2,136	0
39	ARTICULATED BORESCOPE	2000	9		SL	7	2007	2,948	2,948	35	0	2,948	2,948	0
40	FORKLIFTS X2	2000	9		SL	7	2007	3,500	3,500	42	0	3,500	3,500	0
41	WELDER MODEL LN25	2000	10		SL	7	2007	2,553	2,553	30	0	2,553	2,553	0
42	TELEPHONE SYSTEM	2000	10		SL	7	2007	6,473	6,473	77	0	6,473	6,473	0
43	VESSEL- SWIFT 48'	2000	11		SL	10	2010	115,000	115,000	958	0	115,000	115,000	0



**Arrow Launch Service, Inc.**  
**Regulatory Depreciation Schedule**  
**9/30/2015**

3                    Months in first year  
9                     Months in second year  
2014                First year  
2015                Second year

Depreciation Schedule No.	DESCRIPTION	Date in Service		Salvage Value %	Method	Life	Year Fully Depreciated	Asset Cost	Depreciable Cost	Monthly Depreciation	Test year Depreciation	Beginning Accumulated	Ending Accumulated	Average Investment
		Year	Mo.									Depreciation 4/1/2014	Depreciation 3/31/2015	
44	FORKLIFT- UR	2001	2		SL	10	2011	11,145	11,145	93	0	11,145	11,145	0
45	FORKLIFT- STRETCH	2001	2		SL	10	2011	3,500	3,500	29	0	3,500	3,500	0
46	WELDER 1/2 RED-D-ARC	2001	11		SL	10	2011	3,000	3,000	25	0	3,000	3,000	0
47	DROPBOX-CAPITAL IND	2001	11		SL	10	2011	1,298	1,298	11	0	1,298	1,298	0
48	RED-D-ARC WELDER	2002	2		SL	5	2007	1,840	1,840	31	0	1,840	1,840	0
49	2002 SPIRIT 9780 TRAILER	2002	7		SL	5	2007	2,848	2,848	47	0	2,848	2,848	0
50	CYLINDER RACK	2002	7		SL	5	2007	1,513	1,513	25	0	1,513	1,513	0
51	HYSTER H50XM FORKLIFT	2002	9		SL	5	2007	13,982	13,982	233	0	13,982	13,982	0
52	SOUND ENGINE	2002	8		SL	10	2012	21,498	21,498	179	0	21,498	21,498	0
53	REBUILD-WARRIOR	2003	11		SL	5	2008	7,851	7,851	131	0	7,851	7,851	0
54	TOTES	1996	11		SL	7	2003	5,140	5,140	61	0	5,140	5,140	0
55	CYLINDER RACKS	1996	6		SL	5	2001	1,720	1,720	29	0	1,720	1,720	0
56	BOAT ADDITION	2004	11		SL	7	2011	56,109	56,109	668	0	56,109	56,109	0
57	TRANSMISSION- STRAIT	2005	6		SL	7	2012	10,000	10,000	119	0	10,000	10,000	0
58	BOAT REPAIRS-STRAIT	2008	12		SL	7	2015	10,000	10,000	119	1,429	8,333	9,762	952
59	BOAT REPAIRS- GENERAL	2008	12		SL	7	2015	27,193	27,193	324	3,885	22,661	26,546	2,590
60	BOAT REPAIRS- CHEYENNE	2008	7		SL	7	2015	31,325	31,325	373	3,356	27,969	31,325	1,678
61	BOAT REPAIRS- STEALTH	2008	10		SL	7	2015	4,290	4,290	51	613	3,677	4,290	306
62	BOAT REPAIRS- SOUND	2008	5		SL	7	2015	6,492	6,492	77	541	5,951	6,492	270
63	BOAT REPAIRS- WARRIOR	2008	7		SL	7	2015	16,622	16,622	198	1,781	14,841	16,622	890
64	BOOM TRUCK	1999	11		SL	7	2006	40,000	40,000	476	0	40,000	40,000	0
65	1995 FORD F350	2000	6		SL	5	2005	20,000	20,000	333	0	20,000	20,000	0
66	SHOP UTILITY TRUCK	2003	7		SL	10	2013	8,000	8,000	67	0	8,000	8,000	0
67	CHEVY TRUCK	2003	8		SL	7	2010	6,000	6,000	71	0	6,000	6,000	0
74	HANDHELD RADIOS & SUPPLIES	2009	6		SL	7	2016	1,079	1,079	13	154	822	976	180
75	AED RESCUE KITS X 6	2009	8		SL	7	2016	7,419	7,419	88	1,060	5,476	6,536	1,413
76	HYDRO CYLINDER REPLACEMENT	2009	9		SL	7	2016	1,419	1,419	17	203	1,030	1,233	287
77	BOAT REPAIRS- MISC UPGRADE	2009	8		SL	7	2016	2,040	2,040	24	291	1,506	1,797	389
78	BARGE DECK UPGRADES	2009	9		SL	7	2016	4,664	4,664	56	666	3,387	4,053	944
79	11 X 11 NETS X 4	2009	10		SL	7	2016	3,172	3,172	38	453	2,266	2,719	680
80	11 X 11 NETS X 6	2009	11		SL	7	2016	4,758	4,758	57	680	3,342	4,022	1,076
81	LIFESLING LIFTING TACKLE	2009	11		SL	7	2016	343	343	4	49	241	290	78
82	PFD LIGHTS	2009	11		SL	5	2014	410	410	7	7	403	410	3
83	HEMILIGHT PFD LIGHTS	2009	11		SL	5	2014	1,153	1,153	19	19	1,134	1,153	10
84	LIFESLING WHITE BAG X 8	2009	11		SL	7	2016	702	702	8	100	493	593	159
85	ENGINE REPAIRS- SOUND, SW	2009	12		SL	10	2019	11,111	11,111	93	1,111	5,370	6,481	5,185
86	LIFESLING LIFTING TACKLE	2009	12		SL	7	2016	332	332	4	47	229	277	79
87	LIFESLING LIFTING TACKLE X	2009	12		SL	7	2016	996	996	12	142	688	830	237
88	COLDWATER / ICE RESCUE SUIT	2009	12		SL	7	2016	2,930	2,930	35	419	2,023	2,442	698
89	PFD LIGHTS (ACR 3766)	2009	12		SL	5	2014	2,140	2,140	36	71	2,069	2,140	36
90	HEMILIGHTS PFD LIGHTS	2009	12		SL	5	2014	359	359	6	12	347	359	6
92	BOAT REPAIRS-STRAIT	2009	3		SL	7	2016	42,672	42,672	508	6,096	34,036	40,132	5,588
93	BOAT REPAIRS- WARRIOR	2009	3		SL	7	2016	5,956	5,956	71	851	4,751	5,601	780

**Arrow Launch Service, Inc.**  
**Regulatory Depreciation Schedule**  
**9/30/2015**

3                    Months in first year  
9                     Months in second year  
2014                First year  
2015                Second year

Depreciation Schedule No.	DESCRIPTION	Date in Service		Salvage Value %	Method	Life	Year Fully Depreciated	Asset Cost	Depreciable Cost	Monthly Depreciation	Test year Depreciation	Beginning Accumulated Depreciation	Ending Accumulated Depreciation	Average Investment
		Year	Mo.									4/1/2014	3/31/2015	
94	MISC REPAIRS- SWIFT	2009	3		SL	7	2016	2,867	2,867	34	410	2,287	2,696	375
95	GENERATORS	2009	5		SL	7	2016	3,900	3,900	46	557	3,018	3,575	604
96	BOAT REPAIRS	2009	5		SL	7	2016	1,110	1,110	13	159	859	1,018	172
97	BOAT REPAIRS- MISC	2009	5		SL	7	2016	2,473	2,473	29	353	1,914	2,267	383
98	11 X 11 NETS X 8	2009	7		SL	7	2016	6,023	6,023	72	860	4,517	5,378	1,076
99	BOAT REPAIRS- MISC UPGRADE	2009	7		SL	7	2016	2,834	2,834	34	405	2,126	2,530	506
100	E DOCK SOFTWARE UPDATE	2009	8		SL	3	2012	2,363	2,363	66	0	2,363	2,363	0
101	PEACHTREE UPDATE	2009	11		SL	3	2012	1,422	1,422	40	0	1,422	1,422	0
102	AUTO REPAIRS- MISC	1973	2		SL	3	1976	2,373	2,373	66	0	2,373	2,373	0
103	BOOM TRUCK	2009	1		SL	7	2016	30,000	30,000	357	4,286	24,643	28,929	3,214
104	4 NETS	2010	1		SL	7	2017	3,172	3,172	38	453	2,152	2,606	793
105	6- 11 X 11 NETS	2010	1		SL	7	2017	4,758	4,758	57	680	3,229	3,908	1,190
106	PORT MAIN ENGINE REBUILD	2010	1		SL	7	2017	3,192	3,192	38	456	2,166	2,622	798
107	WARRIOR ENGINE WORK	2010	3		SL	7	2017	7,716	7,716	92	1,102	5,052	6,154	2,113
108	INFLATABLE CREW BOAT	2010	3		SL	7	2017	932	932	11	133	610	743	255
109	TRANSMISSION-WARRIOR	2010	5		SL	7	2017	5,530	5,530	66	790	3,489	4,279	1,646
110	COLD WATER / ICE SUITS	2010	6		SL	7	2017	864	864	10	123	535	658	267
111	SWIFT ARROW CONTROLS	2010	6		SL	7	2017	3,455	3,455	41	494	2,139	2,632	1,069
112	SWIFT ENGINE REBUILD	2010	10		SL	7	2017	4,686	4,686	56	669	2,678	3,347	1,674
114	BRAVE ARROW	2010	12		SL	20	2030	60,946	60,946	254	3,047	11,681	14,729	47,741
115	CHEVY TRANSMISSION REPAIR	2010	1		SL	5	2015	4,332	4,332	72	217	4,115	4,332	108
116	2007 CHEVY C4500	2010	7		SL	5	2015	29,999	29,999	500	4,500	25,499	29,999	2,250
117	UTILITIES & TC PERMIT	1989	10		SL		1989	25,000	25,000		0	25,000	25,000	0
118	GOODWILL - TACOMA	1997	9		SL		1997	154,649	154,649		0	154,649	154,649	0
119	WARRIOR REPAIR	2011	4		SL	7	2018	11,900	11,900	142	1,700	5,950	7,650	5,100
120	NETS / STRAPS	2011	6		SL	7	2018	1,595	1,595	19	228	760	987	722
121	NETS / STRAPS	2011	7		SL	7	2018	705	705	8	101	327	428	327
122	WINCH / MOUNT- BOOM TRUCK	2011	8		SL	7	2018	9,209	9,209	110	1,316	4,166	5,482	4,385
123	TRANSMISSION WORK - BOAT	2011	9		SL	7	2018	5,999	5,999	71	857	2,642	3,499	2,928
124	ACTUATOR- CHEYENNE ARROW	2011	10		SL	5	2016	1,856	1,856	31	371	1,114	1,485	557
125	ACTUATOR- SWIFT ARROW	2011	10		SL	5	2016	1,856	1,856	31	371	1,114	1,485	557
126	CONTROL HEAD- STRAIT ARROW	2011	10		SL	5	2016	395	395	7	79	237	316	119
127	CONTROL HEAD- STEALTH ARROW	2011	10		SL	5	2016	395	395	7	79	237	316	119
128	GLASS- BRAVE ARROW	2011	1		SL	7	2018	2,070	2,070	25	296	1,109	1,405	813
129	RADAR PARTS - BRAVE ARROW	2011	1		SL	5	2016	283	283	5	57	212	269	42
130	GARMIN- BRAVE ARROW	2011	1		SL	5	2016	8,575	8,575	143	1,715	6,431	8,146	1,286
131	PROP WORK	2011	2		SL	5	2016	1,084	1,084	18	217	795	1,012	181
132	PROP WORK	2011	2		SL	5	2016	1,470	1,470	25	294	1,078	1,372	245
133	FIRE EXTINGUISHERS	2011	2		SL	5	2016	3,546	3,546	59	709	2,600	3,310	591
134	ELECTRONICS- BRAVE	2011	3		SL	5	2016	540	540	9	108	387	495	99
135	STEEL REPAIR- WARRIOR	2011	3		SL	10	2021	1,488	1,488	12	149	533	682	880
136	STEEL REPAIR- WARRIOR	2011	4		SL	10	2021	690	690	6	69	242	311	414
138	STEEL REPAIR- WARRIOR	2011	4		SL	10	2021	633	633	5	63	222	285	380

**Arrow Launch Service, Inc.**  
**Regulatory Depreciation Schedule**  
**9/30/2015**

3  
9  
2014  
2015

Months in first year  
Months in second year  
First year  
Second year

Depreciation Schedule No.	DESCRIPTION	Date in Service		Salvage Value %	Method	Life	Year Fully Depreciated	Asset Cost	Depreciable Cost	Monthly Depreciation	Test year Depreciation	Beginning Accumulated Depreciation	Ending Accumulated Depreciation	Average Investment
		Year	Mo.									4/1/2014	3/31/2015	
139	BUILDING SUPPLIES	2011	4		SL	10	2021	4,982	4,982	42	498	1,744	2,242	2,989
140	BUILDING SUPPLIES	2011	7		SL	10	2021	251	251	2	25	82	107	157
141	BUILDING SUPPLIES- CABINET	2011	4		SL	10	2021	2,000	2,000	17	200	700	900	1,200
142	LIFERAFT	2011	1		SL	5	2016	6,992	6,992	117	1,398	5,244	6,642	1,049
143	BOAT LAUNCH FEE	2011	2		SL	10	2021	3,760	3,760	31	376	1,379	1,755	2,193
144	2011 GMC YUKON XL- TRADE IN	2012	12		SL	5	2017	33,551	33,551	559	6,710	12,302	19,012	17,894
145	2010 GMC SIERRA	2012	10		SL	5	2017	38,645	38,645	644	7,729	15,458	23,187	19,323
146	HARRIS ELECTRIC- GARMIN 4	2012	10		SL	5	2017	22,230	22,230	371	4,446	8,892	13,338	11,115
147	HARRIS ELECTRIC- ANTENNA	2012	1		SL	5	2017	601	601	10	120	331	451	210
148	HARRIS ELECTRIC- COMNAV	2012	2		SL	5	2017	14,426	14,426	240	2,885	7,694	10,579	5,290
150	OLYMPIC SYNTHETIC PRODUT	2012	10		SL	5	2017	18,017	18,017	300	3,603	7,207	10,810	9,009
151	HARRIS ELECTRIC- ARPA RAD	2012	7		SL	5	2017	5,816	5,816	97	1,163	2,617	3,780	2,617
152	WIZTRONICS-RADIOS & ANTENNA	2012	10		SL	5	2017	8,345	8,345	139	1,669	3,338	5,007	4,173
153	GEORGES DIESEL- 12-71 ENGINE	2012	11		SL	7	2019	13,345	13,345	159	1,906	3,654	5,560	8,738
154	GEORGES DIESEL- LEFT HAND	2012	11		SL	7	2019	17,500	17,500	208	2,500	4,792	7,292	11,458
155	GEORGES DIESEL- RIGHT HAND	2012	11		SL	7	2019	17,500	17,500	208	2,500	4,792	7,292	11,458
156	GEORGES DIESEL- TRANSMISSION	2012	11		SL	7	2019	6,100	6,100	73	871	1,670	2,542	3,994
157	GEORGES DIESEL- TRANSMISSION	2012	11		SL	7	2019	6,322	6,322	75	903	1,731	2,634	4,139
158	GEORGES DIESEL- TRANSMISSION	2012	11		SL	7	2019	16,500	16,500	196	2,357	4,518	6,875	10,804
159	GEORGES DIESEL- WARRIOR	2012	12		SL	7	2019	13,788	13,788	164	1,970	3,611	5,581	9,192
160	GEORGES DIESEL- CONVERT	2012	8		SL	7	2019	1,937	1,937	23	277	600	876	1,199
161	GEORGES DIESEL- CONVERT	2012	8		SL	7	2019	6,371	6,371	76	910	1,972	2,882	3,944
162	GEORGES DIESEL- ASSEMBLE	2012	9		SL	7	2019	6,155	6,155	73	879	1,832	2,711	3,884
163	PINNACLE MARINE- ACTUATOR	2012	12		SL	7	2019	1,650	1,650	20	236	432	668	1,100
164	IDAHO TOTE TRAILER	2012	10		SL	7	2019	8,128	8,128	97	1,161	2,322	3,483	5,225
165	NUERA TECHNOLOGY	2012	10		SL	7	2019	1,303	1,303	16	186	372	558	838
166	MARINE SANITATION-STRAIT	2012	7		SL	5	2017	628	628	10	126	283	408	283
167	EQUIPMENT UNLIMITED SUPPLY	2012	2		SL	7	2019	10,545	10,545	126	1,506	4,017	5,524	5,775
169	ABSOLUTE AIR-SHOP HEATER	2012	8		SL	7	2019	10,000	10,000	119	1,429	3,095	4,524	6,190
170	CPI COMPUTER- OFFICE	2012	7		SL	3	2015	1,111	1,111	31	278	833	1,111	139
171	FLYING FORKS	2012	5		SL	7	2019	1,000	1,000	12	143	345	488	583
172	Actuator - Strait	2013	1		SL	5	2018	2,044	2,044	34	409	715	1,124	1,124
173	Olympic Synthetic 5 Nets - 20x20	2013	2		SL	7	2020	6,092	6,092	73	870	1,451	2,321	4,207
174	Marine Sanitatin Devise-Crow	2013	2		SL	5	2018	652	652	11	130	217	347	369
175	Anchor Winch - Warrior	2013	5		SL	10	2023	10,582	10,582	88	1,058	1,499	2,557	8,554
176	2013 Dodge Ram 3500	2013	7		SL	7	2020	72,413	72,413	862	10,345	12,931	23,276	54,310
177	Rebuild & Welding on Crow	2013	7		SL	7	2020	32,553	32,553	388	4,650	5,813	10,463	24,414
178	10 3 Yard Dumpsters	2013	7		SL	10	2023	11,060	11,060	92	1,106	1,382	2,488	9,124
179	Eaton Motor - Warrior	2013	11		SL	7	2020	1,540	1,540	18	220	202	422	1,228
182	Cargo Trailer	2013	4		SL	7	2020	3,500	3,500	42	500	750	1,250	2,500
183	Propeller - Sound Arrow	2013	7		SL	5	2018	2,412	2,412	40	482	603	1,085	1,568
184	Brave - Bilge Pump	2013	6		SL	5	2018	1,789	1,789	30	358	477	835	1,133
185	Vessel - Motega	2013	6		SL	20	2033	579,940	579,940	2,416	28,997	38,663	67,660	526,779

**Arrow Launch Service, Inc.**  
**Regulatory Depreciation Schedule**  
**9/30/2015**

3                    Months in first year  
9                     Months in second year  
2014                First year  
2015                Second year

Depreciation Schedule No.	DESCRIPTION	Date in Service		Salvage Value %	Method	Life	Year Fully Depreciated	Asset Cost	Depreciable Cost	Monthly Depreciation	Test year Depreciation	Beginning Accumulated Depreciation	Ending Accumulated Depreciation	Average Investment
		Year	Mo.									4/1/2014	3/31/2015	
186	Motega - Electrical	2013	6		SL	20	2033	37,411	37,411	156	1,871	2,494	4,365	33,981
187	Motega - Interior Lighting	2013	6		SL	20	2033	520	520	2	26	35	61	473
188	Motega - Hydraulic System	2013	6		SL	20	2033	22,130	22,130	92	1,106	1,475	2,582	20,101
189	Motega - Fire Detection System	2013	6		SL	20	2033	17,020	17,020	71	851	1,135	1,986	15,460
190	Motega - Video Surveillance System	2013	6		SL	20	2033	910	910	4	45	61	106	827
191	Motega - Cargo Tank Pump	2013	6		SL	20	2033	4,047	4,047	17	202	270	472	3,676
192	Motega-Cargo Fresh Water Pump	2013	6		SL	20	2033	1,823	1,823	8	91	122	213	1,656
193	Motega - Oil Boom	2013	6		SL	20	2033	16,668	16,668	69	833	1,111	1,945	15,140
194	Motega - Crane Scale	2013	6		SL	20	2033	1,046	1,046	4	52	70	122	950
195	Motega - New Steering System	2013	6		SL	20	2033	19,525	19,525	81	976	1,302	2,278	17,735
196	Motega - Crane Pump	2013	6		SL	20	2033	4,183	4,183	17	209	279	488	3,799
197	Motega-Rescue Ladder-Oil Boom	2013	6		SL	20	2033	26,837	26,837	112	1,342	1,789	3,131	24,377
198	Motega-Oil Boom & Skiff Cover	2013	6		SL	20	2033	2,738	2,738	11	137	183	319	2,487
199	Motega-Rescue Lighting	2013	6		SL	20	2033	1,360	1,360	6	68	91	159	1,235
200	Motega-Haul & Paint	2013	6		SL	20	2033	58,200	58,200	243	2,910	3,880	6,790	52,865
201	Motega-Refer & Freezer	2013	6		SL	20	2033	3,573	3,573	15	179	238	417	3,246
202	Motega-Interior	2013	6		SL	20	2033	10,252	10,252	43	513	683	1,196	9,312
203	Motega-Boom Boat	2013	6		SL	20	2033	1,500	1,500	6	75	100	175	1,363
204	Motega-Rescue Suit	2013	6		SL	10	2023	438	438	4	44	58	102	358
205	1989 Ford Boom Truck	2014	1		SL	7	2021	92,650	92,650	1,103	13,236	9,927	23,163	76,106
208	Vacuum Tank & Pump	2014	12		SL	7	2021	56,144	56,144	668	6,684	0	6,684	24,730
209	Motega-Z Drives	2014	11	100.00%	SL	10	2024	77,600	0	0	0	0	0	38,800
210	Motega - Capital Improvements	2014	9		SL	10	2024	120,911	120,911	1,008	12,091	1,008	13,099	113,858
211	Pacific Arrow-Purchase	2014	12	100.00%	SL	20	2034	227,000	0	0	0	0	0	113,500
212	Pacific Arrow Incidental Acquisition Costs-Trans	2014	12	100.00%	SL	20	2034	71,614	0	0	0	0	0	35,807
213	Pacific Arrow-Use Tax	2014	12	100.00%	SL	20	2034	19,068	0	0	0	0	0	9,534
214	Chief Arrow Purchase	2014	12		SL	20	2034	273,000	273,000	1,138	11,375	0	11,375	130,813
215	Chief Arrow-Incidental Acquisition Costs	2014	12		SL	20	2034	86,126	86,126	359	3,589	0	3,589	41,269
216	Chief Arrow-Use Tax	2014	12		SL	20	2034	22,932	22,932	96	955	0	955	10,988
217	Pacific Arrow-Improvements	2014	12	100.00%	SL	20	2034	11,982	0	0	0	0	0	5,991
218	Pacific Arrow - Liferaft	2014	12	100.00%	SL	5	2019	2,781	0	0	0	0	0	1,390
219	Chief Arrow - Improvements	2014	12		SL	10	2024	25,741	25,741	215	2,145	0	2,145	11,798
220	Chief Arrow-Liferaft	2014	12		SL	5	2019	2,781	2,781	46	463	0	463	1,159
221	Office Furniture-Gabi's Office	2014	1		SL	7	2021	3,000	3,000	36	429	321	750	2,464
222	Motega - Improvements	2015	3		SL	10	2025	141,572	141,572	1,180	8,258	0	8,258	66,657
223	Motega - Z Drive Spares	2015	9	100.00%	SL	10	2025	45,949	0	0	0	0	0	22,974
224	Pacific Arrow - Improvements	2015	9	100.00%	SL	10	2025	101,540	0	0	0	0	0	50,770
225	Chief Arrow - Improvements	2015	9		SL	10	2025	168,634	168,634	1,405	1,405	0	1,405	83,614
226	Vacuum Tank & Pump - Steam Cleaner	2015	6		SL	7	2022	14,310	14,310	170	681	0	681	8,814
227	Sioux Arrow - Improvements	2015	4		SL	5	2020	25,404	25,404	423	2,540	0	2,540	11,432
228	Dodge Pickup	2015	8		SL	7	2022	46,723	46,723	556	1,112	0	1,112	22,805
229	Portable Storage Building	2015	9		SL	7	2022	5,943	5,943	71	71	0	71	2,936
230	Trailer	2015	8		SL	7	2022	21,505	21,505	256	512	0	512	10,497

Arrow Launch Service, Inc.  
 Regulatory Depreciation Schedule  
 9/30/2015

3 Months in first year  
 9 Months in second year  
 2014 First year  
 2015 Second year

Depreciation Schedule No.	DESCRIPTION	Date in Service		Salvage Value %	Method	Life	Year Fully Depreciated	Asset Cost	Depreciable Cost	Monthly Depreciation	Test year Depreciation	Beginning Accumulated Depreciation	Ending Accumulated Depreciation	Average Investment
		Year	Mo.									4/1/2014	3/31/2015	
231	Strait Arrow - Improvements	2015	9		SL	5	2020	6,746	6,746	112	112	0	112	3,317
	Totals							4,942,616	3,954,245	30,761	227,594	2,054,565	2,282,159	1,757,544
	Depreciaiton per books											239554		
	Adjustment							2,369,618				(11,960)		

Arrow Launch Service, Inc.  
Fixed Assets thru 9/30/15

Account ID	Account Description	Date	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance	Asset Purchased	Vessel	Motega		Office Expense	Boat M&R	Pacific	Chief	Vac Tanks	AP	Sioux Arrow	Barge Repairs	AMS	Pickup	Building	Trailer	Strait	General Ledger Correction
										Spares	Operational														
14600	Assets: Current Year Purchases	1/5/15	PJ	Fedex Trade Networks - z drive shipping	5,943.44			Shipping for Z drive	Motega	5,943.44															
14600	Assets: Current Year Purchases	1/12/15	CDJ	EE Propulsion Services - Assets: Current Year Purchases	2,000.00			Z drive repair	Motega		2,000.00														
14600	Assets: Current Year Purchases	1/20/15	CDJ	Pacific Diesel - Assets: Current Year Purchases	4,732.03			Motor Mounts	Motega		4,732.03														
14600	Assets: Current Year Purchases	1/27/15	CDJ	State of Washington - Assets: Current Year Purchases	1,474.40			Use tax on 77600 invoice for Motega Z drive	Motega	1,474.40															
14600	Assets: Current Year Purchases	1/27/15	CDJ	State of Washington American Express - Assets: Current Year Purchases	5,044.00			Use tax on 77600 invoice for Motega Z drive	Motega	5,044.00															
14600	Assets: Current Year Purchases	1/28/15	CDJ	American Express - Assets: Current Year Purchases	6,410.00			839.88 - iPad for J Harmon 5570.12 Kaman Bearings for Motega	Office/Motega	2,785.06	2,785.06	839.88													
14600	Assets: Current Year Purchases	1/30/15	CDJ	Speedy Marine Supply, LLC - Assets: Current Year Purchases	11,714.82			Z drive repair	Motega		11,714.82														
14600	Assets: Current Year Purchases	1/30/15	CDJ	Joshua's - Assets: Current Year Purchases	688.32			Meals for Z drive repair	Motega		688.32														
14600	Assets: Current Year Purchases	2/10/15	CDJ	EE Propulsion Services - Assets: Current Year Purchases	4,189.00			Z drive repair	Motega		4,189.00														
14600	Assets: Current Year Purchases	2/13/15	CDJ	Jack or Terri - Assets: Current Year Purchases	3,000.00			Payment to EE Propulsion from J&T Harmon	Motega		3,000.00														
14600	Assets: Current Year Purchases	2/19/15	PJ	First Bankcard - Motega - generation	2,108.35			Generator	Motega				2,108.35												
14600	Assets: Current Year Purchases	2/25/15	CDJ	American Express - Assets: Current Year Purchases	14,491.45			8711.65 Applied Industrial Motega Z drives bearings	Motega																
14600	Assets: Current Year Purchases	2/25/15	CDJ	5779.80 Kaman Bearings	14,491.45				Motega	7,245.72	7,245.73														
14600	Assets: Current Year Purchases	3/5/15	PJ	Vigor Marine, LLC - Pacific- Jan / Feb - Project date 1/12-2/27	17,446.44			Work on Pacific	Pacific					17,446.44											
14600	Assets: Current Year Purchases	3/5/15	PJ	BNA Marine Services - Motega repairs - see invoice	9,319.29			Z drive repair	Motega		9,319.29														
14600	Assets: Current Year Purchases	3/6/15	PJ	Super 8 Port Angeles - Leroy/ Balance for Repairs	522.17			Z drive repair	Motega		522.17														
14600	Assets: Current Year Purchases	3/6/15	PJ	Super 8 Port Angeles - Mike/Balance for Repair Work	189.88			Z drive repair	Motega		189.88														
14600	Assets: Current Year Purchases	3/6/15	PJ	Super 8 Port Angeles - Rick/Repair Work	347.76			Z drive repair	Motega		347.76														
14600	Assets: Current Year Purchases	3/6/15	CDJ	Joshua's - Assets: Current Year Purchases	440.08			Z drive repair	Motega		440.08														
14600	Assets: Current Year Purchases	3/19/15	PJ	Custom Fiberglass - 3/19/15 motega paint	3,692.40			Paint on tanks	Motega		3,692.40														
14600	Assets: Current Year Purchases	3/20/15	CDJ	Streich Bros. Inc - Assets: Current Year Purchases	8,000.00			\$ for boom truck	Boom truck								8,000.00								
14600	Assets: Current Year Purchases	3/23/15	PJ	Ozman Service - Two tanks and skid for pump units	8,521.29			Pump system for Motega	Motega						8,521.29										
14600	Assets: Current Year Purchases	3/31/15	PJ	Fedex Trade Networks - Vessel drive units (z drives) part 2 invoice	2,629.96			Z drive repair	Motega		2,629.96														
14600	Assets: Current Year Purchases	3/31/15	PJ	Fedex Trade Networks - remaining credit amount		174.08		Z drive repair	Motega	(174.08)															
14600	Assets: Current Year Purchases	3/31/15	GENJ		78,118.03					78,118.03															
14600	Assets: Current Year Purchases	4/3/15	CDJ	George's Diesel Service, Inc. - DEPOSIT ON SIOUX ARROW ENGINES	4,326.83			Engine Deposit	Sioux Arrow									4,326.83							
14600	Assets: Current Year Purchases	4/27/15	PJ	George's Diesel Service, Inc. - 9620 Timco, Inc. - Vac system & launch boat spill kits	21,076.97			Engine Deposit	Sioux Arrow									21,076.97							
14600	Assets: Current Year Purchases	4/30/15	PJ		2,064.79			Fleet Spill Kits	Fleet				2,064.79												
14600	Assets: Current Year Purchases	5/6/15	PJ	Vigor Marine, LLC - Pacific - 350 hrs - 5/9-4/17/15 - provide welders (less 6 hours per JH)	21,721.46			Work on Pacific	Pacific					21,721.46											
14600	Assets: Current Year Purchases	6/17/15	CDJ	Port Angeles Power Equipment - Assets: Current Year Purchases	5,788.51			Steam Cleaner for Vac System	Motega						5,788.51										
14600	Assets: Current Year Purchases	6/22/15	CDJ	American Express - Assets: Current Year Purchases 4782.12 Atlas Insp 2546.32 Sage	7,328.44			4782.12- Atlas Inspection- needs to get moved intercomp				2,546.32													
14600	Assets: Current Year Purchases	6/30/15	GENJ		49,509.42			AMS \$2,546.32 Sage Software	See notes											4,782.12					
14600	Assets: Current Year Purchases	6/30/15	GENJ		48,042.48			TO CAP						48,042.48											
14600	Assets: Current Year Purchases	7/7/15	CDJ	Hi-Tech Electronics - Security Costs- Port Angeles	4,341.42			Surveillance Camera System															4,341.42		
14600	Assets: Current Year Purchases	7/14/15	CDJ	Jack or Terri - Assets: Current Year Purchases	10,000.00			Down payment on Dodge Pickup	Motega															10,000.00	
14600	Assets: Current Year Purchases	7/16/15	CDJ	Kruger & Sons - Assets: Current Year Purchases	3,800.00			Motega Z Drive Props	Motega		3,800.00														
14600	Assets: Current Year Purchases	7/17/15	PJ	Vigor Marine, LLC - see invoice for details	23,127.95			Work on Chief	Chief						23,127.95										
14600	Assets: Current Year Purchases	7/20/15	CDJ	m3 Machine - Assets: Current Year Purchases	4,000.00			Motega Z Drive	Motega		4,000.00														
14600	Assets: Current Year Purchases	7/30/15	CDJ	- Assets: Current Year Purchases	538.00			West coast metal building- deposit for metal building 1 in /Motega																538.00	
14600	Assets: Current Year Purchases	7/31/15	GENJ	To cap pacific purchases	4,280.09			TO CAP						4,280.09											
14600	Assets: Current Year Purchases	7/31/15	GENJ	To cap chief purchases	39,215.05			TO CAP							39,215.05										
14600	Assets: Current Year Purchases	8/1/15	CDJ	American Express - Assets: Current Year Purchases	7,634.97																				
14600	Assets: Current Year Purchases	8/1/15	GENJ	To record purchase of tote trailer for vacuum system on motega	21,505.48			Trailer to haul vac system	Motega															21,505.48	
14600	Assets: Current Year Purchases	8/1/15	GENJ	To Record Purchase of 2007 Dodge Ram	36,723.45			Dodge Pickup to haul vac system trailer	Motega															36,723.45	

Arrow Launch Service, Inc.  
Fixed Assets thru 9/30/15

Account ID	Account Description	Date	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance	Asset Purchased	Vessel	Motega Spares	Capitalize Operational	Office Expense	Boat M&R	Pacific	Chief	Vac Tanks	AP	Sioux Arrow	Barge Repairs	AMS	Pickup	Building	Trailer	Strait	General Ledger Correction			
14600	Assets: Current Year Purchases	8/3/15	PJ	George's Diesel Service, Inc. - Spare Gears-Fleet	3,346.63			Spare Gears for Fleet	Fleet				3,346.63															
14600	Assets: Current Year Purchases	8/3/15	PJ	George's Diesel Service, Inc. - Spare Allison Gear	3,799.47			Spare Gears for Fleet	Fleet				3,799.47															
14600	Assets: Current Year Purchases	8/24/15	PJ	Platypus Marine, Inc - Warrior / Chief / Sound Arrow	11,983.62			Work on Warrior/Chief/Sound	Warrior/Chief/Sound				2,796.72		9,186.90													
14600	Assets: Current Year Purchases	8/28/15	PJ	American Express	2,203.45			588.55- Epiath for Chief 1614.90 AED for Pacific	Chief/Pacific				1,614.90		588.55													
14600	Assets: Current Year Purchases	9/15/15	CDJ	- Assets: Current Year Purchases	105.50			West coast metal building- deposit for metal building 2 in /Motega															105.50					
14600	Assets: Current Year Purchases	9/16/15	CDJ	- Assets: Current Year Purchases Fisheries Supply - lifesling tackle / rescue system / buoys - 1 kit for chief / 1 kit for pacific	5,299.30			Remaining Balance metal building	Motega														5,299.30					
14600	Assets: Current Year Purchases	9/16/15	PJ		1,384.04			Chief/Pacific Rescue Systems	Chief/Pacific					692.02	692.02													
14600	Assets: Current Year Purchases	9/17/15	PJ	Kruger & Sons - Custom Props - Motega m3 Machine - Motega Z Drives	4,528.33			Motega Props	Motega	4,528.33																		
14600	Assets: Current Year Purchases	9/17/15	PJ	Expert Electrical Services - First half of September - 45.5 hours	8,672.00			Motega Z Drives	Motega	8,672.00																		
14600	Assets: Current Year Purchases	9/30/15	PJ		3,867.50			Chief Electrical Work	Chief						3,867.50													
14600	Assets: Current Year Purchases	9/30/15	GENJ		6,051.99			TO CAP PACIFIC					6,051.99															
14600	Assets: Current Year Purchases	9/30/15	GENJ		34,877.29			TO CAP CHIEF							34,877.29													
14600	Assets: Current Year Purchases	9/30/15	GENJ		6,745.87			TO CAP STRAIT																6,745.87				
						10,000.00																						
					598,913.41	10,174.08	588,739.33						45,948.83	128,984.57	3,386.20	14,115.96	99,849.38	161,064.68	14,309.80	8,000.00	25,403.80	4,341.42	4,782.12	46,723.45	5,942.80	21,505.48	6,745.87	(10,000.00)
<b>SUBCONTRACTORS - PORT ANGELES</b>																												
	Chief Electrical				7,569.03																							
	Motega Z Drive				12,587.13																							
	Pacific Electrical				1,691.04																							
					21,847.20		21,847.20																					
					620,760.61	10,174.08	610,586.53						45,948.83	141,571.70	3,386.20	14,115.96	101,540.42	168,633.68	14,309.80	8,000.00	25,403.80	4,341.42	4,782.12	46,723.45	5,942.80	21,505.48	6,745.87	0.00

**Arrow Launch Service, Inc.**  
**Fuel Cost**  
**For the test period ending September 30, 2015**

	Port Angeles	Anacortes	Bellingham	Everett	Seattle	Tacoma	Neah Bay	Total
<b><u>AVERAGE PRICE PER GALLON EXCLUDING TAX</u></b>								
Oct 2014	3.21	2.91			3.70	3.27		
Nov 2014	3.10	2.82			3.38	2.98		
Dec 2014	2.80	2.34			3.16	2.76		
Jan 2015	2.27	1.84			2.62	2.68		
Feb 2015	2.25	2.14		2.47	2.53	2.05		
Mar 2015	2.33	2.08		2.78	2.68	2.36		
Apr 2015	2.38	2.09			2.73	2.41		
May 2015	2.57	2.37		2.98	2.90	2.43		
Jun 2015	2.67	2.43			3.00	2.57		
July 2015	2.52	2.34			3.10	0.00		
Aug 2015	2.40	1.99			2.62	2.26		
Sep 2015	2.28	1.83			2.54	1.84		
Average Price	2.56	2.27		2.74	2.91	2.30		
Gallons	20,131.60	37,480.09		1,125.840	15,794.18	5,975.87		
Actual Fuel Cost	55,635.19	91,463.88		3,353.95	47,620.39	17,459.85		215,533.26
Calculated Fuel Cost								
Average Price per gallon + Sales Tax	2.78	2.46		2.99	3.19	2.52		
Sales Tax Rate	8.40%	8.50%		9.20%	9.50%	9.50%		
Proforma Fuel Cost	55,965.63	92,134.59		3,368.90	50,399.99	15,051.62		
Adjustment	330.44	670.71		14.95	2,779.60	(2,408.23)		1,387.47



Arrow Launch Service, Inc.  
Misc Fuel Reclassification  
September 30, 2015

**APP Fueling-Tacoma**

<u>Date</u>	<u>Amount</u>	<u>Description</u>		<u>R&amp;M</u>	<u>Fuel</u>
10/7/2014	75.81	Pails for Motega	R&M Motega	75.81	
11/18/2014	815.16	Delo oil 50 gal @ 14.6	Boat Fuel Gen	815.16	
11/24/2014	83.25	Absorb pads - gen	R&M Gen	83.25	
11/30/2014	5.06	Late fee	615.00	5.06	
1/13/2015	83.25	Absorb pads - swift	Swift R&M	83.25	
2/25/2015	633.47	Delo oil 35 gals @ 14.26 / Absorb pads	Boat Fuel Gen	633.47	
3/3/2015	758.43	315 lbs chv meropa ISO @ 2.1840 - to motega fuel	Motega Fuel	758.43	
3/6/2015	83.25	Absorb pads - gen	R&M Gen	83.25	
3/9/2015	1,030.32	400 lbs chv meropa ISO @ 2.1645 / blue pails - to motega r & m	Motega R&M	1,030.32	
6/11/2015	83.25	Oil pads - r&m gen	R&M Gen	83.25	

**Masco - Port Angeles**

<u>Date</u>	<u>Amount</u>	<u>Description</u>			
10/31/2014	174.68	cardlock - 38.697 gals @ 4.5040	Motega Fuel		174.68
12/12/2014	26.07	pails - r&m gen	R&M Gen	26.07	
12/19/2014	1,044.82	1 drum - r&m gen	R&M Gen	1,044.82	
3/31/2015	103.86	cardlock - 30 gals - boat fuel gen	Boat Fuel Gen		103.86
4/10/2015	19.55	3 pails - r&m gen	R&M Gen	19.55	
4/28/2015	155.09	5x10 boom for shop	Shop	155.09	
5/1/2015	739.66	drums - put to boat fuel gen	Boat Fuel Gen	739.66	
5/1/2015	26.07	pails - r&m gen	R&M Gen	26.07	
5/4/2015	2,044.82	2 drums oil	Boat Fuel Gen	2,044.82	
5/8/2015	50.26	15.70 gals @ 2.9465	Boat Fuel Gen		50.26
5/31/2015	113.59	30.006 @ 3.2367 - put to fuel gen	577 fuel		113.59
5/31/2015	79.01	finance charge	615.00	79.01	
7/14/2015	1,022.42	1 drum oil	Boat Fuel Gen	1,022.42	
7/31/2015	34.27	8 gals @ 4.2713 - put to general fuel 577 acct	577 fuel		34.27
9/30/2015	325.89	12 drums - chief	Chief R&M	325.89	
	<u>9,611.31</u>			<u>9,134.65</u>	<u>476.66</u>

Gabi's 1-18-2016 email

12,728.62  
21,863.27

Arrow Launch Service, Inc.  
Rate Case Legal & Accounting  
September 30, 2015

**Accounting**

October	2,406.25
November	11,262.50
December	3,981.25
January	<u>11,737.50</u>
	29,387.50

**Legal**

October - December	9,702.21
January	<u>7,849.78</u>
	<u>17,551.99</u>
	46,939.49

The above reflects rate case preparation costs incurred by the company during October, November, December 2015 and January 2016. These costs are not proposed to be amortized because the company will be filing another rate case within fifteen months or so due to the extraordinary and isolated effect of the Polar Pioneer. If the company had not received almost \$800,000 of revenue from that project in a 30-day period, the rate increase request in this filing would have been \$500,000 to \$600,000, or more than double what is being sought. As noted, the company anticipates another filing in a year to eighteen months.