

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

SAN JUAN EXPRESS, INC.,
BC-000117

DOCKET TS-250191

ORDER 01

GRANTING PETITION TO
TEMPORARILY DISCONTINUE
2025 COMMERCIAL FERRY
SERVICE; SUBJECT TO
CONDITIONS

BACKGROUND

- 1 On March 19, 2025, San Juan Express, Inc. (San Juan or Company) filed with the Washington Utilities and Transportation Commission (Commission) a Petition to Temporarily Discontinue 2025 Commercial Ferry Service (Petition) requesting to temporarily discontinue providing commercial ferry service between Seattle and Friday Harbor for 12 months between May 10, 2025, and May 10, 2026. Further, on April 29, 2025, the Company filed a Petition for Exemption requested that the Company's request be granted on Less than Statutory Notice which requires customer notice 15 days prior to service changes.
- 2 San Juan operates annually from May through October, providing commercial ferry service between Seattle and Friday Harbor. Prior to COVID-19 restrictions San Juan served approximately up to 245 passengers.¹
- 3 In 2020, the Commission granted the Company's request to temporarily discontinue service because of reduced ridership during the COVID -19 restrictions.
- 4 On March 29, 2022, in Docket TS-220220, the Company filed a tariff revision to update its Time Schedule to add additional trips for the 2022 season. On the same date, the Company also filed a request for a fuel surcharge supplement in Docket TS-220233. Because the Company filed for a temporary discontinuance of service, both requests no

¹ *In the Matter of the Petition of San Juan Express, Inc.*, Docket TS-220267, Order 01 ¶ 4 (April 28, 2022).

longer served a purpose, and were both subsequently withdrawn in Order 01, Granting Temporary Discontinuance of Service; Approving the Withdrawal of Tariff Filings (Order 01) in Docket TS-220267.² No customers commented during those cases.

5 In March 2022, a San Juan maritime architect was notified by United States Coast Guard (Coast Guard) that the Company's vessel, the San Juan Clipper, O.N. 965831, was not allowed to carry more than 150 passengers.³ Historically, this vessel carried up to 245 passengers, however, the Coast Guard regulations stated that in order for the vessel to carry more than 150 passengers, it would require modifications.⁴ Primarily the Coast Guard identified that the vessel did not meet the standards to carry additional passengers because it has staircases with direct access to accommodation spaces in which a fire may originate including the engine room.⁵

6 On April 13, 2022, in Docket TS-220267, San Juan filed a Petition to Temporarily Discontinue 2022 Commercial Ferry Service, requesting a temporary discontinuance of service for the period of May 12, 2022, to May 11, 2023, which was granted by the Commission in Order 01. Order 01 orders that:

Should an immediate need arise for commercial ferry service, San Juan Express, Inc., BC-117, must be prepared to resume service to meet those needs. If San Juan Express, Inc., BC-117 cannot, or will not, resume service, the Commission will deem that San Juan Express, Inc. has waived interest in its commercial ferry certificate of public convenience and necessity and will grant authority to another carrier who is prepared to meet the needs of the traveling public. The Commission will then institute proceedings to cancel San Juan Express, Inc.'s certificate and to

² *In the Matter of the Petition of San Juan Express, Inc.*, Docket TS-220267, Order 01 ¶ 9 (April 28, 2022).

³ *In the Matter of the Petition of San Juan Express, Inc.*, Docket TS-220267, Order 01 ¶ 4 (April 28, 2022).

⁴ *In the Matter of the Petition of San Juan Express, Inc.*, Docket TS-220267, Order 01 ¶ 4 (April 28, 2022).

⁵ *In the Matter of the Petition of San Juan Express, Inc.*, Docket TS-220267, Order 01 ¶ 4 (April 28, 2022).

grant authority to another carrier who is prepared to meet the needs of the traveling public.⁶

7 To date, Commission Staff (Staff) is unaware of any other company that has filed a request to provide service from Seattle to Friday Harbor.

8 On April 4, 2023, in Docket TS-230253, San Juan filed a Petition to Temporarily Discontinue 2023 Commercial Ferry Service to request another temporary discontinuance of service for the period of May 12, 2023, to May 11, 2024; which came before the Commission on its regularly scheduled open meeting docket on May 11, 2023. At the open meeting the Commission granted the Company's request.⁷

9 On April 12, 2024, in Docket TS-230253, San Juan filed a Petition to Temporarily Discontinue 2024 Commercial Ferry Service for the period of May 11, 2024, to May 10, 2025, which came before the Commission on its regularly scheduled open meeting docket on April 25, 2024. At the open meeting the Commission granted the Company's request.⁸

10 The Company provided a customer notice on its website April 30, 2025. Currently there are no consumers who have commented on this case. Additionally, there were two prior cases regarding the temporary discontinuance of service; Docket TS-220267 which had 10 customer comments, and Docket TS-230253 which had no customer comments. The customer comments in Docket TS-220267 from riders who were concerned that the Company was choosing not to provide service for lack of profit. In particular, businesses on Friday Harbor expressed concern that tourism would be impacted and that they would sustain a negative economic impact from reduced ferry traffic.

DISCUSSION

11 Under WAC 480-51-130, a commercial ferry company must request approval from the commission to discontinue some or all its operations. The company must provide 15 days' notice to the commission and the public before the effective date of the

⁶ *In the Matter of the Petition of San Juan Express, Inc.*, Docket TS-220267, Order 01 ¶ 22 (April 28, 2022).

⁷ *In the Matter of the Petition of San Juan Express, Inc.*, BC-000117, Docket TS-230253, Order 01 ¶ 15 (May 15, 2023).

⁸ *In the Matter of the Petition of San Juan Express, Inc.*, BC-000117, Docket TS-230253, Order 02 ¶ 15 (April 25, 2024).

discontinuance. The commission shall not grant a discontinuance of service for a period longer than twelve months.

- 12 In its Petition for Exemption in Docket TS-250191, the Company argued that the Commission should grant their request for exemption from 15 days’ notice and relies on the following: “The Commission may . . . grant an exemption from, or modify the application of, any of its rules in individual circumstances if the exemption or modification is consistent with the public interest, the purposes underlying regulation, and applicable statutes.”⁹ Further, the Company relies on the following:

The commission uses the public interest standard to determine whether to grant an exemption from, or modification to, a commission rule. Factors the commission may consider in making this determination include whether the rule imposes an undue hardship on the requesting person of a degree or a kind different from hardships imposed on other similarly situated persons, and whether the effect of applying the rule to the requesting person would be contrary to the underlying purposes of the rule and the public interest.¹⁰

- 13 The Company argues that requiring 15 days’ notice to the public imposes undue hardship and is contrary to the public interest, and that the request to temporarily discontinue service merely seeks to preserve the status quo and that there is no material change in service occurring.¹¹
- 14 In the alternative, the Company requested that the Commission “extend the public comment period past May 10 to satisfy the 15-day interval notice rule.”¹²
- 15 Staff recommends that the Commission grant the Petitions filed by San Juan Express Inc. in Docket TS-250191 on March 19, 2025, subject to the following conditions:

⁹ WAC 480-07-110(1).

¹⁰ WAC 480-07-110(2)(c).

¹¹ *In the Matter of the Petition of San Juan Express, Inc., BC-000117*, Docket TS-250191, Petition for Exemption ¶ 10,15 (April 29, 2025).

¹² *In the Matter of the Petition of San Juan Express, Inc., BC-000117*, Docket TS-250191, Petition for Exemption ¶ 16 (April 29, 2025).

1. San Juan Express, Inc., is granted a conditional suspension of service May 11, 2025, to May 10, 2026;
2. As a condition of this grant, this petition shall be scheduled for the Commission's next Open Meeting on May 22, 2025, for full consideration of any public comment received and final approval or rejection of the petition;
3. As a condition of this grant, San Juan Express, Inc. shall maintain a public notice of its petition for at least 15 days prior to the May 22, 2025, Open Meeting, pursuant to WAC 480-51-130 and at the direction of the Commission's Public Involvement Staff.
4. San Juan Express Inc. must file with the Commission a report on any changes to operations and an update on the Company's pursuit of new assets no later than December 31, 2025; and
5. San Juan Express Inc. must file any request for discontinuance, and must post public notice of such request, for the 2026 sailing season by March 30, 2026.¹³

16 We grant San Juan's Petition, subject to conditions, based on the understanding that while the Company is not providing service, it would neither protest nor impede another company applying to provide competing service. The Company credibly explains that a change in passenger capacity has limited its ability to generate revenue under the present circumstances and that it requires more time to consider procuring a new vessel or retrofitting its existing vessel. We are concerned, however, that the Company has failed to provide evidence of its efforts towards making the adaptations necessary to be able to resume service in the future. We therefore grant the Company's request to temporarily discontinue service for a period of 12 months, beginning May 10, 2025, and returning to service on May 10, 2026, subject to the conditions in paragraph 15.

FINDINGS AND CONCLUSIONS

- 17 (1) The Commission is an agency of the state of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, transfers

¹³ *In the Matter of the Petition of San Juan Express, Inc., BC-000117*, Docket TS-250191, Open Meeting Memo ¶ 1 (May 8, 2025).

of property and affiliated interests of public service companies, including commercial ferry companies.

- 18 (2) San Juan is engaged in the business of providing commercial ferry service within the state of Washington as a public service company and is subject to Commission jurisdiction.
- 19 (3) Under WAC 480-51-130, a commercial ferry company must request approval from the Commission to discontinue some or all of its operations. The Company must provide 15 days' notice to the Commission and the public before the effective date for discontinuance. The Commission shall not grant a discontinuance of service for a period longer than 12 months.
- 20 (4) This matter came before the Commission at its regularly scheduled open meeting on May 8, 2025.
- 21 (5) San Juan's Petition to Temporarily Discontinue 2025 Commercial Ferry Service from May 10, 2025, until May 10, 2026 should be granted subject to the conditions listed in paragraph 15 of this order.
- 22 (6) San Juan's Petition for Exemption should be granted in part, allowing the Company to maintain a public notice of its petition for at least 15 days prior to the May 22, 2025, regularly scheduled open meeting, at which time the Commission shall hear any public comments made in this docket and may amend this Order accordingly.

ORDER

THE COMMISSION ORDERS THAT:

- 23 (1) The Petition to Temporarily Discontinue 2025 Commercial Ferry Service filed by San Juan Express, Inc., on March 19, 2025, is granted subject to the conditions listed in paragraph 15 of this order.
- 24 (2) The Petition for Exemption filed by San Juan Express, Inc., on April 29, 2025, is granted in part, maintaining a public notice of the Petition to Temporarily Discontinue 2025 Commercial Ferry Service for at least 15 days prior to the May 22, 2025, regularly scheduled open meeting, , at which time the Commission shall hear any public comments made in this docket and may amend this Order accordingly.

- 25 (3) San Juan Express, Inc., is allowed to temporarily discontinue service effective
 from May 10, 2025, until May 10, 2026.
- 26 (4) The Commission retains jurisdiction over the subject matters and parties to this
 proceeding to effectuate the terms of this Order.
- 27 (5) Should an immediate need arise for commercial ferry service, San Juan Express,
 Inc., must be prepared to resume service to meet those needs. If San Juan Express,
 Inc., cannot, or will not, resume service, the Commission will deem that San Juan
 Express, Inc., has waived interest in its commercial ferry certificate of public
 convenience and necessity and will grant authority to another carrier who is
 prepared to meet the needs of the traveling public. The Commission will then
 institute proceedings to cancel San Juan Express, Inc.'s certificate and to grant
 authority to another carrier who is prepared to meet the needs of the traveling
 public.

DATED at Lacey, Washington, and effective May 8, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

BRIAN J. RYBARIK, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner

NOTICE TO PARTIES: This is a Commission Final Order. In addition to judicial review, administrative relief may be available through a petition for reconsideration, filed within 10 days of the service of this order pursuant to RCW 34.05.470 and WAC 480-07-850, or a petition for rehearing pursuant to RCW 80.04.200 and WAC 480-07-870.