

Agenda Date: February 25, 2015  
Item Number: B1

**Docket:** TS-160144  
Company Name: Arrow Launch Services, Inc., BC-97

Staff: Scott Sevall, Regulatory Analyst  
Mike Young, Regulatory Analyst  
Roger Kouchi, Consumer Protection Staff

### **Recommendation**

Allow the tariff revisions filed on January 27, 2016, and revised on February 22, 2016, by Arrow Launch Services, Inc., to become effective on March 1, 2016, by operation of law.

### **Discussion**

On January 27, 2015, Arrow Launch Service, Inc., (Arrow or company) filed with the Washington Utilities and Transportation Commission (commission) revisions to Tariff No. 6, with a stated effective date of March 1, 2016. The company provides Launch and Freight service throughout the Puget Sound for approximately 13,600 operating hours annually. The company's last general rate increase became effective on January 1, 2011.

This filing was prompted by increases in labor, moorage fees, vessel repairs and other operating expenses. The company's submitted workpapers calculated a need for \$246,815 (4.9 percent) additional annual revenue. Staff reviewed the financial data provided by the company and performed an on-site review of the company's books and records and found the proposed rates to be excessive. The company and staff agreed to revised rates that generate an additional \$166,900 (3.3 percent) annual revenue and the company filed revised tariff pages at the agreed upon rates. The revised rates generate annual revenue to meet the commission's 93 percent guideline for operating ratio and therefore staff finds the proposed rates to be fair, just and reasonable.

### **Rate Comparison**

The following table is a representative sample of fares from some of the scheduled runs published in the company's tariffs.

<b>Regulated Service Description</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Revised Rate</b>	<b>Rate Increase</b>	<b>Percent Increase</b>
<i>Deckhand Per hour</i>	\$45.00	\$50.00	\$46.25	\$1.25	2.78%
<i>Launch Services Per hour</i>	\$245.00	\$255.00	\$255.00	\$10.00	4.08%

### **Customer Comments**

On January 27, 2016, the company notified its customers. Staff received no comments on this filing.

### **Conclusion**

Staff has completed its review of the company's supporting financial documents, books and records, and found the company's revised rates to be fair, just, and reasonable.

### **Recommendation**

Allow the tariff revisions filed on January 27, 2016, and revised on February 22, 2016, by Arrow Launch Services, Inc., to become effective on March 1, 2016, by operation of law.