

TS-051318 (P)



A Q U A E X P R E S S

August 31, 2005

Carole J. Washburn
Executive Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

VIA FACSIMILE: 360.586.1150
VIA EMAIL: cwashbur@wutc.wa.gov
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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

Re: Request for permission to suspend service of the AQUA EXPRESS POF certificate number BC-129.

Dear Ms. Washburn:

Pursuant to WAC 480-51-130, we request "permission" to suspend service on the above-referenced POF certificate. We propose that service cease as of October 1, 2005 and commence July 1, 2006.

Our decision to suspend service is based on three factors:

1. Until the Washington Legislature's Budget proviso study (and hopefully final policy for POF) is complete, and prohibition of the WUTC from further considering our additional route certificates is lifted, we cannot assess our overall business plan for Puget Sound service (July 1, 2006);
2. Recent fuel price increases (over 70% increase since service began in January of 2005); and
3. Unanticipated limited use by area ferry riders.

We feel that until State policy is more clear, regulatory processes are open to all, fuel prices stabilize and more information about ferry rider habits is considered, our best action is to suspend service.

Thank you for your consideration. We look forward to working with ferry riders, the WUTC, and our partner Kitsap Transit to be "underway" next summer.

Sincerely,

John Blackman
Managing Partner
Aqua Express, LLP

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