

0034

1 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION

2 COMMISSION

3 In re Application No. B-079285 of )  
4 KITSAP FERRY COMPANY, LLC, d/b/a )DOCKET NO. TS-041007  
KITSAP FERRY COMPANY )Volume No. II  
5 )Pages 34 - 41  
6 For a Certificate of Public )  
Convenience and Necessity to )  
Provide Commercial Ferry Service. )  
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8 A public hearing in the above matter was held  
9 on August 6, 2004, at 9:32 a.m., at 614 Division  
10 Street, Port Orchard, Washington, before  
11 Administrative Law Judge DENNIS MOSS.  
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13 The parties were present as follows:

14 WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION, by LISA WATSON, Assistant Attorney General,  
15 1400 South Evergreen Park Drive Southwest, Post Office  
Box 40128, Olympia, Washington 98504; telephone,  
16 (360) 664-1186.

17 KITSAP FERRY COMPANY, LLC, by MATTHEW C.  
CRANE, Attorney at Law, Bauer, Moynihan & Johnson, 2101  
18 Fourth Avenue, Suite 2400, Seattle, Washington 98121;  
telephone, (206) 905-3223.  
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24 Kathryn T. Wilson, CCR

25 Court Reporter

0035

1	EXHIBIT NO.	MARKED/ADMITTED
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3	1-13	39, 40
4	(See attached exhibit list)	
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0036

1                                    P R O C E E D I N G S

2                    JUDGE MOSS: Let's be on the record. Good  
3 morning, everyone. My name is Dennis Moss. I'm an  
4 administrative law judge assigned to the matter styled,  
5 In re Application No. B-079285 of Kitsap Ferry Company,  
6 LLC, doing business as Kitsap Ferry Company, For a  
7 Certificate of Public Convenience and Necessity to  
8 Provide Commercial Ferry Service, Docket No. TS-041007,  
9 and I'll just mention this is for passenger-only ferry  
10 service between Bremerton and Seattle and is a  
11 permanent certificate application following in the wake  
12 of a temporary certificate that was granted by the  
13 Commission sometime within the proceeding.

14                    We are convened this morning initially in a  
15 prehearing, and we will segue seamlessly into the  
16 hearing. I have previously discussed with Counsel my  
17 intention that since this is an unprotested  
18 application, we would waive oral hearing and have the  
19 Applicant waive oral hearing. We would receive written  
20 evidence. We will adopt the record from the temporary  
21 certificate proceeding, and we will have a discussion  
22 by Counsel of anything we might need to supplement the  
23 record.

24                    Let's go ahead and take the appearances, and  
25 then I'll make a comment regarding the last evening's

0037

1 proceeding, so we will take appearances, and I'll begin  
2 with the Applicant. Mr. Crane, I know you previously  
3 appeared in the temporary certificate matter, but that  
4 was a separate docket, so if you will enter your full  
5 appearance for this.

6 MR. CRANE: Matthew Crane. The address is  
7 2101 Fourth Avenue, Suite 2400, Seattle, Washington,  
8 98121, representing the Applicant, Kitsap Ferry  
9 Company, LLC.

10 JUDGE MOSS: Ms. Watson?

11 MS. WATSON: Good morning. My name is Lisa  
12 Watson. I'm an assistant attorney general representing  
13 Commission staff. My address is 1400 South Evergreen  
14 Park Drive Southwest, PO Box 40128, Olympia,  
15 Washington, 98504-0128. My phone number is (360)  
16 664-1186. My fax is (360) 586-5522, and my e-mail is  
17 lwatson@wutc.wa.gov.

18 JUDGE MOSS: I trust there are no other  
19 appearances to be taken since we have exhausted counsel  
20 in the hearing room and no one has called in. I did  
21 want to note that last evening in Bremerton, the  
22 Commission conducted a public comment hearing session  
23 with representatives present from the Commission,  
24 including Commissioners Richard Hemstad and Patrick J.  
25 Oshie and other Commission personnel. I was not there,

0038

1 but I understand from the informal discussions this  
2 morning with people who were there that approximately  
3 40 people were in attendance, including a number of  
4 public officials and community leaders in addition to  
5 members of the general public, and then a number of  
6 comments were taken.

7 That transcript will be part of the record in  
8 the proceeding, and we will take into our record any  
9 written comments that were submitted at that time or  
10 that have been submitted to the Commission during the  
11 course of the pendency of this application. As I will  
12 note momentarily, I have a number of letters already in  
13 the record.

14 I think our first order of business then,  
15 substantive business, will be to ask the Applicant to  
16 confirm for our record that the Applicant does, indeed,  
17 waive oral hearing and initial order by me.

18 MR. CRANE: That's correct, Your Honor.

19 JUDGE MOSS: The implication of that is we  
20 will have our submission of written record, and the  
21 Commission will prepare a final order in this  
22 proceeding, and we will not go through the initial  
23 order phase, so that will be our process.

24 I've had some informal discussions with  
25 Mr. Crane, counsel for the Applicant, and Ms. Watson

0039

1 concerning exhibits. I have, I think, all of the  
2 exhibits before me. I have marked them, and I will be  
3 preparing an exhibit list reflecting the submission of  
4 13 exhibits, including six that were previously  
5 admitted in the temporary certificate proceeding, which  
6 on the Bench's own motion, that record will be made  
7 part of the record in this proceeding. So those  
8 previously admitted exhibits will be made part of this  
9 record and will be reflected as in the other docket.

10           The other exhibits, and I'm going to just  
11 describe them generally, and the full descriptions will  
12 be in the exhibit list that will be made part of the  
13 record, we have the permanent application, which  
14 consists of a number of documents, including  
15 certificates of inspection, financial data and other  
16 relevant information, and that will be an Applicant  
17 exhibit. On the Bench's motion, the transcript of the  
18 record of the hearing proceedings in Docket TS-040794,  
19 Volumes 1 and 2 -- that was the temporary certificate  
20 proceeding -- that will be made part of the record here  
21 as an exhibit.

22           We have some new exhibits today, including a  
23 declaration by Mr. Gregory Dronkert, who is the owner  
24 and operator, sole officer of the Kitsap Ferry. We  
25 have some e-mail and other correspondence that will be

0040

1 noted in the exhibit list. We have a couple of  
2 articles, one from the Bremerton Sun, that speaks  
3 specifically to a fact I want to mention for the  
4 record, which is that this service began on August 2nd  
5 under the temporary certificate authority, a point that  
6 was brought to my attention off the record before we  
7 began this morning, and that is reflected in the news  
8 articles and in some of the correspondence that I just  
9 mentioned, and finally, I understand that Staff and the  
10 Applicant have had some informal discussions concerning  
11 financial information. As a result of those  
12 discussions, the Company is submitting two statements  
13 of an account, one from Wells Fargo Bank and one from  
14 Frontier Bank, that provides supplemental financial  
15 information.

16 Let me ask if there is anything else that  
17 either the Applicant wishes to make on the record or  
18 the Staff believes should be made a matter of record,  
19 and we will see if we need to leave our record open for  
20 supplementation. So first I will ask the Applicant  
21 whether we have pretty much covered the bases?

22 MR. CRANE: Yes, Your Honor. There are no  
23 additional exhibits we are intending to submit.

24 JUDGE MOSS: Ms. Watson, does Staff feel the  
25 need for any additional information to consider this

0041

1 application and record to be complete from its  
2 perspective?

3 MS. WATSON: From Staff's perspective, the  
4 record is complete.

5 JUDGE MOSS: So the supplemental financial  
6 information satisfies the one outstanding question  
7 Staff has concerning the P/L statement, and the  
8 application shows a first-year loss, and that would  
9 show some capacity to cover that?

10 MS. WATSON: That's correct.

11 JUDGE MOSS: That's based on my eavesdropping  
12 and is the source of my information. If there is  
13 nothing further from the parties, it is my opinion also  
14 that the record is complete at this juncture. I seem  
15 to have everything I need to assist the Commission in  
16 drafting a final order in this proceeding, so if there  
17 is nothing further, thank you all very much for being  
18 here. We appreciate the efficiency for which we have  
19 conducted our proceeding this morning. We are off the  
20 record.

21 (Hearing concluded at 9:41 a.m.)

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