



Pacific Cruises Northwest, Inc. – 355 Harris Avenue, Suite 104 – Bellingham, WA 98225
360.738.8099 – 800.443.4552 – Fax 360.738.7685

May 31, 2012

David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
Attention: Records Center and Penny Ingram
P.O. Box 47250
1300 S. Evergreen Park Dr. SW
Olympia, WA 98504-7250

Re: New Tariff reflecting rate and schedule changes and name change for Certificate BC-10, Pacific Cruises Northwest, Inc. (PCNW).

Dear Mr. Danner:

Enclosed please find our tariff filing seeking to update our schedule, rates and trade name following the withdrawal of Island Commuter Services lease of this permit.

With the withdrawal of the Island Commuter lease, PCNW reverts to its last and most current tarified fares from 2005. This current tariff filing seeks to increase our rates to reflect the current economic operating realities.

In 2011, Island Commuter Service operated our authority under certificate BC-95 on a limited schedule. Passenger transportation was operated on 9 days with no passengers travelling to Friday Harbor. During that same year, Pacific Cruises Northwest, under the trade name San Juan Cruises operated an excursion service that included a daily shore visit to Friday Harbor.

Our intention under this new proposed tariff is to serve the needs of the “regulated” passengers by including them with our excursion passengers, in effect, a combination of services. Essentially, the proposed tariff and schedule would allow one-way transportation on an existing excursion route.

With all these cumulative changes being proposed at the same time, the standard rate case methodology is a challenge. In an effort to meld these together, I am including; a) a new tariff with changes indicated from the previous version; b) a balance sheet and income statement for the test year

for Pacific Cruises Northwest; and c) a column of pro forma projections with the income from the regulated passengers included.

Please note as well, with the discontinuance of the Island Commuter service we no longer have any affiliated interest or subsidiary companies.

Lastly, this filing also reflects a trade name change from Victoria/San Juan Cruises to San Juan Cruises.

We apologize in advance for these various complications. I realize being a sightseeing company which partially falls under the regulations of the Commission is atypical.

As always, I truly appreciate the efforts and assistance of your staff in assisting us on various compliance matters.

Thank you in advance for your assistance in this matter. Please do not hesitate to contact me if you have any questions or concerns

Yours truly,

A handwritten signature in blue ink, appearing to read "Drew M. Schmidt", with a long horizontal flourish extending to the right.

Captain Drew Schmidt
President