

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PACIFIC CRUISES NORTHWEST,
INC., d/b/a SAN JUAN CRUISES,

Petitioner,

Seeking to temporarily discontinue service

DOCKET TS-200233

ORDER 01

GRANTING EXEMPTION FROM
RULE

BACKGROUND

- 1 On March 19, 2020, Pacific Cruises Northwest, Inc., d/b/a San Juan Cruises, (Pacific Cruises or Company) filed with the Washington Utilities and Transportation Commission (Commission) a Petition requesting temporary suspension of services due to low, or no, ridership as a result of restrictions implemented in response to the COVID-19 pandemic. The Company provides commercial ferry service from Bellingham to Friday Harbor, San Juan Islands, from June through September.
- 2 In its Petition, Pacific Cruises asserts that travel restrictions enacted by federal and state governments due to the COVID-19 pandemic have drastically reduced demand for travel. The Company proposes to temporarily suspend services until the restrictions are lifted and economic conditions warrant resuming service. The Company also states that, due to drastically decreased ridership in a short period of time, it must cut back its operating expenses in order to continue to provide at least some service to the public.
- 3 Washington Administrative Code (WAC) 480-51-130 provides that commercial ferries must secure the Commission's permission prior to discontinuing service, and that the Commission may authorize such discontinuance for up to 12 months.
- 4 Commission staff (Staff) reviewed the request and agrees with the Company that it is in the public interest to reduce costs by suspending service, ensuring the Company is financially fit to provide service in the future. Therefore, Staff recommends granting Pacific Cruises' Petition to temporarily discontinue service effective May 25, 2020.

DISCUSSION

5 We agree with Staff's recommendation and grant Pacific Cruises' Petition, thereby
allowing the Company to temporarily discontinue service effective May 25, 2020. The
Governor's Proclamation 20-05 placed Washington in a state of emergency due to the
COVID-19 pandemic, and the more recent Proclamation 20-25 restricts travel except for
limited purposes.

6 Here, we find that the Company is making a good faith effort to provide service in
accordance with its certificate of public convenience and necessity. We also recognize
the financial impacts the Company is facing due to severely limited travel during the
COVID-19 pandemic. Accordingly, we conclude that allowing the Company to respond
to rapidly changing economic conditions by granting its request is consistent with the
public interest, the purposes underlying regulation, and applicable statutes.

FINDINGS AND CONCLUSIONS

- 7 (1) The Commission is an agency of the State of Washington vested by statute with
the authority to regulate the rates, rules, regulations, practices, accounts and
affiliated interests of public service companies, including commercial ferry
companies.
- 8 (2) Pacific Cruises is a commercial ferry company and a public service company
subject to Commission jurisdiction.
- 9 (3) Pursuant to WAC 480-51-130, the Commission may grant a temporary
discontinuance of service for up to 12 months.
- 10 (4) This matter came before the Commission at its regularly scheduled meeting on
May 21, 2020.
- 11 (5) Based on the COVID-19 pandemic and resulting state of emergency, the
Commission finds good cause to allow the temporary discontinuance of service
by Pacific Cruises filed on March 19, 2020, to become effective on May 25, 2020.

ORDER

THE COMMISSION ORDERS:

- 12* (1) The Commission grants Pacific Cruises Northwest, Inc., d/b/a San Juan Cruises' Petition for temporary discontinuance of service filed on March 19, 2020.
- 13* (2) The Commission retains jurisdiction over the subject matter and Pacific Cruises Northwest, Inc., d/b/a San Juan Cruises, to effectuate the provisions of this Order.
- 14* The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective May 21, 2020.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON
Executive Director and Secretary