

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Request of)
)
 HAWAII SUPERFERRY, INC.)
)
 For Approval of Tariff Changes.)
 _____)

TRANSMITTAL NO. 08-0031

ORDER APPROVING PROPOSED TARIFF CHANGES
FOR THE VOYAGE ADDITION/CANCELLATION POLICY

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DIV. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
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STATE OF HAWAII

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COMMISSION

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FILED

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 HAWAII SUPERFERRY, INC.) Transmittal No. 08-0031
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ORDER APPROVING PROPOSED TARIFF CHANGES
FOR THE VOYAGE ADDITION/CANCELLATION POLICY

By this Order, the commission approves the proposed tariff changes set forth in HAWAII SUPERFERRY, INC.'s ("HSF") Transmittal No. 08-0031, filed on September 19, 2008, regarding the addition of or cancellation of vessel sailings, subject to certain conditions described herein.¹

I.

Proposed Tariff Changes

HSF's sailing schedule is set forth in Appendix A of its Tariff No. 1A. Effective October 31, 2008, HSF intends to operate one round trip per day, five days per week.² By its Transmittal No. 08-0031, HSF proposes to amend its tariff by including the following provisions:

¹Transmittal No. 08-0031; Exhibit A; and Appendices A-1 and A-2, filed on September 19, 2008 (collectively, "Transmittal No. 08-0031").

²See HSF's Transmittal No. 08-0029, filed on September 12, 2008.

Appendix A-1

Addition of Voyage:

Carrier may add a Voyage on or after the third (3rd) calendar day after written notice is filed with the Public Utilities Commission ("PUC") and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs ("Consumer Advocate").³

Cancellation of Voyage:

Carrier may cancel a Voyage that is fourteen (14) days away as of the third (3rd) calendar day after written notice is filed with the PUC and the Consumer Advocate.⁴

In support of its proposed tariff changes, HSF explains:

. . . . One of the changes covered herein is to allow HSF to add Voyages to meet anticipated demand, including evening Voyages around holidays and special events, by adding Voyages after a specified minimum days of notice. After the enactment of the change described herein, each addition of a Voyage should not be treated as a tariff change, because with this instant change, the tariff would allow such an addition. The other change is to allow HSF to cancel Voyages after a specified minimum number of days of notice, to address demand or lack of demand, including cancellations that occur because Voyages are rescheduled around holidays or special events. Similarly, each cancellation should not be treated as a tariff change, because the tariff would now allow such a cancellation provided the requisite procedure was followed

³According to HSF, "[t]he notice will specify the date and times of the Voyage. On said third calendar day, Carrier may sell and advertise the added Voyage." Transmittal No. 08-0031, at 2.

⁴According to HSF, as an example, "on February 1, Carrier notifies the PUC that the Voyage on February 18 will be cancelled. Carrier will post on its website and begin contacting affected customers as of February 4." Transmittal No. 08-0031, at 2.

Allowing HSF to modify its schedule to meet customer demand, which is not necessarily known more than 45 days ahead of time, is consistent with the public interest in a "safe, adequate, economical and efficient service . . . all to the end of developing, coordinating, and preserving a sound transportation system by water." Hawaii Revised Statutes Section 271G-2.

HSF has determined that 73.4% of its passengers secure their reservations fourteen (14) days or less before the date of travel. Therefore, a 14-day minimum timeframe for cancellation of a Voyage from the schedule balances the need to be able to cancel a voyage with the desire to inconvenience as few passengers as possible. Customers who already have reservations on the cancelled voyage will be individually notified of the cancellation and accommodated on an alternative voyage, or their purchase will be refunded.

Transmittal No. 08-0031, at 2-3.

II.

Discussion

HSF seeks to efficiently respond to the demand or lack thereof for its ferry service by having the ability to add or cancel a sailing upon prior written notification to the commission and the Consumer Advocate. For customers who already have reservations on a particular sailing, HSF seeks the ability to cancel said sailing upon a minimum of fourteen days' notice to the commission and the Consumer Advocate. Thereafter, "[c]ustomers who already have reservations on the cancelled voyage will be individually notified of the cancellation and

accommodated on an alternative voyage, or their purchase will be refunded."⁵

The commission finds that, on balance, HSF's proposal to authorize the water carrier to add or cancel sailings based on customer demand or lack thereof appears just and reasonable. Nonetheless, the commission expresses its concern that passengers may potentially be left "stranded" on the islands of Maui or Oahu with only fourteen days' notice to make alternate arrangements, in the event that HSF decides to cancel a particular sailing. Accordingly, HSF must establish written procedures to clearly inform all of its customers of HSF's voyage cancellation policy, before customers purchase their tickets. Consistent with the public interest, HSF's written procedures must likewise inform all of its customers of the water carrier's voyage addition policy, before customers purchase their tickets. In addition, HSF must file a monthly report identifying and describing any cancelled voyages made, the number of passengers affected by the cancelled voyage, any alternative arrangements made by HSF, the number of complaints received by HSF as a result of a cancelled voyage, and the resolution of any such complaints. Lastly, the commission reserves the right, at any time, to review and modify or terminate HSF's voyage addition/cancellation policy, consistent with the public interest.⁶

⁵Transmittal No. 08-0031, at 3.

⁶See In re Hawaii Superferry, Inc., Transmittal No. 08-0020, Order Approving on a Trial Basis the Adjustable Fares Program, filed on August 26, 2008.

In sum, the commission approves HSF's transmittal, subject to the above-noted conditions, which the commission adopts consistent with the public interest.

III.

Orders

THE COMMISSION ORDERS:

1. HSF's Transmittal No. 08-0031, filed on September 19, 2008, which proposes to implement HSF's voyage addition/cancellation policy, is approved, effective from November 4, 2008 (i.e., upon forty-five day statutory notice), subject to the following conditions:

A. As part of its voyage addition/cancellation policy, HSF must establish written procedures to clearly inform all of its customers of HSF's voyage addition/cancellation policy, before customers purchase their tickets.

B. HSF must file a monthly report identifying and describing any cancelled voyages made, the number of passengers affected by the cancelled voyage, any alternative arrangements made by HSF, the number of complaints received by HSF as a result of a cancelled voyage, and the resolution of any such complaints. The monthly report shall be filed with the commission, with copies served on the Consumer Advocate, by the fifth day of each month, with the first report due on December 5, 2008, covering the November 2008 period. The filed report must cover any voyages cancelled during the previous monthly period.

2. The commission reserves the right, at any time, to review and modify or terminate the voyage addition/cancellation policy, consistent with the public interest.

3. HSF shall promptly file its revised tariff sheets, with the appropriate issued and effective dates, that include: (A) written procedures to clearly inform all of its customers of HSF's voyage addition/cancellation policy, before customers purchase their tickets; and (B) a statement that the commission reserves the right, at any time, to review and modify or terminate the voyage addition/cancellation policy, consistent with the public interest.

DONE at Honolulu, Hawaii OCT 23 2008.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By Carlito P. Caliboso
Carlito P. Caliboso, Chairman

By: John E. Cole
John E. Cole, Commissioner

APPROVED AS TO FORM:

Michael Azama
Michael Azama
Commission Counsel

By: Leslie H. Kondo
Leslie H. Kondo, Commissioner

HSF.08-0031.cp

CERTIFICATE OF SERVICE

The foregoing order was served on the date of filing by mail, postage prepaid, and properly addressed to the following parties:

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