

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: ISLAND HI-SPEED FERRY, LLC. : DOCKET NO. 3669

REPLY OF
ISLAND HI-SPEED FERRY, LLC TO INTERSTATE NAVIGATION'S
OBJECTION TO IHSF'S
PETITION FOR EXEMPTION FROM COMMISSION RULES OF PRACTICE
AND PROCEDURE PART TWO

Pursuant to R.I.G.L. § 39-3-11, the Commission not only has the plenary authority to expedite the investigation of a request for a rate change, it has the statutory mandate to do so. Section 39-3-11 (a) provides in relevant part: "Each hearing *shall* be conducted as expeditiously as may be practicable, and with a minimum of delay". (Emphasis supplied). Commission Rules 1.10 (a) and (b), which provide that the Commission may waive Parts of its own Rules of Practice and Procedure, are a valid exercise of that authority.

Aside from Interstate's misplaced reliance on the Rhode Island Supreme Court's ruling in In Re Island Hi-Speed Ferry, LLC, 746 A.2d 1240 (R.I. 2000), and the fact that it is not yet even a party to this proceeding, Interstate's Objection fails to address IHSF's position on the merits that the filing requirements of Part Two of the Commission's rules do not apply to its Petition for Modification of Rate Orders. Instead, Interstate argues that a whole litany of irrelevant and unnecessary information be provided to the Commission, which would bog down the consideration of the merits of IHSF's very narrow request, in a manner inconsistent with the Commission's mandate to expedite such requests.

Interstate fails to credibly argue how this matter involves “the investigation of changes in rates constituting a *general rate increase* in which the respondent utility’s *overall revenue requirements are at issue.*” (Emphasis supplied). Commission Rule 2.2. Interstate’s specious arguments for the application of case law and the Commission’s rules with regard to traditional rate-base, rate of return, rate making, to IHSF are nothing short of a strained attempt to fit a square peg into a round hole. Moreover, they ignore the precedents of both the Commission and the Supreme Court regarding IHSF’s non-traditional form of ratemaking. IHSF’s Petition for Modification of Rate Orders is what it is – a request to offer a de minimis discount, on a limited basis, to a narrowly defined category of IHSF’s overall customer base. It does not seek a “*general rate increase*” or even a *general* rate change – and it is simply not necessary for the Commission to determine IHSF’s “*overall revenue requirements*”, as contemplated by Part Two of the Commission’s rules, for the merits of the petition to be fairly determined. The Division’s Advocacy Section appears to agree with this line of thinking.

Accordingly, to the extent that they even apply, IHSF requests a waiver from the filing requirements of Part Two of the Commission’s rules, so that its Petition for Modification can be heard expeditiously on its merits, and so that IHSF may offer the requested discounts in time for the upcoming 2004 summer season.¹

¹ IHSF’s proposed Season’s Pass would have to be purchased before May 15th and its Group Volume Discounts would have to be directly marketed to tour group operators with sufficient advance notice, to be effective.

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