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November 22, 2010

Luly Massaro, Clerk
Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Re: Interstate Navigation Company
Docket No. 3762 – 2010 CPI Filing

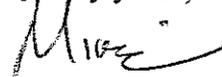
Dear Luly:

As you know, this office represents Interstate Navigation Company (Interstate).

Enclosed for filing in this matter are an original and five copies of Interstate's responses to the Commission's 1st set of data requests.

If you have any questions, please feel free to call.

Very truly yours,



Michael R. McElroy

MRMc:tmg

cc: Susan Linda
Walter E. Edge, Jr.
Alan Nault

**COMMISSION'S FIRST SET OF DATA REQUESTS DIRECTED TO
INTERSTATE NAVIGATION COMPANY
DOCKET NO. 3762 – RE: 2011 CPI FILING**

COM 1-1 Using average ridership over the last 3 fiscal years please calculate the additional revenue that is expected to be generated on an annual basis if the company's proposed CPI rate adjustment is approved.

Response: Please see attached. Please note that the revenues from Trucks and Vehicles other than cars, pickup trucks, SUVs & vans were not calculated based upon average counts because item counts do not include the lengths of the vehicles. Trucks and Vehicles have various rates dependent on length and other variables such as hazard rating and oversize dimensions. The revenue for these items were averaged over the last 3 fiscal years and then increased for the CPI. In addition, this same methodology was used for Bikes & Mopeds.

Prepared by: D. Bebyn

Analysis of Expected Revenue
Generated Using Proposed CPI Rate Increase
Interstate Navigation Company

Attachment to
Commission 1-1
Page 1 of 3

<u>Service</u>	Revenue at Current	Increase	Proposed Revenue	
Passengers - Noncommuter	\$ 4,048,787	\$ 50,051	\$ 4,098,838	Page 2
Passengers - Commuter	216,815	-	216,815	Page 2
Total Passenger Revenue	<u>3,889,918</u>	<u>50,051</u>	<u>4,315,653</u>	
Vehicles - Noncommuter	3,351,480	39,640	3,391,120	Page 3
Vehicles - Commuter	76,561	-	76,561	Page 3
Total Vehicle Revenue	<u>3,177,364</u>	<u>39,640</u>	<u>3,467,680</u>	
Bikes & Mopeds	127,773	1,533	129,306	Page 3
Freight	752,174	-	752,174	Page 3
Charter	416,716	-	416,716	Page 3
Tours	58,786	-	58,786	Page 3
Total Tariff Revenue	<u><u>\$ 8,422,731</u></u>	<u><u>\$ 91,224</u></u>	<u><u>\$ 9,140,316</u></u>	

Analysis of Average Passenger Counts
Interstate Navigation Company

	2008	2009	2010	Average
<u><i>Between Newport and Block Island</i></u>				
Adult Passenger Fares				
One Way Adult	619	562	527	569
Round Trip Adult	2,400	1,976	1,925	2,100
Children Passenger Fares				
One Way Children	63	42	23	43
Round Trip Children	196	176	137	170
<u><i>Between Point Judith and Block Island</i></u>				
Adult Passenger Fares				
One Way Adult	138,246	129,524	127,741	131,837
Round Trip Adult	144,635	134,378	136,857	138,623
Children Passenger Fares				
One Way Children	13,887	14,374	13,426	13,896
Round Trip Children	14,893	13,100	12,755	13,583
<u><i>Between Point Judith and Newport</i></u>				
Adult Passenger Fares				
One Way Adult	0	0	5	2
Round Trip Adult	0	0	7	2
Children Passenger Fares				
One Way Children	0	0	1	0
Round Trip Children	0	0	-	-
Commuter Rate	22734	19412	19,801	20,649

	Average	Current Rate	Revenue at Current Rate	Proposed Rate	Revenue at Proposed Rate
<u><i>Between Newport and Block Island</i></u>					
Adult Passenger Fares					
One Way Adult	569 \$	10.35 \$	5,893 \$	10.45 \$	5,950
Round Trip Adult	2,100 \$	15.25 \$	32,030 \$	15.45 \$	32,450
Children Passenger Fares					
One Way Children	43 \$	4.90 \$	209 \$	4.95 \$	211
Round Trip Children	170 \$	7.05 \$	1,196 \$	7.15 \$	1,213
<u><i>Between Point Judith and Block Island</i></u>					
Adult Passenger Fares					
One Way Adult	131,837 \$	10.65 \$	1,404,064 \$	10.80 \$	1,423,840
Round Trip Adult	138,623 \$	17.40 \$	2,412,046 \$	17.60 \$	2,439,771
Children Passenger Fares					
One Way Children	13,896 \$	5.45 \$	75,731 \$	5.50 \$	76,426
Round Trip Children	13,583 \$	8.65 \$	117,490 \$	8.75 \$	118,848
<u><i>Between Point Judith and Newport</i></u>					
Adult Passenger Fares					
One Way Adult	5 \$	8.00 \$	40 \$	8.10 \$	41
Round Trip Adult	7 \$	12.00 \$	84 \$	12.15 \$	85
Children Passenger Fares					
One Way Children	1 \$	4.00 \$	4 \$	4.05 \$	4
Round Trip Children	0 \$	6.00 \$	-	6.05 \$	-
			<u>\$ 4,048,787</u>		<u>\$ 4,098,838</u>
Commuter Rate	20,649 \$	10.50 \$	216,815 \$	10.50 \$	216,815

Analysis of Average Vehicle Counts
Interstate Navigation Company

Attachment to
Commission 1-1
Page 3 of 3

	2008	2009	2010	Average
<u>Between Point Judith and Block Island</u>				
Vehicle Counts				
Auto	40,478	38,366	37,703	38,849
Pickup Trucks SUV & Vans	9,296	8,594	8,265	8,718
Revenues				
Trucks (Regular & Hazardous	\$ 1,125,905	\$ 920,087	\$ 865,954	\$ 970,649
Vehicles (Oversized, Overhang & Over 7	\$ 50,196	\$ 42,957	\$ 37,390	\$ 43,514

Commuter

Vehicle Counts				
Auto	2,349	1,882	1,999	2,077
Pickup Trucks SUV & Vans	709	595	573	626

Other Revenues

Bikes & Mopeds	\$ 135,103	\$ 131,896	\$ 116,320	\$ 127,773
Freight	\$ 844,325	\$ 709,058	\$ 703,138	\$ 752,174
Charter	\$ 558,853	\$ 506,342	\$ 184,954	\$ 416,716
Tours	\$ 72,525	\$ 51,233	\$ 52,601	\$ 58,786

	Average	Current Rate	Revenue at Current Rate	Proposed Rate	Revenue at Proposed Rate
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Between Point Judith and Block Island

Vehicle Counts					
Auto	38,849	\$ 47.35	\$ 1,839,500	\$ 47.90	\$ 1,860,867
Pickup Trucks SUV & Vans	8,718	\$ 57.10	\$ 497,817	\$ 57.80	\$ 503,920
Revenues					
Trucks (Regular & Hazardous	\$ 970,648.73	100.0%	\$ 970,649	101.2%	\$ 982,297
Vehicles (Oversized, Overhang & Over 7	\$ 43,514.38	100.0%	\$ 43,514	101.2%	\$ 44,037
			\$ 3,351,480		\$ 3,391,120

Commuter

Vehicle Counts					
Auto	2,077	\$ 27.00	\$ 56,070	\$ 27.00	\$ 56,070
Pickup Trucks SUV & Vans	626	\$ 32.75	\$ 20,491	\$ 32.75	\$ 20,491
			\$ 76,561		\$ 76,561

Other Revenues

Bikes & Mopeds	\$ 127,772.77	100.0%	\$ 127,773	101.2%	\$ 129,306
Freight	\$ 752,173.66	100.0%	\$ 752,174	100.0%	\$ 752,174
Charter	\$ 416,716.40	100.0%	\$ 416,716	100.0%	\$ 416,716
Tours	\$ 58,786.28	100.0%	\$ 58,786	100.0%	\$ 58,786

**COMMISSION'S FIRST SET OF DATA REQUESTS DIRECTED TO
INTERSTATE NAVIGATION COMPANY
DOCKET NO. 3762 – RE: 2011 CPI FILING**

COM 1-2 What is the estimated cost associated with Interstate's current filing?

Response: The estimated cost to date is \$10,680.40 which includes responding to this data request. No significant additional costs are expected if the increase is subsequently approved without a hearing and without objection and no additional data requests are filed.

<u>Description</u>	<u>Cost</u>
Legal	\$ 3,342.90
Rate Consultants	7,337.50
Total to Date	<u>\$ 10,680.40</u>

Prepared by: D. Bebyn