

# Schacht & McElroy

Michael R. McElroy  
Robert M. Schacht (retired)

Attorneys at Law

(401) 351-4100  
fax (401) 421-5696

Members of Rhode Island  
and Massachusetts Bars

21 Dryden Lane  
Post Office Box 6721  
Providence, RI 02940-6721

www.McElroyLawOffice.com  
Michael@McElroyLawOffice.com

October 10, 2013

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

RECEIVED  
2013 OCT 11 PM 3:52  
PUBLIC UTILITIES COMMISSION

Re: Interstate Navigation Company Rate Plan  
Final Accumulated Earnings Report – Docket Nos. 3762 and 3764

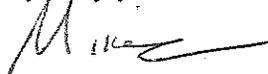
Dear Luly:

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

Pursuant to the Rate Plan and Amended Settlement Agreement in Docket Nos. 3762 and 3764, enclosed for filing are an original and nine copies of Interstate Navigation Company's final Earnings Report, which consists of a memorandum from Walter E. Edge, Jr., MBA, CPA of B&E Consulting, LLC.

If after reviewing this report you need any further information, please do not hesitate to call.

Very truly yours,

  
Michael R. McElroy

MRMc:tmg

cc: Susan Linda  
Walter E. Edge, Jr., CPA  
Steven Scialabba

# *B&E Consulting, LLC*

*Certified Public Accountants*

(401) 785-0800  
Fax (401) 421-5696

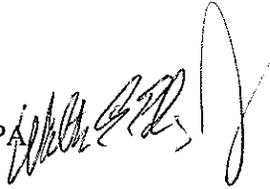
21 Dryden Lane  
Providence, RI 02904

wedge@beconsulting.biz  
dbebyn@beconsulting.biz

October 8, 2013

To: Mike McElroy

From: Walter E. Edge Jr. MBA CPA



Subject: Final Accumulated Earnings Report – Interstate Navigation – Docket No. 3762

I have been working with the Division and we have both made a Final Accumulated Earnings calculation for the six year rate plan. After exchanging ideas we have both concluded that Interstate's earnings for the six year rate plan were inadequate to reach the 12.5% point of sharing with the ratepayers. Therefore, there is no need for Interstate to provide refunds to its ratepayers. I believe that you should file this memo to provide the Commission with Interstate's position on these two matters.

I was told by the Division that it is their intent to respond to this memo stating that they agree with Interstate's conclusions that 1) Interstate did not exceed the authorized rate of return of 12.5% during the period of the Rate Plan and 2) there is therefore no need to make refunds to the ratepayers.

It is my hope that the Commission will accept these representations provided by me and agreed to by the Division in order to avoid the time and costs related to having a hearing on this matter.