

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: INTERSTATE NAVIGATION COMPANY :
COMPLIANCE FILING TO ELIMINATE THE ROE : DOCKET NO. 3762
ADDER APPROVED IN ORDER NO. 20383 :

ORDER

WHEREAS, On January 30, 2012, Interstate Navigation Company (“Interstate” or “Company”) filed with the Public Utilities Commission (“Commission”) Compliance Tariffs designed to reduce rates resulting from the elimination of a one-year Return on Equity (“ROE”) adder approved by the Commission in Order No. 20383;¹ and

WHEREAS, The 1.75% ROE adder that had been approved by the Commission was for effect April 1, 2011 through April 1, 2012; and

WHEREAS, Interstate submitted the Pre-Filed Testimony of David G. Bebyn, its consultant, in support of its Compliance Tariffs; and

WHEREAS, The effect of the Compliance Tariffs is a 1.75% decrease on all rates across the board; and

WHEREAS, Under the proposed Tariffs, the impact on rates would be as follows: an adult round trip ticket between Point Judith and Block Island would decrease by \$0.30 from \$18.60 to \$18.30. A child round trip ticket would decrease by \$0.15 from \$9.25 to \$9.10. Autos would decrease by \$0.85 from \$50.65 to \$49.80. Pick-ups, trucks, vans and SUVs would decrease by \$1.00 from \$61.10 to \$60.10.² Freight rates would decrease by varying amounts; and

¹ The ROE adder resulted from a previously approved Amended Settlement Agreement between Interstate, the Division of Public Utilities and Carriers and the Town of New Shoreham. (Order No. 18957).

² Pre-Filed Testimony of David Bebyn at Schedule DGB-1.

WHEREAS, On March 2, 2012, the Division of Public Utilities and Carriers submitted a Memorandum from John Bell, Rate Analyst V, recommending approval of the proposed rates on the basis that the calculations had been performed correctly; and

WHEREAS, On March 2, 2012, the Town of New Shoreham submitted a letter from Nancy O. Dodge, Town Manager, indicating that the Town had no objection to the filing nor to a waiver of a hearing; and

WHEREAS, At an Open Meeting on March 7, 2012, the Commission considered the filings, found the proposed Tariffs to be in compliance with Commission Order No. 20383, and found the rates to have been properly calculated; and

WHEREAS, The Commission finds that good cause exists under R.I. Gen. Laws § 39-3-12 to decide this matter without a hearing on the basis that it arises out of a previously approved settlement agreement, is the result of a previously approved calculation, and represents a rate decrease for those using Interstate's services.

Accordingly, it is hereby,

(20674) ORDERED:

1. Interstate Navigation Company's Tariffs filed on January 30, 2012 to eliminate the 1.75% Return on Equity adder that was approved for a one year period commencing April 1, 2011 is hereby approved for effect April 1, 2012.

EFFECTIVE IN WARWICK, RHODE ISLAND ON APRIL 1, 2012,
PURSUANT TO AN OPEN MEETING DECISION ON MARCH 7, 2012. WRITTEN
ORDER ISSUED MARCH 9, 2012.

PUBLIC UTILITIES COMMISSION

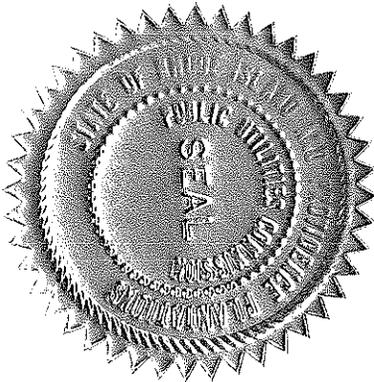
*Elia Germani, Chairman



Mary E. Bray, Commissioner



Paul J. Roberti, Commissioner



*Chairman Germani did not participate in the decision due to a scheduling conflict.

NOTICE OF RIGHT OF APPEAL PURSUANT TO R.I.G.L. SECTION 39-5-1, ANY PERSON AGGRIEVED BY A DECISION OR ORDER OF THE COMMISSION MAY, WITHIN SEVEN DAYS (7) DAYS FROM THE DATE OF THE ORDER, PETITION THE SUPREME COURT FOR A WRIT OF CERTIORARI TO REVIEW THE LEGALITY AND REASONABLENESS OF THE DECISION OR ORDER.