

Schacht & McElroy

Robert M. Schacht
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Attorneys at Law

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Members of Rhode Island
and Massachusetts Bars

21 Dryden Lane
Post Office Box 6721
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email: RMSchacht@aol.com
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March 2, 2010

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

Re: Fast Ferry Rate Filing for Interstate Navigation Company

Dear Luly:

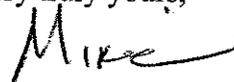
Enclosed are an original and nine (9) copies of the following:

1. Rate Change Application, with existing rates and tariffs and proposed new rates and tariffs attached.
2. Motion seeking expedited approval and waivers.
3. Notice of Filing for your review and approval.
4. Testimony of Walter E. Edge, Jr., CPA.

Once you have approved the notice, I will have it published in the Block Island Times and the Providence Journal. I will also have it posted at the ferry terminals on Block Island and in Point Judith.

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

Very truly yours,



Michael R. McElroy

MRMc:tmg

cc: Susan E. Linda
Walter E. Edge, Jr., CPA
Thomas Ahern
Leo Wold, Esq.
Katherine Merolla, Esq.
Mark McSally, Esq.
Block Island Town Clerk (CMRRR)

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: INTERSTATE NAVIGATION COMPANY : DOCKET No.: _____
FAST FERRY RATES AND TARIFFS :

RATE CHANGE APPLICATION

Pursuant to R.I.G.L. § 39-1-1 et seq., Interstate Navigation Company hereby applies for authorization and permission to change its fast ferry rates and tariffs as shown in the proposed rates and tariffs attached hereto.

The following is provided pursuant to Rule 1.9 of the Rules of Practice and Procedure (“Rules”):

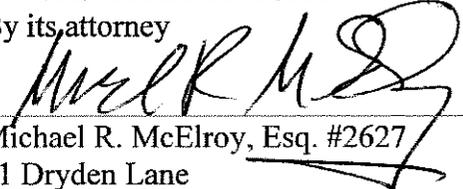
1. **NAME OF APPLICANT:** The Interstate Navigation Company, a Connecticut Corporation licensed to do business in Rhode Island.

2. **PLACE OF BUSINESS:** The Company’s principal Rhode Island operations are in Point Judith and Block Island. However, the Company’s Administrative Offices are at 12 Eugene O’Neill Drive, New London, CT 06320.

3. **NOTICES:** Correspondence or communications in regard to this Application should be addressed to:

Michael R. McElroy, Esq.
P.O. Box 6721
Providence, RI 02940-6721
Tel: (401) 351-4100 / Fax: (401) 421-5696
Email: Michael@McElroyLawOffice.com

Respectfully submitted,
INTERSTATE NAVIGATION COMPANY
By its attorney



Michael R. McElroy, Esq. #2627
21 Dryden Lane
P.O. Box 6721
Providence, RI 02940-6721
Tel: (401) 351-4100 / Fax: (401) 421-5696
E-mail: Michael@McElroyLawOffice.com

VERIFICATION

Michael R. McElroy, being first duly sworn, deposes and says that the information presented in this Application is true to the best of his knowledge, information, and belief.



Michael R. McElroy

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

Sworn to and subscribed before me this 2nd day of March, 2010.



Theresa Gallo
Notary ID #59481

Interstate/Fast Ferry Rates 2010/Rate Change Application



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: INTERSTATE NAVIGATION COMPANY : DOCKET No. _____
FAST FERRY RATES AND TARIFFS :

MOTION OF INTERSTATE NAVIGATION COMPANY
SEEKING EXPEDITED APPROVAL OF REVISED
FAST FERRY RATES AND TARIFFS AND WAIVERS

Interstate Navigation Company (Interstate) operates a seasonal discretionary fast ferry passenger service between Point Judith and Block Island.

Interstate wishes to revise its fast ferry rates and tariffs, and Interstate respectfully requests expedited approval of this rate filing so that the rates and tariffs will be effective on May 1, 2010.

In general, the proposed revised rates would increase the fast ferry ticket sales by \$3.00 each way. Other proposed changes are set forth in the attached rates and tariffs.

Interstate is asking, pursuant to R.I.G.L. § 39-3-12, that the Commission approve the revised fast ferry rates and tariffs and:

“allow changes within less time than required by the notice specified in § 39-3-11, and without holding the hearing and investigation therein provided for, or modify the requirements of § 39-3-11 with respect to filing and publishing tariffs either in the particular instance or by general order applicable to special or particular circumstances or conditions, or . . . enter an interim order prescribing a temporary schedule of rates, tolls, and charges pending the completion of its investigation.”

Pursuant to this statutory authority, Interstate seeks a waiver of the hearing and investigation requirements of R.I.G.L. § 39-3-11 relative to the rates, tolls, and charges for its fast ferry service. Interstate also requests that it be granted an exemption/waiver from the rate filing requirements of Part Two of the Commission’s Rules of Practice and Procedure.

These rates will apply only to Interstate’s seasonal fast ferry passenger service (which is a purely discretionary service). They will not apply to Interstate’s conventional lifeline ferry service.

Interstate has also previously committed that any profits generated from its fast ferry service will be utilized to either fund the purchase of another fast ferry vessel, to subsidize its lifeline conventional rates, or to otherwise enhance service to its customers. The Commission will determine the ultimate disposition of net profits from the fast ferry operation.

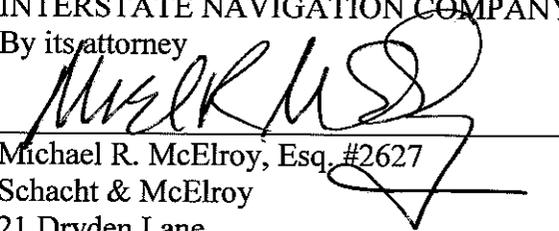
In Docket No. 3495, the Commission likened non-lifeline fast ferry summer service to Block Island to a competitive local exchange carrier ("CLEC") because consumers have the discretion to choose the service. The Commission determined that fast ferry service is not a lifeline service and that the service is purely discretionary. The Commission therefore ruled that the fast ferry service should have the flexibility to set its own rates as long as the rates are not anti-competitive.

Interstate is not requesting a waiver of notice of this filing (in a form to be approved by the Commission) to be published in its service territory within 10 days after the rate filing. A proposed notice has been sent for review and approval to the Commission Clerk. Upon approval, the notice will be published in the *Block Island Times* and the *Providence Journal* and posted at Interstate's ticket booths in both Point Judith and Block Island.

The existing fast ferry rates and tariffs are set forth in Exhibit A attached to the Application, and the proposed new fast ferry rates and tariffs are set forth in Exhibit B attached to the Application.

Accordingly, Interstate respectfully requests that the revised fast ferry rates and tariffs be approved by the Commission as filed, to become effective May 1, 2010, without suspension.

Respectfully submitted,
INTERSTATE NAVIGATION COMPANY
By its attorney



Michael R. McElroy, Esq. #2627
Schacht & McElroy
21 Dryden Lane
P.O. Box 6721
Providence, RI 02940-6721
Tel: (401) 351-4100
Fax: (401) 421-5696
E-mail: Michael@McElroyLawOffice.com

CERTIFICATE OF SERVICE

I hereby certify that on the 7th day of March, 2010, I sent a true copy of the foregoing to the attached service list.

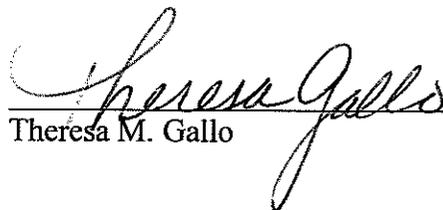
Leo Wold, Esq.
Office of the Attorney General
150 South Main Street
Providence, RI 02903

Block Island Town Clerk (CMRRR)
P.O. Drawer 220
Block Island, RI 02807

Mark McSally, Esq.
Kelly, Kelleher, Reilly & Simpson
28 Caswell Street
Narragansett, RI 02882

Thomas Ahern, Administrator
Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

Katherine Merolla, Esq.
Merolla & Accetturo
469 Centerville Road, Suite 206
Warwick, RI 02886



Theresa M. Gallo

NOTICE OF FILING

The Interstate Navigation Company (“Interstate”) hereby gives notice that on _____, 2010, Interstate filed with the Rhode Island Public Utilities Commission (the “Commission”) revised rates and tariffs for its high-speed ferry service between Point Judith and Block Island (Docket No. ____). These rates will apply only to Interstate’s seasonal discretionary high-speed ferry passenger service and will not apply to its year-round conventional passenger and freight ferry service. In general, the proposed revised rates, if approved, would increase high-speed ferry ticket prices by \$3.00 each way. Other proposed changes are set forth in the rates and tariffs.

The Commission can suspend the proposed rates and tariffs if it chooses to do so. However, Interstate is asking that these new rates be allowed to go into effect on May 1, 2010, without suspension or hearing.

A copy of the filing is available at the offices of Interstate’s attorney, Michael R. McElroy, 21 Dryden Lane, P.O. Box 6721, Providence, RI 02940-6721, and at the Public Utilities Commission, 89 Jefferson Boulevard, Warwick, RI 02888, and may be examined by the public during business hours. This notice is given pursuant to the Commission’s Rules of Practice and Procedure.

Interstate Navigation Company

STATE OF RHODE ISLAND

PUBLIC UTILITIES COMMISSION

Docket No. 3972

INTERSTATE NAVIGATION COMPANY

LOCAL FAST FERRY TARIFFS

Naming

PASSENGER RATES
APPLYING BETWEEN
POINTS AND PLACES IN THE STATE OF
RHODE ISLAND

(As indicated herein)

EFFECTIVE: August 10, 2008

ISSUED BY:

Interstate Navigation Company
Susan Linda, President
P.O. Box 482
New London, CT 06320

RULE NO. 5 PETS OR ANIMALS ACCOMPANYING PASSENGERS:

Animals or pets will not be allowed to accompany passengers aboard ships unless such animals are securely under leash.

RULE NO. 10 BAGGAGE DEFINED:

1. Baggage may be either personal or sales sample cases defined as follows: Personal luggage or baggage consisting of wearing apparel, toilet articles or similar effects in actual use, necessary and appropriate for the wear, use, comfort or convenience of the passenger for the purpose of the trip and not intended for other persons or for sale. Sample cases are those to be used by the salesman containing samples or articles or merchandise for sale and for future transportation and not articles for immediate sale forthwith.
2. Money, jewelry, negotiable papers or like valuables should not be enclosed in baggage to be checked. This carrier will not be responsible for such articles in baggage.
3. All baggage must be enclosed in receptacles such as trunks, valises, suit cases, leather hat boxes or satchels provided with handles, securely locked or otherwise fastened and made of material of sufficient strength and durability and quality to withstand the rapid handling and piling incidental to its transportation.

RULE NO. 15 BAGGAGE ACCOMPANYING PASSENGERS:

Each passenger purchasing an adult or child one way ticket will be allowed to transport without charge fifty (50) pounds of luggage or baggage, which must be carried on and off the ship by the passenger at points of embarkation and debarkation.

RULE NO. 20 ARTICLES IN AUTOMOBILES:

This rule is not applicable for the fast ferry at this time.

RULE NO. 25 DAMAGE TO AUTOMOBILES IN TRANSIT:

This rule is not applicable for the fast ferry at this time.

RULE NO. 30 ROUND TRIP TICKET:

The carrier will not be responsible to persons holding round trip tickets for failure to provide return carriage due to weather or mechanical failure; the carrier will honor the return ticket by providing carriage as soon as the weather and the sea are fit for navigation and the equipment is fit to operate.

RULE NO. 35 OVERSIZED VEHICLES:

This rule is not applicable for the fast ferry at this time.

RULE NO. 40 TIME LIMIT ON SUITS:

Suits to recover on any claim for loss of life or bodily injury must be instituted within one (1) year from the day when the death or injury occurred. Suits to recover on any claim other than loss of life or bodily injury, including breach of contract, must be instituted within six (6) months of the scheduled arrival of the passenger or property at destination.

RULE NO. 45 SCREENING AND INSPECTION:

Pursuant to Homeland Security Coast Guard Regulations, entering the ferry facility is deemed valid consent to screening or inspection; and failure to consent or submit to screening or inspection will result in denial or revocation of authorization to enter.

RULE NO. 50 ARTICLES LEFT ABOARD VESSEL:

Carrier will not be responsible for articles left aboard the vessel. Such shipments shall be charged for at the minimum rates provided in the company's tariffs.

RULE NO. 55 DAMAGE TO AUTOMOBILES:

This rule is not applicable for the fast ferry at this time.

RULE NO. 60 CAR RESERVATION CANCELLATIONS:

This rule is not applicable for the fast ferry at this time.

RULE NO. 65 VEHICLE OVERHANG CHARGE:

This rule is not applicable for the fast ferry at this time.

RULE NO. 70 NON-STANDARD VEHICLE CHARGES:

This rule is not applicable for the fast ferry at this time.

RULE NO. 75 BLOCK TICKET SALES CHARGE:

There is a \$15.00 block ticket sales service charge for all block sales of 25 or more tickets (e.g., weddings, corporate outings and other such events).

RULE NO. 80 ONLINE SALES CHARGE:

For all online internet ticket sales, there is a \$2.00 convenience fee per transaction, to cover postage/handling charges.

RULE NO. 85 LOST TICKET CHARGE:

There is a \$10.00 charge for all lost tickets which are replaced (each way).

RULE NO. 90 GROUP DISCOUNTS:

Not required at this time because of the Volume Discount rate elsewhere in this tariff.

RULE NO. 95 ADVANCE TICKET DISCOUNT:

Carrier may sell advance tickets on a pay for 9 tickets in advance, get 10 tickets basis.

PASSENGER RATES

1. ROUTE:

Between Galilee and Block Island
Between Block Island and Galilee

2. FARES:

a. Individual Tickets

Adult one-way	\$15.50
Adult round trip	\$29.00
Child one-way	\$ 8.75
Child round trip	\$13.50

b. Frequent User Cards

Adult	10 round trips (or 20 one-way)	\$260.00
Child	10 round trips (or 20 one-way)	\$120.00

c. Season's Pass

Not requested

d. Volume Discount

May, June, September and October	Adult	\$20.30
July and August	Adult	23.20

NOTE a. The passenger rates for children will apply to children four (4) years of age up to and including children (12) years of age when accompanied by an adult. For children thirteen years of age and older, the adult passenger fares published apply. Children under four (4) years of age when accompanied by an adult will be transported one-way for \$4.00 and round-trip for \$6.00.

NOTE b. Applicable municipal landing fees will be added.

NOTE c. All Tickets are open ended. However, passengers will be asked for a return date and time, which will be printed on the boarding pass (for seating purposes). If the passenger's travel plans change, they must redeem the issued boarding pass at an Interstate ticket office for a new one, subject to seating availability on a particular departure. This means that passengers who change travel plans on busy weekends, for example, travel on a standby, first come first serve basis.

Because Frequent User Card holders will be allowed to proceed directly to the gate for boarding, it is recommended that at times of heavy traffic volume they

check in at the ticket office before boarding, or call in advance to reserve a seat. All tickets, including Frequent User Cards, must be used during the season they are issued.

NOTE d. The Season's Passes note is not needed at this time.

NOTE e. Volume Discounts are available only to passengers traveling in groups of 25 or more persons.

BICYCLE RATES

One-way	\$3.00
Round Trip	\$6.00

STATE OF RHODE ISLAND

PUBLIC UTILITIES COMMISSION

Docket No. _____

INTERSTATE NAVIGATION COMPANY

LOCAL FAST FERRY TARIFFS

Naming

PASSENGER RATES
APPLYING BETWEEN
POINTS AND PLACES IN THE STATE OF
RHODE ISLAND

(As indicated herein)

EFFECTIVE: May 1, 2010

ISSUED BY:

Interstate Navigation Company
Susan Linda, President
P.O. Box 482
New London, CT 06320

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2. Money, jewelry, negotiable papers or like valuables should not be enclosed in baggage to be checked. This carrier will not be responsible for such articles in baggage.
3. All baggage must be enclosed in receptacles such as trunks, valises, suit cases, leather hat boxes or satchels provided with handles, securely locked or otherwise fastened and made of material of sufficient strength and durability and quality to withstand the rapid handling and piling incidental to its transportation.
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Not required at this time because of the Volume Discount rate elsewhere in this tariff.

~~RULE NO. 95 ADVANCE TICKET DISCOUNTS~~

~~Carrier may sell advance tickets on a pay for 9 tickets in advance, get 10 tickets basis~~

PASSENGER RATES

1. ROUTE:

Between Galilee and Block Island
Between Block Island and Galilee

2. FARES:

a. Individual Tickets

Adult one-way	\$15.50 <u>18.50</u>
Adult round trip	\$29.00 <u>35.00</u>
Child one-way	\$-8.75 <u>11.75</u>
Child round trip	\$13.50 <u>19.50</u>

b. Frequent User Cards/Booklets

Adult	10 round trips (or 20 one-way)	\$260.00 <u>328.50</u>
Child	10 round trips (or 20 one-way)	\$120.00 <u>180.00</u>

c. Season's Pass

Not requested

d. Volume Discount (Adult Round Trip)

May/June & September/October

Monday – Thursday	Adult	\$20.30 <u>24.50</u>
Friday, Sat. & Sun.	Adult	\$20.30 <u>28.00</u>

July & August

Monday – Thursday	Adult	\$23.20 <u>29.75</u>
Friday, Sat. & Sun.	Adult	\$23.20 <u>31.50</u>

Holidays, use Friday, Saturday, & Sunday rates

This rate is available to groups that book a group reservation at least two weeks prior to departure date through the group sales office.

NOTE a. The passenger rates for children will apply to children ~~four (4)~~five (5) years of age up to and including children ~~(12)~~eleven (11) years of age when accompanied by an adult. For children ~~thirteen~~twelve (12) years of age and older, the adult passenger fares published apply. Children ~~under four (4)~~ years of age and under when accompanied by an adult will be transported one-way for ~~\$4.00~~7.00 and round-trip for ~~\$6.00~~12.00.

NOTE b. Applicable municipal landing fees will be added.

NOTE c. All Tickets are open ended. However, passengers will be asked for a return date and time, which will be printed on the boarding pass (for seating purposes). If the passenger's travel plans change, they must redeem the issued boarding pass at an Interstate ticket office for a new one, subject to seating availability on a particular departure. This means that passengers who change travel plans on busy weekends, for example, travel on a standby, first come first serve basis.

Because Frequent User ~~Card~~Booklet holders will be allowed to proceed directly to the gate for boarding, it is recommended that at times of heavy traffic volume they check in at the ticket office before boarding, or call in advance to reserve a seat. All tickets, including Frequent User ~~Cards~~Booklets, must be used during the season they are issued.

NOTE d. The Season's Passes note is not needed at this time.

NOTE e. Volume Discounts are available only to passengers traveling in groups of 25 or more persons.

STANDARD BICYCLE RATES

One-way \$ 3.00
Round Trip \$ 6.00

TANDEM BIKE OR BIKE WITH BACK WHEELED ATTACHMENT

One-way \$ 6.00
Round Trip \$12.00

SURFBOARDS

One-way \$ 7.00
Round Trip \$14.00

FAST FERRY RATE AND TARIFF CHANGE TESTIMONY

Of

WALTER E. EDGE JR., MBA, CPA, PRESIDENT

B&E CONSULTING LLC

For

INTERSTATE NAVIGATION COMPANY

Before

RHODE ISLAND PUBLIC UTILITIES COMMISSION

Docket No. _____

March 2010

1 **Q. Will you please provide your full name and your employer for the record?**

2 A. Yes, my name is Walter Edward Edge Jr., MBA, CPA. I am the president of B&E
3 Consulting LLC (B&E).

4
5 **Q. Are you the same Walter E. Edge Jr. who has previously filed expert accounting and
6 rate testimony for Interstate Navigation Company (Interstate) in previous DPUC and PUC
7 dockets?**

8 A. Yes, I am.

9
10 **Q. Mr. Edge, have you testified as an expert accounting and rate witness prior to this
11 docket for other utilities?**

12 A. Yes. I have testified before the PUC as an expert rate witness for Narragansett Bay
13 Commission, Block Island Power Company, Providence Water Supply Board, Pawtucket Water
14 Supply Board, Newport Water Department, Stone Bridge Fire District, and Prudence Ferry Inc.
15 Further, I have been qualified as an expert witness on many occasions for transportation, water,
16 sewer, electric, gas, and telephone utilities. I have testified as an expert witness on hundreds of
17 occasions in Rhode Island and less frequently in Washington D. C. and the State of New York.
18 I was formerly employed for five years as the Chief Accountant and Rate Analyst for the Rhode
19 Island Division of Public Utilities and Carriers.

20
21 **Q. What is your educational background?**

22 A. I received my Bachelors Degree in Business Administration (BSBA) from Bryant College
23 and a Masters Degree in Business Administration (MBA) from the University of Rhode Island.
24 I received my certificate to practice as a Certified Public Accountant (CPA) in 1974.

25
26 **Q. Mr. Edge, what is the purpose of your testimony in this docket?**

27 A. Interstate hired B&E to prepare testimony in support of its request for rate relief for its Fast
28 Ferry operations. My testimony will provide the information necessary for the DPUC and the
29 PUC to adequately review the filing and for the PUC to approve the filing as filed.

30

31

1 **Q. What is the subject of this filing?**

2 A. Interstate is requesting approval from the PUC to change its Fast Ferry rates and to make
3 some other minor tariff changes. In this testimony I will provide the reasoning for the rate
4 changes and the minor tariff changes.

5
6 Interstate's Fast Ferry operation has been described by the PUC as follows: "customers have the
7 discretion to choose the service", the fast ferry service "does not provide lifeline service" and the
8 service is "purely discretionary" (Page 3 of PUC Order in Docket No. 3599.) Based on this
9 description, Interstate believes that new Fast Ferry rates can be approved by the PUC subject to a
10 far lesser review by the DPUC and the PUC and the new Fast Ferry rates and tariffs can be
11 implemented without holding hearings.

12

13 **Q. What Fast Ferry rate changes are being requested in this filing?**

14 A. In general Interstate is asking to increase the fast ferry ticket rates by \$3.00 each way for all
15 passengers. This results in the base rates changing as follows:

16

Type Ticket	Current Rates	Proposed Rates
Adult One Way	\$ 15.50	\$ 18.50
Adult Round Trip	\$ 29.00	\$ 35.00
Child One Way	\$ 8.75	\$ 11.75
Child Round Trip	\$ 13.50	\$ 19.50

17

18

19 **Q. Why is the across the board increase of \$3.00 each way also applied to the child rates?**

20 A. Under Coast Guard regulations, Interstate must count every carried passenger toward the
21 maximum capacity allowed on the boat regardless of size. In other words, a child held by its
22 mother counts the exact same toward the passenger count as a 300 lb man like myself.

23 Therefore, the discount for children is not as justified on the Fast Ferry as it is on the
24 conventional service because the large boats do not get maxed out as often as the Fast Ferry.

25

26

27

1 **Q. Are there other rate increases?**

2 A. Yes. Carrying the rate increase above though to all of Interstate's Fast Ferry trip rates,
3 Interstate increased the price of frequent user booklets (10 round trips) from the Adult rate of
4 \$260.00 to \$328.50 and the child (5-11 years old) booklet rate from \$120.00 to \$180.00.
5 Likewise, for children four years old and younger rates increased from one way \$4.00 to \$7.00
6 and round trip from \$6.00 to \$12.00.

7
8 **Q. Why the extra \$8.50 increase in the Adult frequent user booklets?**

9 A. Interstate needs to charge the Municipal Landing Fees to each ticket at point of purchase.
10 The fees are \$0.50 one way to Block Island and \$0.35 to Narragansett for a total of \$0.85 round
11 trip. When I multiplied the round trip rate by 10 round trips the add-on is \$8.50. There is no
12 add-on to the child rate because, by law, children are not charged Municipal Landing Fees.

13
14 **Q. Is Interstate requesting an increase in the Adult Round Trip Volume Discount rate?**

15 A. Yes. However, Interstate has determined that the discount rate should be different for
16 weekends compared to week days and the rate should be different in July and August than the
17 rest of the season. Therefore the current rate of \$23.20 for July and August has been changed to
18 \$31.50 weekends and \$29.75 on weekdays in July and August. The rates for the other four
19 remaining months are \$28.00 for weekends and \$24.50 for weekdays.

20
21 **Q. What other tariff changes are being requested?**

22 A. Interstate is requesting to eliminate the language in Rule No. 80 relating to online sales
23 charge "to cover postage/handling charges". In addition, Interstate believes that there is no need
24 for the provision of "pay for 9 tickets and get 10" in Rule No 95. Interstate is requesting the
25 elimination of this provision because it is covered by the Frequent User Booklets. Under Rule
26 10 Interstate wants to make note as item (4) that no item considered to be freight may be
27 transported on the Fast Ferry.

28
29 **Q. Are there any exceptions to this no freight rule?**

30 A. In fact there is one. Interstate is requesting to add a new rate for surfboards. The rate
31 would be \$7.00 one way and \$14.00 round trip.

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Q. Is Interstate requesting an increase in the bike rate?

A. No the rate will stay at \$3.00 one way and \$6.00 round trip. The Island residents like to encourage visitors to bring bikes.

Q. Are there any new charges for bikes?

A. Yes, Interstate is requesting a new tariff for bicycles built for two (tandem bikes and bike with attached wheeled carriers for children). The rate for these larger bikes will be twice the price of a single bike (one-way \$6.00 and round trip \$12.00).

Q. Are there any other rate changes?

A. No. However, Interstate is requesting to change age ranges for the children's rates to match the age ranges on Interstate's conventional ferries. The new ranges will be 12 years and older will be charged adult rates, 5-11 years old will be charged the child rates, and children 4 years old and younger will be charged the discounted child rates.

The only other change made was to correct the language in Note C from Card to Booklet in two places.

Q. Are all of the proposed changes the result of Interstate now having a better understanding of Fast Ferry operations and rates than Interstate had when it purchased the company a few years ago?

A. Yes. These proposed changes are Interstate's attempt to maximize revenues without reducing ridership. Interstate essentially charged these same rates in the summer of 2008 when the fuel surcharge maxed out each month in the summer at a \$3.00 increase each way. During that year, ridership on the Fast Ferry increased. The other tariff changes are a reflection of what Interstate has seen over the last few years.

Q. Does that conclude your testimony?

A. Yes.