

**Public Utilities Commission**  
**Interstate Navigation Company Application to Change Rates**  
**Docket 4373**  
**First Set of Data Request of the Commission to Interstate**

**February 4, 2013**

Comm. 1-1. Schedule WEE-5 has the health and dental rates through January 31, 2013. Please provide updated Health and Dental Insurance rates. Will Connecticut health insurance still be necessary once the new office building is completed?

**RESPONSE:** The updated annual Blue Cross RI with rates as of February 1, 2013 is \$460,444. The updated annual Delta Dental RI with rates as of February 1, 2013 is \$37,910. There was no change in the Connecticut health insurance rates as of February 1, 2013. However, upon further review, this rate appears to change in March of each year. No further information is available at this time.

The employees covered by the Connecticut health insurance will still be employed with the company and living in Connecticut even after the new office building is completed. It is anticipated that these employees would still be covered by the Connecticut policy, however, if not they would have to be covered by a RI policy at cost presumably comparable to the Connecticut costs.

Prepared by DGB

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Comm. 1-2. Has Interstate performed any studies to determine the effectiveness of its various forms of advertising?

**RESPONSE:** Interstate has been testing the effectiveness of its various forms of advertising for years. Part of the duties of the advertising agency Interstate utilizes is to annually evaluate and convey to Interstate the results of the various advertising programs. Based on these results, they then make recommendations on how much and what forms of advertising should be utilized in the next season. Furthermore, Interstate's management evaluates these recommendations in conjunction with the past season's revenues and ridership.

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Comm. 1-3. Please provide the average annual per gallon cost of fuel for each ferry for each of the past five years. Please also provide the number of months during the last twenty-four (24) months where the fuel cost was below \$3.00 per gallon.

**RESPONSE:** To provide the average annual per gallon cost of fuel for each ferry for each of the past five years would take an unreasonable amount of work and time. The average cost per gallon is not kept by boat and would have to be gathered by hand from all of the individual invoices for five years.

The average fuel cost per gallon for all conventional service is available on a monthly basis as part of Interstate's monthly fuel surcharge filings with the Division.

Furthermore, given the high costs for the past two years with no sign of any major decrease, the past two years, which are readily available, are the best indicator of what fuel costs should be in the Rate Year.

Regarding the average monthly cost, there has been no instance in the past 24 months where the fuel cost was below \$3.00 per gallon. The summary sheets from the monthly fuel surcharge filings which detail the average cost per gallon (see line 3) for the past 24 months are attached to this response.

**Prepared by DGB**

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 January 2011  
 (lifeline conventional service figures)

Line No.	<u>January 2011 Statistics</u>	<u>Amount</u>
1	Fuel Expense	50,491
2	Fuel - Gallons	16,173
3	Cost per Gallon (Ln 1/2)	3.12
4	Passenger Trips	8,083
5	Vehicle Trips	1,445
6	One-Way Ferry Trips	128
7	Gallons per Trip (Ln 2/Ln 6)	126
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	January 2011 Actual Fuel Expense	50,491
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 16,173 Gallons)	<u>32,346</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>18,145</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	18,145
16	<u>February 2010 and March 2010 Ridership</u>	
17		
18	February 2010 Passengers	8,131
19	March 2010 Passengers	<u>9,994</u>
20	Total	<u>18,125</u>
21	2 Month Average	<u>9,063</u>
22		
23	February 2010 Vehicles	1,558
24	March 2010 Vehicles	<u>1,802</u>
25	Total	<u>3,360</u>
26	2 Month Average	<u>1,680</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	10,743
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 1.69
33		(round to \$1.70)
34		

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 February 2011  
 (lifeline conventional service figures)

Line No.	<u>February 2011 Statistics</u>	<u>Amount</u>
1	Fuel Expense	53,196
2	Fuel - Gallons	16,019
3	Cost per Gallon (Ln 1/2)	3.32
4	Passenger Trips	7,446
5	Vehicle Trips	1,359
6	One-Way Ferry Trips	122
7	Gallons per Trip (Ln 2/Ln 6)	131
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	February 2011 Actual Fuel Expense	53,196
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 16,019 Gallons)	<u>32,038</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>21,158</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	21,158
16	<u>March 2010 and April 2010 Ridership</u>	
17		
18	March 2010 Passengers	9,994
19	April 2010 Passengers	<u>19,253</u>
20	Total	<u>29,247</u>
21	2 Month Average	<u>14,624</u>
22		
23	March 2010 Vehicles	1,802
24	April 2010 Vehicles	<u>3,169</u>
25	Total	<u>4,971</u>
26	2 Month Average	<u>2,486</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	17,110
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 1.24
33		(round to \$1.25)
34		

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 March 2011  
 (lifeline conventional service figures)

Line No.	<u>March 2011 Statistics</u>	<u>Amount</u>
1	Fuel Expense	79,929
2	Fuel - Gallons	21,914
3	Cost per Gallon (Ln 1/2)	3.65
4	Passenger Trips	10,957
5	Vehicle Trips	1,994
6	One-Way Ferry Trips	146
7	Gallons per Trip (Ln 2/Ln 6)	150
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	March 2011 Actual Fuel Expense	79,929
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 21,914 Gallons)	<u>43,828</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>36,101</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	36,101
16	<u>April 2010 and May 2010 Ridership</u>	
17		
18	April 2010 Passengers	19,253
19	May 2010 Passengers	<u>42,118</u>
20	Total	<u>61,371</u>
21	2 Month Average	<u>30,686</u>
22		
23	April 2010 Vehicles	3,169
24	May 2010 Vehicles	<u>4,617</u>
25	Total	<u>7,786</u>
26	2 Month Average	<u>3,893</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	34,579
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 1.04
33		(round to \$1.05)
34		

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 April 2011  
 (lifeline conventional service figures)

Line No.	<u>April 2011 Statistics</u>	<u>Amount</u>
1	Fuel Expense	108,783
2	Fuel - Gallons	29,229
3	Cost per Gallon (Ln 1/2)	3.72
4	Passenger Trips	17,711
5	Vehicle Trips	2,947
6	One-Way Ferry Trips	165
7	Gallons per Trip (Ln 2/Ln 6)	177
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	April 2011 Actual Fuel Expense	108,783
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 29,229 Gallons)	<u>58,458</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>50,325</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	50,325
16	<u>May 2010 and June 2010 Ridership</u>	
17		
18	May 2010 Passengers	42,118
19	June 2010 Passengers	<u>60,857</u>
20	Total	<u>102,975</u>
21	2 Month Average	<u>51,488</u>
22		
23	May 2010 Vehicles	4,617
24	June 2010 Vehicles	<u>6,615</u>
25	Total	<u>11,232</u>
26	2 Month Average	<u>5,616</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	57,104
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 0.88
33		(round to \$.90)
34		

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 May 2011  
 (lifeline conventional service figures)

Line No.	<u>May 2011 Statistics</u>	<u>Amount</u>
1	Fuel Expense	132,098
2	Fuel - Gallons	37,413
3	Cost per Gallon (Ln 1/2)	3.53
4	Passenger Trips	35,816
5	Vehicle Trips	4,485
6	One-Way Ferry Trips	260
7	Gallons per Trip (Ln 2/Ln 6)	144
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	May 2011 Actual Fuel Expense	132,098
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 37,413 Gallons)	<u>74,826</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>57,272</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	57,272
16	<u>June 2010 and July 2010 Ridership</u>	
17		
18	June 2010 Passengers	60,857
19	July 2010 Passengers	<u>118,933</u>
20	Total	<u>179,790</u>
21	2 Month Average	<u>89,895</u>
22		
23	June 2010 Vehicles	6,615
24	July 2010 Vehicles	<u>10,219</u>
25	Total	<u>16,834</u>
26	2 Month Average	<u>8,417</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	98,312
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 0.58
33		(round to \$.60)
34		



Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 June 2011  
 (lifeline conventional service figures)

Line No.	<u>June 2011 Statistics</u>	<u>Amount</u>
1	Fuel Expense	164,322
2	Fuel - Gallons	47,050
3	Cost per Gallon (Ln 1/2)	3.49
4	Passenger Trips	62,404
5	Vehicle Trips	6,800
6	One-Way Ferry Trips	392
7	Gallons per Trip (Ln 2/Ln 6)	120
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	June 2011 Actual Fuel Expense	164,322
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 47,050 Gallons)	<u>94,100</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>70,222</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	70,222
16	<u>July 2010 and August 2010 Ridership</u>	
17		
18	July 2010 Passengers	143,080
19	August 2010 Passengers	<u>140,523</u>
20	Total	<u>283,603</u>
21	2 Month Average	<u>141,802</u>
22		
23	July 2010 Vehicles	10,435
24	August 2010 Vehicles	<u>11,154</u>
25	Total	<u>21,589</u>
26	2 Month Average	<u>10,795</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	152,597
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 0.46
33		(round to \$.45)
34		

## Attachment to COMM 1-3

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 July 2011  
 (lifeline conventional service figures)

Line No.	<u>July 2011 Statistics</u>	<u>Amount</u>
1	Fuel Expense	277,851
2	Fuel - Gallons	76,262
3	Cost per Gallon (Ln 1/2)	3.64
4	Passenger Trips	148,219
5	Vehicle Trips	11,018
6	One-Way Ferry Trips	598
7	Gallons per Trip (Ln 2/Ln 6)	128
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	July 2011 Actual Fuel Expense	277,851
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 76,262 Gallons)	<u>152,524</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>125,327</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	125,327
16	<u>August 2010 and September 2010 Ridership</u>	
17		
18	August 2010 Passengers	140,523
19	September 2010 Passengers	<u>51,249</u>
20	Total	<u>191,772</u>
21	2 Month Average	<u>95,886</u>
22		
23	August 2010 Vehicles	11,154
24	September 2010 Vehicles	<u>6,301</u>
25	Total	<u>17,455</u>
26	2 Month Average	<u>8,728</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	104,614
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 1.20
33		
34		

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 August 2011  
 (lifeline conventional service figures)

Line No.	<u>August 2011 Statistics</u>	<u>Amount</u>
1	Fuel Expense	258,417
2	Fuel - Gallons	74,425
3	Cost per Gallon (Ln 1/2)	3.47
4	Passenger Trips	123,002
5	Vehicle Trips	10,126
6	One-Way Ferry Trips	553
7	Gallons per Trip (Ln 2/Ln 6)	135
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	August 2011 Actual Fuel Expense	258,417
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 74,425 Gallons)	<u>148,850</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>109,567</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	109,567
16	<u>September 2010 and October 2010 Ridership</u>	
17		
18	September 2010 Passengers	51,249
19	October 2010 Passengers	<u>23,602</u>
20	Total	<u>74,851</u>
21	2 Month Average	<u>37,426</u>
22		
23	September 2010 Vehicles	6,301
24	October 2010 Vehicles	<u>3,947</u>
25	Total	<u>10,248</u>
26	2 Month Average	<u>5,124</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	42,550
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 2.58
33		(round to \$2.60)
34		

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 September 2011  
 (lifeline conventional service figures)

Line No.	<u>September 2011 Statistics</u>	<u>Amount</u>
1	Fuel Expense	128,104
2	Fuel - Gallons	37,024
3	Cost per Gallon (Ln 1/2)	3.46
4	Passenger Trips	48,831
5	Vehicle Trips	6,433
6	One-Way Ferry Trips	300
7	Gallons per Trip (Ln 2/Ln 6)	123
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	September 2011 Actual Fuel Expense	128,104
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 37,024 Gallons)	<u>74,048</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>54,056</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	54,056
16	<u>October 2010 and November 2010 Ridership</u>	
17		
18	October 2010 Passengers	23,602
19	November 2010 Passengers	<u>13,200</u>
20	Total	<u>36,802</u>
21	2 Month Average	<u>18,401</u>
22		
23	October 2010 Vehicles	3,947
24	November 2010 Vehicles	<u>2,334</u>
25	Total	<u>6,281</u>
26	2 Month Average	<u>3,141</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	21,542
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 2.51
33		(round to \$2.50)
34		

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 October 2011  
 (lifeline conventional service figures)

Line No.	<u>October 2011 Statistics</u>	<u>Amount</u>
1	Fuel Expense	80,178
2	Fuel - Gallons	23,156
3	Cost per Gallon (Ln 1/2)	3.46
4	Passenger Trips	24,937
5	Vehicle Trips	3,786
6	One-Way Ferry Trips	198
7	Gallons per Trip (Ln 2/Ln 6)	117
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	October 2011 Actual Fuel Expense	80,178
12	Fuel Floor @ \$2.00 Gallon ( $\$2.00 * 23,156$ Gallons)	46,312
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	33,866
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	33,866
16	<u>November 2010 and December 2010 Ridership</u>	
17		
18	November 2010 Passengers	13,200
19	December 2010 Passengers	9,570
20	Total	22,770
21	2 Month Average	11,385
22		
23	November 2010 Vehicles	2,334
24	December 2010 Vehicles	1,597
25	Total	3,931
26	2 Month Average	1,966
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	13,351
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 2.54
33		(round to \$2.55)
34		

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 November 2011  
 (lifeline conventional service figures)

Line No.	<u>November 2011 Statistics</u>	<u>Amount</u>
1	Fuel Expense	82,308
2	Fuel - Gallons	22,801
3	Cost per Gallon (Ln 1/2)	3.61
4	Passenger Trips	13,914
5	Vehicle Trips	2,361
6	One-Way Ferry Trips	136
7	Gallons per Trip (Ln 2/Ln 6)	168
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	November 2011 Actual Fuel Expense	82,308
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 22,801 Gallons)	<u>45,602</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>36,706</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	36,706
16	<u>December 2010 and January 2011 Ridership</u>	
17		
18	December 2010 Passengers	9,570
19	January 2011 Passengers	<u>8,083</u>
20	Total	<u>17,653</u>
21	2 Month Average	<u>8,827</u>
22		
23	December 2010 Vehicles	1,597
24	January 2011 Vehicles	<u>1,445</u>
25	Total	<u>3,042</u>
26	2 Month Average	<u>1,521</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	10,348
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 3.55
33		
34		

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 December 2011  
 (lifeline conventional service figures)

Line No.	<u>December 2011 Statistics</u>	<u>Amount</u>
1	Fuel Expense	61,859
2	Fuel - Gallons	17,850
3	Cost per Gallon (Ln 1/2)	3.47
4	Passenger Trips	10,541
5	Vehicle Trips	1,913
6	One-Way Ferry Trips	134
7	Gallons per Trip (Ln 2/Ln 6)	133
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	December 2011 Actual Fuel Expense	61,859
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 17,850 Gallons)	<u>35,700</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>26,159</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	26,159
16	<u>January 2011 and February 2011 Ridership</u>	
17		
18	January 2010 Passengers	8,083
19	February 2011 Passengers	<u>7,446</u>
20	Total	<u>15,529</u>
21	2 Month Average	<u>7,765</u>
22		
23	January 2011 Vehicles	1,445
24	February 2011 Vehicles	<u>1,359</u>
25	Total	<u>2,804</u>
26	2 Month Average	<u>1,402</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	9,167
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 2.85
33		
34		

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 January 2012  
 (lifeline conventional service figures)

Line No.	<u>January 2012 Statistics</u>	<u>Amount</u>
1	Fuel Expense	66,554
2	Fuel - Gallons	18,375
3	Cost per Gallon (Ln 1/2)	3.62
4	Passenger Trips	7,504
5	Vehicle Trips	1,477
6	One-Way Ferry Trips	126
7	Gallons per Trip (Ln 2/Ln 6)	146
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	January 2012 Actual Fuel Expense	66,554
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 18,375 Gallons)	<u>36,750</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>29,804</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	29,804
16	<u>February 2011 and March 2011 Ridership</u>	
17		
18	February 2010 Passengers	7,446
19	March 2011 Passengers	<u>10,957</u>
20	Total	<u>18,403</u>
21	2 Month Average	<u>9,202</u>
22		
23	February 2011 Vehicles	1,359
24	March 2011 Vehicles	<u>1,994</u>
25	Total	<u>3,353</u>
26	2 Month Average	<u>1,677</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	10,879
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 2.74
33		(round to \$2.75)
34		



Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 February 2012  
 (lifeline conventional service figures)

Line No.	<u>February 2012 Statistics</u>	<u>Amount</u>
1	Fuel Expense	62,775
2	Fuel - Gallons	16,494
3	Cost per Gallon (Ln 1/2)	3.81
4	Passenger Trips	8,918
5	Vehicle Trips	1,528
6	One-Way Ferry Trips	117
7	Gallons per Trip (Ln 2/Ln 6)	141
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	February 2012 Actual Fuel Expense	62,775
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 16,494.10 Gallons)	<u>32,988</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>29,787</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	29,787
16	<u>March 2011 and April 2011 Ridership</u>	
17		
18	March 2011 Passengers	10,957
19	April 2011 Passengers	<u>17,711</u>
20	Total	<u>28,668</u>
21	2 Month Average	<u>14,334</u>
22		
23	March 2011 Vehicles	1,994
24	April 2011 Vehicles	<u>2,947</u>
25	Total	<u>4,941</u>
26	2 Month Average	<u>2,471</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	16,805
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 1.77
33		(round to \$1.75)
34		

## Attachment to COMM 1-3

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 March 2012  
 (lifeline conventional service figures)

Line No.	<u>March 2012 Statistics</u>	<u>Amount</u>
1	Fuel Expense	71,878
2	Fuel - Gallons	18,700
3	Cost per Gallon (Ln 1/2)	3.84
4	Passenger Trips	11,267
5	Vehicle Trips	1,916
6	One-Way Ferry Trips	142
7	Gallons per Trip (Ln 2/Ln 6)	132
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	March 2012 Actual Fuel Expense	71,878
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 18,700 Gallons)	<u>37,400</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>34,478</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	34,478
16	<u>April 2011 and May 2011 Ridership</u>	
17		
18	April 2011 Passengers	17,711
19	May 2011 Passengers	<u>35,816</u>
20	Total	<u>53,527</u>
21	2 Month Average	<u>26,764</u>
22		
23	April 2011 Vehicles	2,947
24	May 2011 Vehicles	<u>4,485</u>
25	Total	<u>7,432</u>
26	2 Month Average	<u>3,716</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	30,480
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 1.13
33		(round to \$1.15)
34		

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 April 2012  
 (lifeline conventional service figures)

Line No.	<u>April 2012 Statistics</u>	<u>Amount</u>
1	Fuel Expense	94,853
2	Fuel - Gallons	25,538
3	Cost per Gallon (Ln 1/2)	3.71
4	Passenger Trips	20,035
5	Vehicle Trips	3,012
6	One-Way Ferry Trips	169
7	Gallons per Trip (Ln 2/Ln 6)	151
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	April 2012 Actual Fuel Expense	94,853
12	Fuel Floor @ \$2.00 Gallon ( \$2.00 * 25,538 Gallons)	<u>51,076</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>43,777</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	43,777
16	<u>May 2011 and June 2011 Ridership</u>	
17		
18	May 2011 Passengers	35,816
19	June 2011 Passengers	<u>62,404</u>
20	Total	<u>98,220</u>
21	2 Month Average	<u>49,110</u>
22		
23	May 2011 Vehicles	4,485
24	June 2011 Vehicles	<u>6,800</u>
25	Total	<u>11,285</u>
26	2 Month Average	<u>5,643</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	54,753
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 0.80
33		
34		

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 May 2012  
 (lifeline conventional service figures)

Line No.	<u>May 2012 Statistics</u>	<u>Amount</u>
1	Fuel Expense	146,572
2	Fuel - Gallons	41,681
3	Cost per Gallon (Ln 1/2)	3.52
4	Passenger Trips	38,586
5	Vehicle Trips	4,200
6	One-Way Ferry Trips	261
7	Gallons per Trip (Ln 2/Ln 6)	160
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	May 2012 Actual Fuel Expense	146,572
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 41,681 Gallons)	<u>83,362</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>63,210</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	63,210
16	<u>June 2011 and July 2011 Ridership</u>	
17		
18	June 2011 Passengers	62,404
19	July 2011 Passengers	<u>148,219</u>
20	Total	<u>210,623</u>
21	2 Month Average	<u>105,312</u>
22		
23	June 2011 Vehicles	6,800
24	July 2011 Vehicles	<u>11,018</u>
25	Total	<u>17,818</u>
26	2 Month Average	<u>8,909</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	114,221
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 0.55
33		
34		

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 June 2012  
 (lifeline conventional service figures)

Line No.	<u>June 2012 Statistics</u>	<u>Amount</u>
1	Fuel Expense	125,948
2	Fuel - Gallons	39,472
3	Cost per Gallon (Ln 1/2)	3.19
4	Passenger Trips	65,458
5	Vehicle Trips	6,072
6	One-Way Ferry Trips	353
7	Gallons per Trip (Ln 2/Ln 6)	112
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	June 2012 Actual Fuel Expense	125,948
12	Fuel Floor @ \$2.00 Gallon ( (\$2.00 * 39,472 Gallons)	<u>78,944</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>47,004</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	47,004
16	<u>July 2011 and August 2011 Ridership</u>	
17		
18	July 2011 Passengers	148,219
19	August 2011 Passengers	<u>123,002</u>
20	Total	<u>271,221</u>
21	2 Month Average	<u>135,611</u>
22		
23	July 2011 Vehicles	11,018
24	August 2011 Vehicles	<u>10,126</u>
25	Total	<u>21,144</u>
26	2 Month Average	<u>10,572</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	146,183
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 0.32
33		(round to \$0.30)
34		

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 July 2012  
 (lifeline conventional service figures)

Line No.	<u>July 2012 Statistics</u>	<u>Amount</u>
1	Fuel Expense	263,922
2	Fuel - Gallons	77,396
3	Cost per Gallon (Ln 1/2)	3.41
4	Passenger Trips	128,708
5	Vehicle Trips	8,231
6	One-Way Ferry Trips	634
7	Gallons per Trip (Ln 2/Ln 6)	122
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	July 2012 Actual Fuel Expense	263,922
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 77,396 Gallons)	<u>154,792</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>109,130</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	109,130
16	<u>August 2011 and September 2011 Ridership</u>	
17		
18	August 2011 Passengers	123,002
19	September 2011 Passengers	<u>48,831</u>
20	Total	<u>171,833</u>
21	2 Month Average	<u>85,917</u>
22		
23	August 2011 Vehicles	10,126
24	September 2011 Vehicles	<u>6,433</u>
25	Total	<u>16,559</u>
26	2 Month Average	<u>8,280</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	94,197
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 1.16
33		(round to \$1.15)
34		

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 August 2012  
 (lifeline conventional service figures)

Line No.	<u>August 2012 Statistics</u>	<u>Amount</u>
1	Fuel Expense	263,754
2	Fuel - Gallons	72,091
3	Cost per Gallon (Ln 1/2)	3.66
4	Passenger Trips	140,982
5	Vehicle Trips	8,318
6	One-Way Ferry Trips	606
7	Gallons per Trip (Ln 2/Ln 6)	119
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	August 2012 Actual Fuel Expense	263,754
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 72,091 Gallons)	<u>144,182</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>119,572</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	119,572
16	<u>September 2011 and October 2011 Ridership</u>	
17		
18	September 2011 Passengers	48,831
19	October 2011 Passengers	<u>24,937</u>
20	Total	<u>73,768</u>
21	2 Month Average	<u>36,884</u>
22		
23	September 2011 Vehicles	6,433
24	October 2011 Vehicles	<u>3,786</u>
25	Total	<u>10,219</u>
26	2 Month Average	<u>5,110</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	41,994
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 2.85
33		
34		

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 September 2012  
 (lifeline conventional service figures)

Line No.	<u>September 2012 Statistics</u>	<u>Amount</u>
1	Fuel Expense	143,329
2	Fuel - Gallons	38,000
3	Cost per Gallon (Ln 1/2)	3.77
4	Passenger Trips	54,068
5	Vehicle Trips	5,746
6	One-Way Ferry Trips	298
7	Gallons per Trip (Ln 2/Ln 6)	128
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	September 2012 Actual Fuel Expense	143,329
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 38,000 Gallons)	<u>76,000</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>67,329</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	67,329
16	<u>October 2011 and November 2011 Ridership</u>	
17		
18	October 2011 Passengers	24,937
19	November 2011 Passengers	<u>13,914</u>
20	Total	<u>38,851</u>
21	2 Month Average	<u>19,426</u>
22		
23	October 2011 Vehicles	3,786
24	November 2011 Vehicles	<u>2,361</u>
25	Total	<u>6,147</u>
26	2 Month Average	<u>3,074</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	22,500
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 2.99
33		(round to \$3.00)
34		



Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 October 2012  
 (lifeline conventional service figures)

Line No.	<u>October 2012 Statistics</u>	<u>Amount</u>
1	Fuel Expense	93,193
2	Fuel - Gallons	24,600
3	Cost per Gallon (Ln 1/2)	3.79
4	Passenger Trips	21,825
5	Vehicle Trips	3,347
6	One-Way Ferry Trips	172
7	Gallons per Trip (Ln 2/Ln 6)	143
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	October 2012 Actual Fuel Expense	93,193
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 24,600 Gallons)	<u>49,200</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>43,993</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	43,993
16	<u>November 2011 and December 2011 Ridership</u>	
17		
18	November 2011 Passengers	13,914
19	December 2011 Passengers	<u>10,541</u>
20	Total	<u>24,455</u>
21	2 Month Average	<u>12,228</u>
22		
23	November 2011 Vehicles	2,361
24	December 2011 Vehicles	<u>1,913</u>
25	Total	<u>4,274</u>
26	2 Month Average	<u>2,137</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	14,365
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 3.06
33		(round to \$3.05)
34		

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 November 2012  
 (lifeline conventional service figures)

Line No.	<u>November 2012 Statistics</u>	<u>Amount</u>
1	Fuel Expense	80,002
2	Fuel - Gallons	21,224
3	Cost per Gallon (Ln 1/2)	3.77
4	Passenger Trips	13,604
5	Vehicle Trips	2,196
6	One-Way Ferry Trips	135
7	Gallons per Trip (Ln 2/Ln 6)	157
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	November 2012 Actual Fuel Expense	80,002
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 21,224 Gallons)	<u>42,448</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>37,554</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	37,554
16	<u>December 2011 and January 2012 Ridership</u>	
17		
18	December 2011 Passengers	10,541
19	January 2012 Passengers	<u>7,504</u>
20	Total	<u>18,045</u>
21	2 Month Average	<u>9,023</u>
22		
23	December 2011 Vehicles	1,913
24	January 2012 Vehicles	<u>1,477</u>
25	Total	<u>3,390</u>
26	2 Month Average	<u>1,695</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	10,718
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 3.50
33		
34		

Interstate Navigation  
 Fuel Surcharge Calculation For the Month of  
 December 2012  
 (lifeline conventional service figures)

Line No.	<u>December 2012 Statistics</u>	<u>Amount</u>
1	Fuel Expense	74,978
2	Fuel - Gallons	20,556
3	Cost per Gallon (Ln 1/2)	3.65
4	Passenger Trips	9,069
5	Vehicle Trips	1,673
6	One-Way Ferry Trips	122
7	Gallons per Trip (Ln 2/Ln 6)	168
8		
9	<u>Calculation of Costs Eligible for Recovery</u>	
10		
11	December 2012 Actual Fuel Expense	74,978
12	Fuel Floor @ \$2.00 Gallon (\$2.00 * 20,556 Gallons)	<u>41,112</u>
13	Current Month Fuel Cost (over)/under Recovery (Ln 11 - Ln 12)	<u>33,866</u>
14	Beginning of Month Reserve	-
15	End of Month Reserve or Cost Eligible For Recovery (Ln 13+Ln14)	33,866
16	<u>January 2012 and February 2012 Ridership</u>	
17		
18	January 2012 Passengers	7,504
19	February 2012 Passengers	<u>8,918</u>
20	Total	<u>16,422</u>
21	2 Month Average	<u>8,211</u>
22		
23	January 2012 Vehicles	1,477
24	February 2012 Vehicles	<u>1,528</u>
25	Total	<u>3,005</u>
26	2 Month Average	<u>1,503</u>
27		
28	2 Month Average of Passengers and Vehicles (Ln 21 + Ln 26)	9,714
29		
30	<u>Calculation of Fuel Factor</u>	
31		
32	Fuel Adjustment Factor (Ln 15 / Ln 28)	\$ 3.49
33		(round to \$3.50)
34		

**Public Utilities Commission  
Interstate Navigation Company Application to Change Rates  
Docket 4373  
First Set of Data Request of the Commission to Interstate**

**February 4, 2013**

Comm. 1-4. Why was the salary increase three times higher from FY2009 to FY2010 than the other years cited in Mr. Edge's testimony at page 11, lines 16-18?

**RESPONSE:** Interstate tries to control payroll spending by establishing a 3% target. However, part of the reason for the higher FY2010-FY2011 increase was to compensate for prior lower increases which were below this 3% target.

**Prepared by DGB**

**Public Utilities Commission**  
**Interstate Navigation Company Application to Change Rates**  
**Docket 4373**  
**First Set of Data Request of the Commission to Interstate**

**February 4, 2013**

Comm. 1-5. Why is three percent (3%) appropriate as a salary increase where every year but for FY2009-FY2010 was lower?

**RESPONSE:** It is true the every year but FY 2010-FY 2011 was lower than three percent. However, part of the reason for the higher FY2010-FY2011 increase was to compensate for the prior lower increases. Given that the average for the past two years was close to the 3% level, and the projected interim year increase was set at 3%, Mr. Edge and I believe that it is more appropriate to use 3% for the rate year.

**Prepared by DGB**

**Public Utilities Commission**  
**Interstate Navigation Company Application to Change Rates**  
**Docket 4373**  
**First Set of Data Request of the Commission to Interstate**

**February 4, 2013**

Comm. 1-6. Please explain how the processing and pricing of a credit card transaction works for the Company. Does the Company process the credit card transactions itself or does it have a vendor? Is it more expensive to process certain credit cards? Are credit card and debit card fees the same? Given the increase in credit card usage and the projected six percent (6%) increase in costs, has Interstate investigated ways it may be able to reduce those costs?

**RESPONSE:** The company uses a vendor to process and price credit card transactions. Interstate purchases these services from the Washington Trust Company. The fees do vary from card to card, with American Express charging the highest fees. The fees also vary between credit and debit cards as well. While Interstate is always interested in looking for ways to reduce these costs, Interstate does not want to discourage credit or debit card usage because it helps saves on manpower, increases security, and provides a way to pay for customers who carry little cash. In addition, some of the increased costs are due to increased usage.

Credit card purchases are a necessary part of Interstate's operations. Vehicle reservations are critically dependent on prepayment by credit card to ensure that spots held during the peak summer travel periods are kept by the customers. In addition, credit card purchase allows for web based ticket sales which can reach out to an even wider market.

**Prepared by DGB**

**Public Utilities Commission**  
**Interstate Navigation Company Application to Change Rates**  
**Docket 4373**  
**First Set of Data Request of the Commission to Interstate**

**February 4, 2013**

Comm. 1-7. Will Interstate be affected by the settlement between the credit card companies and merchant retailers allowing a “swipe fee” to be added? If so, what are Interstate’s plans regarding swipe fees?

**RESPONSE:** Interstate would not be affected since it is not planning to institute a swipe fee. Interstate may be open to charging these fees. However, Interstate would be interested in Commission opinion and guidance before instituting such a fee.

**Prepared by DGB**

**Public Utilities Commission**  
**Interstate Navigation Company Application to Change Rates**  
**Docket 4373**  
**First Set of Data Request of the Commission to Interstate**

**February 4, 2013**

Comm. 1-8. Please explain why the lease Interstate has a month to month lease in old Harbor.

**RESPONSE:** Interstate has no control of this issue. The lessor company only offers a month to month basis. While the lessor at first glance may appear to be an affiliated company with Interstate, it is not because Interstate's voting shareholders have no voting shares in the lessor. See R.I.G.L. §39-3-27.

**Prepared by DGB**



**Public Utilities Commission**  
**Interstate Navigation Company Application to Change Rates**  
**Docket 4373**  
**First Set of Data Request of the Commission to Interstate**

**February 4, 2013**

Comm. 1-9. Mr. Edge discusses a potential adjustment (ultimately not made) in which insurance for the MV Athena would be eliminated from a calculation. Is this the correct vessel reference? See Mr. Edge's Direct page 18.

**RESPONSE:** This is the correct vessel reference. However, this page is not saying the rate year has the total MV Athena insurance expense included in the rate year. The analysis on page 18 of Mr. Edge's testimony reflects all of the policies by insurance type. The total for the test year listed on this schedule was \$278,390. The total of the test year insurance expenses listed on Mr. Edge's Schedule WEE-3 was only \$245,811. The difference is the insurance expense for the MV Athena. Thus by waiving any adjustment from the Test Year, there is no insurance expense for the MV Athena in the rate year figures.

**Prepared by DGB**

**Public Utilities Commission**  
**Interstate Navigation Company Application to Change Rates**  
**Docket 4373**  
**First Set of Data Request of the Commission to Interstate**

**February 4, 2013**

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Comm. 1-10. Please provide updated schedules to reflect Mr. Edge's concessions made as a result of the Division's discovery requests.

**RESPONSE:** See Attached

**Prepared by DGB**

Concessions made due to Division Discovery Requests  
Interstate Navigation Company

Attachment for COMM 1-10  
Cover Schedule

Company Revenue Deficiency As originally filed	Revised Schedule		
	1,302,177		
<b>Adjustments</b>			
1 Pension	(20,158) WEE-5		
2 Payroll Taxes	(17,676) WEE-4		
3 Fuel Expense - Newport High Speed	(86,347) WEE-2a		
4 Accumulated Deferred Income Taxes	(18,778) See Note Below		
5 Capital Structure	(55,826) See Note Below		
6 Correction to Income Tax Calculation	58,632 See Note Below		
7 Fuel Expense - Nelseco	(69,743) WEE-10		
8 Fuel Expense - Storage and Maintenance			
	50,616 WEE-10		
9 Adjustments to GR Tax (removing Misc Revenue and reflected above adjustments 1 thru 8)	(1,991) WEE-1		
<b>Net adjustments</b>	<u>(161,270)</u>		
<b>Revised Revenue Deficiency</b>	<u>\$1,140,907</u>		
<b>Net Adjustment for adjustments noted above</b>			
Accumulated Deferred Income Taxes	(18,778)		
Capital Structure	(55,826)		
Correction to Income Tax Calculation	58,632		
	<u>(15,972) (A)</u>		
<b>Accounts impacted by revised adjustment for Tax &amp; Net profit</b>			
	Originally Filed	Revised	Net Change
Net Profit	\$	\$ 398,657	(42,905)
Income Tax	441,562	113,010	26,933
	86,077	\$	<u>(15,972) (A)</u>

Rate Year Summary  
Interstate Navigation Company

Schedule WEE-1  
Revised for COMM 1-10

	Adjusted Test Year	Adjustments	Rate Year Old rates	Rate Increase	Rate Year New rates	
Revenue	\$ 9,772,650	\$ 184,431	\$ 9,957,081	\$ 1,140,907	\$ 11,097,987	11.46%
Expenses	9,898,738	786,506	10,685,245	14,085	10,699,330	
Net Profit	<u>\$ (126,089)</u>	<u>\$ (602,075)</u>	<u>\$ (728,164)</u>	<u>\$ 1,126,821</u>	<u>\$ 398,657</u>	(A)

Rate Base	\$ 6,373,403	\$ 6,728,412 WEE-11
Return on rate base	<u>-1.53%</u>	<u>5.92% WEE-12</u>
Test Year Profit and Interest	<u>\$ (97,235)</u>	<u>\$ 398,657 (A)</u>
Profit and Interest	\$ (97,235)	
Less test year interest	460,661	
Profit/(Loss)	<u>\$ (557,896)</u>	
Test Year equity	<u>\$ 4,125,242</u>	
Return on Equity TY	<u>-13.52%</u>	

Revenue Summary - Rate Year  
Interstate Navigation Company

Schedule WEE-2  
Revised for COMM 1-10

	Adjusted Test Year	Adjustments	Rate Year
<b>Revenue from Rates and Charges</b>			
-Passengers	\$ 4,602,992	\$ -	\$ 4,602,992
-Vehicles	3,490,997	-	3,490,997
-Freight	792,113	-	792,113
-Bikes, Mopeds, etc.	142,179	-	142,179
	<u>9,028,282</u>	-	<u>9,028,282</u>
<b>Miscellaneous Revenue</b>			
-Bar	502,474	-	502,474
-Charter	139,510	-	139,510
-Mail	49,775	-	49,775
-Tours	-	-	-
-Other	16,442	-	16,442
Landing Fee Commissions	36,168	-	36,168
HLS Grant	-	-	-
Interest Income	0	-	0
Subsidy for Fast Ferry	-	208,357	208,357
Addition of Newport High Speed Service	-	(23,926)	(23,926)
Miscellaneous	-	-	-
	<u>744,368</u>	<u>184,431</u>	<u>928,799</u>
<b>Total Revenues</b>	<b>\$ 9,772,650</b>	<b>\$ 184,431</b>	<b>\$ 9,957,081</b>

Note: After reviewing the actual revenues for the most recent five years preceding the test year and the projected test year, I determined that the test year revenue (after adjustments) levels were normal and that no rate year volume adjustment was needed. (See Testimony pages 9-11)

Projected Revenue & Expenses for  
New Newport Service Only  
 Interstate Navigation Company

Schedule WEE-2a  
 Revised for COMM 1-10

	<u>New High Speed Newport Run Rate Year</u>
<b>Revenue</b>	
-Passengers	\$ 433,398
-Bikes, Mopeds, etc.	<u>16,800</u>
<b>Total Revenues</b>	<u>\$ 450,198</u>
<b>Expense</b>	
6100 Depreciation	\$ 57,653
7270 General Repairs and Maintenance	10,000
7350 Fuel	291,061
7350 Lube Oil	4,560
7360 Crew Expense	77,350
7390 Wharfage	12,000
8100 Office	10,000
Insurance	11,500
<b>Total Expenses</b>	<u>474,124</u>
<b>Net Income (Loss)</b>	<u>\$ (23,926)</u>

	<u>One Way Trips Counts</u>	<u>Revenue</u>
Passengers		
Adults (\$25 One Way/ \$50 Round Trip)	<u>16,779</u>	<u>\$ 419,475</u>
Children (\$13 One Way/ \$26 Round Trip)	<u>1,071</u>	<u>\$ 13,923</u>
	<u>17,850</u>	<u>\$ 433,398</u>
Bikes		
(\$6 One Way/ \$12 Round Trip)	<u>2,800</u>	<u>\$ 16,800</u>

Expenses Summary - Rate Year  
Interstate Navigation Company

Schedule WEE-3  
Revised for COMM 1-10

Page 1 of 3

Account #	Account Name	Adjusted Test Year	Adjustments	Adjusted Rate Year	REF
4200	Refunds, Credits and Voids	\$ 92,798	\$ -	\$ 92,798	TY
5100	Payroll	2,833,069	172,534	3,005,603	Testimony P.11
6100	Depreciation	1,322,067	(210,222)	1,111,845	Sch. WEE - 6
6200	Amortization	-	-	-	TY
7100	Vessel Maintenance - Block Island	80,478	-	80,478	Testimony P.19
7110	Vessel Maintenance - Carol Jean	71,300	-	71,300	Testimony P.19
7120	Vessel Maintenance - Manitou	78,381	-	78,381	Testimony P.19
7130	Vessel Maintenance - Anna C	153,652	-	153,652	Testimony P.19
7140	Vessel Maintenance - Nelseco	-	-	-	Testimony P.19
7150	Vessel Maintenance - General	38,242	-	38,242	Testimony P.19
7200	Building Maintenance - BI	10,710	-	10,710	TY
7210	Building Maintenance - PJ	12,435	-	12,435	TY
7220	Dock Maintenance - BI	9,518	-	9,518	TY
7230	Dock Maintenance - PJ	12,458	-	12,458	TY
7240	Yard Maintenance - Montville	14,040	-	14,040	TY
7250	Terminal Maintenance	6,898	-	6,898	Testimony P.19
7260	Auto and Truck Maintenance	20,972	-	20,972	Testimony P.20
7270	General Repairs and Maintenance	-	-	0	TY
7280	Forklifts Maintenance	47,368	-	47,368	Testimony P.20
7290	Fuel - Building	17,542	-	17,542	TY
7300	Fuel - MV Block Island	427,848	197,247	625,095	WEE - 10
7310	Fuel - MV Carol Jean	275,150	126,850	402,000	WEE - 10
7320	Fuel - MV Manitou	10,989	5,066	16,055	WEE - 10
7325	Fuel - MV Southland	-	-	0	WEE - 10
7330	Fuel - MV Anna C	133,973	61,764	195,737	WEE - 10
7340	Fuel - MV Nelseco	-	-	0	TY
7350	Lube Oil	39,237	-	39,237	TY
7360	Crew Expense	156,014	9,501	165,515	Testimony P.13
7370	Boat Supplies	32,599	-	32,599	TY
7380	Other Vessel Expense	18,579	-	18,579	TY
7390	Wharfage	327,426	1,200	328,626	Sch. WEE - 7
7396	Charter Expense - Trad Ferry	1,504	-	1,504	TY
7397	Bus Charter	11,231	-	11,231	TY
7400	Food for Resale	136,884	-	136,884	TY
7410	Beverages for Resale	51,132	-	51,132	TY
7415	Meals - Tour Package	26,648	-	26,648	TY
7420	Bar Supplies	22,647	-	22,647	Testimony P.13
7504	Homeland Security - Grant	-	-	0	Sch. WEE - 8
7506	Homeland Security - Equipment	37,818	-	37,818	Sch. WEE - 8
7507	Homeland Security - Personnel	254,364	-	254,364	Sch. WEE - 8
7508	Homeland Security - Operations	22,986	-	22,986	Sch. WEE - 8
7509	Homeland Security - Equip Rental	19,350	-	19,350	Sch. WEE - 8
7510	Trash Removal	25,501	-	25,501	TY
7600	Local Transfer	185,979	-	185,979	Testimony P.15
7700	Auto and Truck Expense	39,280	-	39,280	TY
7710	Travel	11,456	-	11,456	TY
7800	Advertising	431,998	50,590	482,589	Sch. WEE - 9

Expenses Summary - Rate Year  
Interstate Navigation Company

**Schedule WEE-3**  
**Revised for COMM 1-10**

Page 2 of 3

Account #	Account Name	Adjusted Test Year	Adjustments	Adjusted Rate Year	REF
7900	Other Traffic Expense	47,000	-	47,000	TY
8100	Office	36,934	-	36,934	TY
8105	Meetings/Seminars	5,625	-	5,625	TY
8107	Entertainment	1,294	-	1,294	TY
8110	Rent	32,620	-	32,620	TY
8120	Utilities	112,057	-	112,057	TY
8130	Dues and Subscriptions	10,671	-	10,671	TY
8140	Telephone	138,945	20,133	159,078	Testimony P. 17
8150	Computer Expense	138,040	-	138,040	TY
8160	PUC Expense	35,480	-	35,480	TY
8170	Contribution	3,844	-	3,844	TY
8180	Payroll Services	8,168	-	8,168	TY
8190	Credit Card Admin Fees	223,712	27,651	251,363	Testimony P. 17
8200	Bank Charges	-	-	0	TY
8210	Finance Charges	107	-	107	TY
8220	Freight	1,340	-	1,340	TY
8230	Miscellaneous	11,716	-	11,716	TY
8140	Bad Debt Expense	3,369	-	3,369	TY
8300	Accounting	93,669	-	93,669	Testimony P.16
8310	Legal	115,503	-	115,503	Testimony P.16
8320	Other Professional Fees	9,861	-	9,861	Testimony P.16
8400	Profit Sharing	55,000	15,010	70,010	Sch. WEE - 5
8410	Employee Insurance	496,251	102,708	598,959	Sch. WEE - 5
8500	Insurance - Vessel	178,604	-	178,604	Testimony P. 18
8504	Insurance - Vesses - Southland	1,507	-	1,507	Testimony P. 18
8510	Insurance - Auto	11,787	-	11,787	Testimony P. 18
8520	Insurance - Property	2,181	-	2,181	Testimony P. 18
8530	Insurance - Other	-	-	0	Testimony P. 18
8540	Insurance - Workmens Comp	51,732	-	51,732	Testimony P. 18
8550	Damages - Auto and Freight	2,113	-	2,113	TY
8560	Injuries	759	-	759	TY
8600	FICA Expense	233,391	(3,463)	229,929	Sch. WEE- 4
8610	Unemployment Comp - CT	6,058	369	6,427	Sch. WEE- 4
8620	Unemployment Comp - FED	8,902	542	9,444	Sch. WEE- 4
8630	Unemployment Comp - RI	85,502	5,207	90,710	Sch. WEE- 4
8700	Gross Earnings Tax	127,635	(2,834)	124,801	Testimony P. 19
8710	Sec of State - Annual Report	200	-	200	TY
8720	Licenses	7,251	-	7,251	TY
8730	Sales and Use Tax - RI	46,094	-	46,094	TY
8740	Sales and Use Tax - CT	6,732	-	6,732	TY
8750	Federal Taxes	(0)	113,319	113,319	Sch. WEE-12
8760	CT Corporate Tax	1,692	-	1,692	TY
8770	Permits	330	-	330	TY
8780	Real Estate Tax	19,164	-	19,164	TY
8790	Personal Property Tax	2,390	-	2,390	TY
8800	Penalties	-	-	0	TY
8810	Cash Over/Short	(2,083)	-	(2,083)	TY
8900	Returned Items	(473)	-	(473)	TY



Expenses Summary - Rate Year  
Interstate Navigation Company

Schedule WEE-3  
Revised for COMM 1-10

Page 3 of 3

<u>Account #</u>	<u>Account Name</u>	<u>Adjusted Test Year</u>	<u>Adjustments</u>	<u>Adjusted Rate Year</u>	<u>REF</u>
8910	Chargebacks	1,139	-	1,139	TY
9100	Interest Expense	-	-	0	TY
9900	Extraordinary Items	2,400	-	2,400	TY
	Rate Case Expense	-	93,333	93,333	Testimony P. 22
	<b>Total Expenses</b>	9,898,738	786,506	10,685,245	
	<b>Revenue</b>	9,772,650	184,431	9,957,081	
	Gain/ (loss)	\$ (126,089)	\$ (602,075)	\$ (728,164)	
	P and L Increase (before return on rate base, GRT and FIT)			<u>7.31%</u>	

Payroll Taxes - Rate Year  
Interstate Navigation Company

**Schedule WEE-4**  
**Revised for COMM 1-10**

Payroll Expense for the rate year      \$ 3,005,603

Payroll Tax Accounts for the rate year:

Payroll Taxes - FICA expense	\$ 229,929
Unemployment Comp	\$ 6,427
Federal Unemployment	\$ 9,444
RI Unemployment	\$ 90,710

The above was calculated using the same ratio as the test year:

**Payroll Taxes - FICA expense:**

FICA Rate      7.65%      times      \$ 3,005,603 equals      \$ 229,929

**Unemployment Comp:**

$\frac{\text{TY UC}}{\text{TY Payroll}}$  equals  $\frac{6,058}{2,833,069}$  times      \$ 3,005,603 equals      \$ 6,427

**Federal Unemployment:**

$\frac{\text{TY FU}}{\text{TY Payroll}}$  equals  $\frac{8,902}{2,833,069}$  times      \$ 3,005,603 equals      \$ 9,444

**RI Unemployment:**

$\frac{\text{TY RIU}}{\text{TY Payroll}}$  equals  $\frac{85,502}{2,833,069}$  times      \$ 3,005,603 equals      \$ 90,710

Fringe Benefits - Rate Year  
Interstate Navigation Company

Schedule WEE-5  
Revised for COMM 1-10

**Pension expense:**

Payroll Expense for the rate year	\$ 3,005,603
Adjustment for non-covered payroll	(671,925)
Payroll Expense covered by pensions	<u>\$ 2,333,678</u>
Pension Funding Rate (3%)	<u>0.03</u>
Pension expense	<u><u>\$ 70,010</u></u>

**Health Insurance:**

Test Year Level of expenditure: \$ 496,251 \*

\* Health Insurance includes Blue Cross - RI, Health Ins - Conn. and Delta Dental

**ANALYSIS:**

Blue Cross RI (Rates are good through January 31, 2013)

Cost per year at current rates	\$ 426,309
Rate Year Increase 15%	1.1500
(A)	<u><u>\$ 490,256</u></u>

Health Ins - Conn. (Rates are good through January 31, 2013)

Cost per year at current rates	\$ 62,398
Rate Year Increase 15%	1.15
(B)	<u>\$ 71,757</u>

Delta Dental (Rates are good through January 31, 2013)

Cost per year at current rates	\$ 34,209
Rate Year Increase 8%	1.0800
(C)	<u><u>\$ 36,946</u></u>

Rate Year Level of Expense (A+B+C) \$ 598,959

Adjustment \$ 102,708

Analysis of Depreciation by Year and Asset Group

Schedule WEE-6

Interstate Navigation Company

Attachment for COMM 1-10  
(No revisions to this schedule)

	2012	Fiscal Year 2013	2014	Rate Year 2014
Vessels	\$ 588,554	\$ 588,554	\$ 588,554	\$ 588,554
Vessel Improvement and Equip	411,277	382,669	321,370	321,370
Office Equipment	77,786	73,858	15,999	15,999
Buildings	7,932	7,929	52,456	52,456
Docks and Ramps	196,873	196,871	93,822	93,822
Point Judith Project	32,083	32,083	32,083	32,083
Vehicles	7,561	7,561	7,561	7,561
Dredging				
	<u>\$ 1,322,066</u>	<u>\$ 1,289,526</u>	<u>\$ 1,111,845</u>	<u>\$ 1,111,845</u>

Wharfage Expense - Rate Year  
Interstate Navigation Company

**Schedule WEE-7**  
**Attachment for COMM 1-10**  
**(No revisions to this schedule)**

**Wharfage:**

	<u>Test Year</u>	<u>Rate Year</u>	
Point Judith Dock (State of R I)	\$ 64,014	46,125	State of Rhode Island
		19,200	State of Rhode Island *
Old Harbor:	237,504	237,500	Month to Month
Fort Adams	10,923	12,287	3% inflation.
Beach Avenue (office and supply	18,450	18,566	3% inflation.
Montville Dock	32,160	30,573	Set by PUC
	<u>\$ 363,051</u>	<u>364,251</u>	
Sub-total			
Fast Ferry Allocation	\$ (35,625)	\$ (35,625)	
Sub-total	<u>\$ 327,426</u>	328,626	
Test Year Wharfage		<u>327,426</u>	
Adjustment		<u>\$ 1,200</u>	

\* Subject to increases by the State with new appraisal

Homeland Security Summary - Rate Year  
Interstate Navigation Company

Schedule WEE-8  
Attachment for COMM 1-10  
(No revisions to this schedule)

Account #	Account Name	May 31st 2005	May 31st 2006	May 31st 2007	May 31st 2008	May 31st 2009	May 31st 2010	May 31st 2011	May 31st 2012	Rate Year FY 2014
7504	HS Grant Expenditures									
7505	HS Start-up	7,792						\$ 89,613		
7506	HS - Equipment	52,297	36,044	29,013	32,773	17,272	17,648	13,774	37,818	37,818
7507	HS - Personnel MARSEC Level 2	205,486	205,512 8,867	201,386	200,044	212,365	229,347	289,488	254,364	254,364
7508	HS - Operations	28,466	15,048	20,051	29,211	24,695	22,740	21,543	22,986	22,986
7509	HS - Equipment rental					17,289	19,351	19,350	19,350	19,350
	Capital Additions	75,475								
	Grant Revenue							(60,000)		
	Contingency Reserve									
	Total Expenditure	\$ 367,516	\$ 340,946	\$ 250,450	\$ 262,028	\$ 271,621	\$ 289,086	\$ 323,767	\$ 285,868	\$ 315,168
	Allowance	\$ 395,956	\$ 395,956	\$ 334,583	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 315,168
	Carry Forward	\$ 28,440	\$ 83,450	\$ 167,583	\$ 155,555	\$ 133,934	\$ 94,849	\$ 21,081	\$ (14,786)	\$ (14,786)

Advertising Expenses - Rate Year  
Interstate Navigation Company

**Schedule WEE-9**  
**Attachment for COMM 1-10**  
**(No revisions to this schedule)**

Test Year Advertising \$ 431,999

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Calendar Year 2012 Advertising Program:

Print Media	\$ 134,603
Radio	64,000
TV	48,376
Outdoor (Billboards)	72,347
Internet	20,563
Group Publications & State Tourism Guide	67,500
Administration	<u>52,220</u>
	459,609
Increase for rate year	<u>1.05</u>
Rate Year Advertising Expense	<u>482,589</u>
Adjustment	<u>\$ 50,590</u>

Fuel Expenses Summary - Rate Year  
Interstate Navigation Company

**Schedule WEE-10**  
**Revised for COMM 1-10**

	Total Gallons	Fuel Floor	Total Dollars
Test Year Consumption per DGB-3	419,338	\$ 3.00	\$ 1,258,014
Nelseco Gallons (per Div 2-7)	(23,248)	\$ 3.00	\$ (69,743)
Fuel Costs for Storage and Maintenance (per Div 2-17)			\$ 50,616
			<u>\$ 1,238,888</u>

	Adjusted Test Year	Pro-Rata Allocation Adjustments	Adjusted Rate Year
7300 Fuel - MV Block Island	\$ 427,848	\$ 197,247	\$ 625,095
7310 Fuel - MV Carol Jean	275,150	126,850	402,001
7320 Fuel - MV Manitou	10,989	5,066	16,055
7325 Fuel - MV Southland	-	0	-
7330 Fuel - MV Anna C	133,973	61,764	195,737
		0	
	<u>\$ 847,960</u>	<u>\$ 390,927</u>	<u>\$ 1,238,888</u>



Rate Base - Rate Year  
Interstate Navigation Company

Schedule WEE-11  
Revised for COMM 1-10

<b>Net Utility Plant 5/31/12 (Per Schedule DGB - 7)</b>	\$	6,373,403
<hr/>		
Add Back New Newport Run - Islander Vessel		441,330
Less New Newport Run - Islander Vessel Depreciation		- *
		<hr/>
<b>Utility Plant -Beginning of the Interim Year</b>		6,814,733
<b>Additions 6/1/12 through 5/31/13 (Interim period):</b>		
Islander Upgrades		1,000,000
New Office Building in Point Judith		1,000,000
		<hr/>
		2,000,000
<b>Less Depreciation 6/1/12 through 5/31/13 (Interim period):</b>		
Conventional Service		(1,289,526)
Less New Newport Run - Islander Vessel Depreciation		- *
		<hr/>
		(1,289,526)
<b>Utility Plant -Beginning of Rate Year</b>	\$	7,525,207
<b>Rate Year Additions</b>		
		<hr/>
		-
<b>Rate Year Depreciation (deduction)</b>		
Conventional Service		(1,111,845)
Less New Newport Run - Islander Vessel Depreciation		(57,653)
		<hr/>
		(1,169,498)
<b>Utility Plant - End Of Rate Year</b>	\$	6,355,709
		<hr/>
<b>Average Utility Plant</b>	\$	6,940,458
<b>Working Capital</b>		0
<b>Deferred Income Taxes</b>	[ (246,597) FY2013] [ (177,495) FY 2014]	<hr/>
		(212,046)
<b>Average Rate Base for the Rate Year</b>	\$	6,728,412
		<hr/>

\* Not in Service as of this Date

Rate of Return and Federal Income Tax - Rate Year  
Interstate Navigation Company

Schedule WEE-12  
Revised for COMM 1-10

**Description of Test Year Long Term Debt at Year End:**

All borrowing is with Washington Trust and all assets are pledged.

Fixed rate 10 year loan (15 year Amortization) at 6.1%	\$ 1,006,016	Refinanced - Refi Loan 1
Fixed rate 10 year loan (15 year Amortization) at 5.91%	2,449,352	Refinanced - Refi Loan 1
Fixed rate 10 year loan (15 year Amortization) at 6.9%	1,329,221	Refinanced - Refi Loan 1
Fixed rate 10 year loan (15 year Amortization) at 6.88%	1,888,196	Refinanced - Refi Loan 2
Total per 5/31/12 Balance Sheet	<u>\$ 6,672,785</u>	

**Proposed Capital Structure of the Rate Year**

	<u>5/31/2013</u>	<u>5/31/2014</u>	<u>Amount</u>	<u>% of Total</u>	<u>Rate</u>	<u>Weighted Return</u>
Current Long Term Debt:						
Refi Loan 1 - Fixed rate 7 year	\$ 4,218,674	\$ 3,637,669	\$ 3,928,172	44.91%	3.44%	0.0154
Refi Loan 2 - Fixed rate 7 year	1,675,840	1,445,041	1,560,441	17.84%	3.44%	0.0061
Building Loan - Fixed rate 10/20 year (New)	986,819	954,162	970,491	11.10%	4.48%	0.0050
Total Debt						<u>0.0266</u>
Common Stock	17,600	17,600	17,600	0.20%	12.50%	0.0003
Other Paid-in Capital	382,951	382,951	382,951	4.38%	12.50%	0.0055
Treasury Stock	(1,005,279)	(1,005,279)	(1,005,279)	-11.49%	12.50%	-0.0144
Equity (no gain or loss in interim year)	2,722,256	3,062,538	2,892,397	33.07%	12.50%	0.0413
Total Equity						<u>0.0327</u>
Total Capital structure	<u>\$ 8,998,861</u>	<u>\$ 8,494,682</u>	<u>\$ 8,746,772</u>	100.00%		<u>0.0592</u>

Calculation of Federal Income Tax:

Rate Base	\$ 6,728,412
Return On Equity	<u>0.0327</u>
Taxable Income Base	\$ 219,972
Taxable Income (Taxable Base / (1 - Rate))	\$ 333,291
Income Tax Rate	<u>34%</u>
Income Tax Expense (34%)	<u>113,319</u>

Retained Earnings

FY 2012	2,722,256
FY 2013 (no gain or loss in interim year)	2,722,256
FY 2014 (12.5% over interim year)	3,062,538

Rate Allocation - Rate Year  
Interstate Navigation Company

Schedule WEE-13  
Revised for COMM 1-10

Revenues impacted by rate increase:

Revenue from Rates and Charges at Current Rates	\$ 9,028,282
Miscellaneous Revenue	928,799
Increase in Revenue Requirement	1,140,907
Total Revenue (WEE-1)	<u>\$ 11,097,987</u>

Total Expense (WEE-1)	\$ 10,699,330
Return on Rate Base (WEE-1)	398,657
Less: Miscellaneous Revenue	(928,799)
Rate Year Revenue Requirement	<u>\$ 10,169,188</u>

	COS Allocation Percentages per DGB-9	
Passenger	<u>55.3%</u>	\$ 5,623,561
Cars-PU-SUV	16.1%	1,637,239
Trucks	12.2%	1,240,641
Freight	14.0%	1,423,686
Bikes	2.4%	244,061
	<u>100.0%</u>	<u>\$ 10,169,188</u>

Rate Design - Calculation of Passenger Rates  
Interstate Navigation Company

Schedule WEB-14  
Revised for COMM 1-10

Page 1 of 2

	Current Rate	Cost Allocation without Adjustments Rate	Revenue Check	Eliminating Round Trip Discount Revenue Check	Proposed Rates Eliminating Round Trip Discount and Commuter Discount Revenue Check	Proposed Rate
Adult One Way	\$ 11.25	\$ 14.50	\$ 1,915,276	\$ 1,664,309	\$ 1,585,056	\$ 12.00
Adult Round Trip	\$ 18.30	\$ 23.55	3,471,317	3,714,530	3,537,548	24.00
Child One Way	\$ 5.70	7.35	97,614	85,171	81,179	6.10
Child Round Trip	\$ 9.10	11.70	164,759	180,250	171,096	12.15
Commuter One Way	\$ -	-	-	-	-	12.00
Commuter Round Trip	\$ 10.50	10.50	215,544	215,544	492,672	24.00
			<u>\$ 5,854,710</u>	<u>\$ 5,859,604</u>	<u>\$ 5,867,551</u>	
				<u>(4,905)</u>	<u>7,847</u>	

Rate Design - Calculation of Passenger Rates  
Interstate Navigation Company

Calculation of Rates with the elimination the of Round Trip and Commuter Discount - PROPOSED RATES

Rate Year Revenue Requirement Allocation to Passenger	\$ 5,623,561	WEE-13
Freight Increase covered by Passenger Rates	\$ 140,000	WEE-17
Bike Increase covered by Passenger Rates	\$ 101,862	WEE-18
Revenue Generated for Commuter at Current Rates	-	
Net amount required from all Passengers	<u>\$ 5,865,443</u>	

Calculation of all equivalent Passengers

FY 2012 Counts	Equivalency Ratio	Equivalent Passenger
132,088	1.00	132,088
147,402	2.00	294,804
13,308	0.51	6,743
14,082	1.01	14,270
20,528	2.00	41,056
		<u>488,960</u>

Calculation of Rate per Equivalent Passenger

Net amount required from All Passengers	\$ 5,865,443
Equivalency Passenger	488,960
Rate per Equivalent Passenger	<u>\$ 12.00</u>

Calculation of Rates

	Equivalency Ratio	Proposed Rate
Adult One Way	1.00	\$ 12.00
Adult Round Trip	2.00	\$ 24.00
Child One Way	0.51	\$ 6.10
Child Round Trip	1.01	\$ 12.15
Commuter Round Trip	2.00	\$ 24.00

Rate Impact

FY 2012 Counts	Current Rate	Proposed Rate	Revenue Check	\$ Increase	% Increase
132,088	11.25	12.00	\$ 1,585,056	\$ 0.75	7%
147,402	18.30	24.00	\$ 3,537,848	\$ 5.70	31%
13,308	5.70	6.10	\$ 81,179	\$ 0.40	7%
14,082	9.10	12.15	\$ 171,096	\$ 3.05	34%
Commuter One Way	-	12.00	\$ -	\$ 12.00	0%
Commuter Round Trip	10.50	24.00	\$ 492,672	\$ 13.50	129%
			<u>\$ 5,867,651</u>		

	Current Rate	Current Equivalency Ratio
Adult One Way	\$ 11.25	1.00
Adult Round Trip	\$ 18.30	1.63
Child One Way	\$ 5.70	0.51
Child Round Trip	\$ 9.10	0.81

Rate Design - Calculation of Vehicle Rates  
Interstate Navigation Company

Schedule WEE-15  
Revised for COMM 1-10

Calculation of Ratio between Cars and SUVs

	Current Rate	Equivalency Ratio
Cars	\$ 49.80	1.00
Pick-ups & SUVs	\$ 60.10	1.21

	Current Rate	Cost Allocation without Adjustments		Proposed Rates Eliminating Commuter Discount		
		Rate	Revenue Check	Revenue Check	Proposed Rate	
Cars	49.80	33.19	\$ 1,168,523	\$ (34,793)	\$ 1,133,730	32.20
Pick-ups & SUVs	60.10	40.05	347,174	(10,422)	336,752	38.85
Commuter Cars	27.00	27.00	105,327	20,285	125,612	32.20
Commuter Pick-ups & SUVs	32.75	32.75	35,337	6,582	41,919	38.85
			<u>\$ 1,656,361</u>	<u>\$ (18,348)</u>	<u>\$ 1,638,013</u>	

Calculation of Rates with the elimination of the Commuter Discount - PROPOSED RATES

Rate Year Revenue Requirement Allocation to Vehicles \$ 1,637,239 WEE-13

Calculation of equivalent Vehicles

	FY 2012 Counts	Equivalency Ratio	Equivalency Vehicle
Cars	35209	1.00	35,209
Pick-ups & SUVs	8668	1.21	10,461
Commuter Cars	3901	1.00	3,901
Commuter Pick-ups & SUVs	1079	1.21	1,302
			<u>50,873</u>

Rate Year Revenue Requirement Allocation to Vehicles \$ 1,637,239  
Equivalency Vehicle 50,873  
Rate per Equivalent Vehicle \$ 32.18

Calculation of Rates

	Equivalency Ratio	Proposed Rate
Cars	1.00	\$ 32.20
Pick-ups & SUVs	1.21	\$ 38.85
Commuter Cars	1.00	\$ 32.20
Commuter Pick-ups & SUVs	1.21	\$ 38.85

Rate Impact

	FY 2012 Counts	Current Rate	Proposed Rate	Revenue Check	\$ Increase	% Increase
Cars	35209	49.80	32.20	\$ 1,133,730	\$ (17.60)	-35%
Pick-ups & SUVs	8668	60.10	38.85	\$ 336,752	\$ (21.25)	-35%
Commuter Cars	3901	27.00	32.20	\$ 125,612	\$ 5.20	19%
Commuter Pick-ups & SUVs	1079	32.75	38.85	\$ 41,919	\$ 6.10	19%
				<u>\$ 1,638,013</u>		

Rate Design - Calculation of Truck Rates  
Interstate Navigation Company

Schedule WEE-16  
Revised for COMM 1-10

Calculation of Rates

Rate Year Revenue Requirement Allocation to Trucks	\$ 1,240,641	WEE-13
Truck Revenue Generated at Current Rates	\$ 1,075,979	*
Revenue Increase required from Trucks	\$ 164,662	
Percentage Increase required from Trucks		15%

Rate Year Revenue at Current Rates

Cars	\$ 1,753,408	
Pick-ups & SUVs	520,946	
Commuter Cars	105,327	
Commuter Pick-ups & SUVs	35,337	
Trucks & Oversize Trucks	1,075,979	*
Total Vehicles	<u>\$ 3,490,997</u>	WEE-2

		<u>percentage Increase</u>	
Trucks	5.60	15.30%	6.45
Hazardous Trucks	8.50	15.30%	9.80
Oversized Vehicles	4.15	15.30%	4.80
Vehicles over 7' High	5.60	15.30%	6.45
Vehicle Overhang Charge	7.75	15.30%	8.95
Weight Premium	55.40	15.30%	63.90

Rate Design - Calculation of Freight Rates  
Interstate Navigation Company

Schedule WEE-17  
Revised for COMM 1-10

Calculation of Rates

Rate Year Revenue Requirement Allocation to Freight	\$ 1,423,686	WEE-13
Freight Increase covered by Passenger Rates	(140,000)	
Modified Rate Year Revenue Requirement Allocation to Freight	<u>\$ 1,283,686</u>	
<hr/>		
Freight Revenue Generated at Current Rates	\$ 792,113	WEE-2
Revenue Increase required from Freight	\$ 491,573	
Percentage Increase required from Freight		62%



Rate Design - Calculation of Bike Rates  
Interstate Navigation Company

**Schedule WEE-18**  
**Revised for COMM 1-10**

Calculation of Rates

Rate Year Revenue Requirement Allocation to Bikes	\$	244,061	WEE-13
Bike Increase covered by Passenger Rates		(101,882)	
Modified Rate Year Revenue Requirement Allocation to Bikes	\$	142,179	

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Freight Revenue Generated at Current Rates	\$	142,179	WEE-2
Revenue Increase required from Bikes	\$	(0)	
Percentage Increase required from Bikes		0%	

		percentage increase		
Bicycles	3.20	0.00%	3.20	
Electric Bicycles	8.30	0.00%	8.30	
Motorcycles	21.80	0.00%	21.80	

Proof of Revenues  
Interstate Navigation Company

Schedule WEE-19  
Revised for COMM 1-10

	Count or Usage	Current	Rate	Current Revenue	Proposed Revenue	Dollar Increase
<u>Passenger</u>						
Adult One Way	132,088	\$ 11.25	\$ 12.00	\$ 1,485,990	\$ 1,585,056	\$ 99,066
Adult Round Trip	147,402	\$ 18.30	\$ 24.00	\$ 2,697,457	\$ 3,537,648	\$ 840,191
Child One Way	13,308	\$ 5.70	\$ 6.10	\$ 75,856	\$ 81,179	\$ 5,323
Child Round Trip	14,082	\$ 9.10	\$ 12.15	\$ 128,146	\$ 171,096	\$ 42,950
Commuter One Way	-	\$ -	\$ 12.00	\$ -	\$ -	\$ -
Commuter Round Trip	20,528	\$ 10.50	\$ 24.00	\$ 215,544	\$ 492,672	\$ 277,128
				<u>\$ 4,602,992</u>	<u>\$ 5,867,651</u>	<u>\$ 1,264,659</u>
<u>Vehicles</u>						
Cars	35,209	\$ 49.80	# \$ 32.20	\$ 1,753,408	\$ 1,133,730	\$ (619,678)
Pick-ups & SUVs	8,668	\$ 60.10	# \$ 38.85	\$ 520,947	\$ 336,752	\$ (184,195)
Commuter Cars	3,901	\$ 27.00	\$ 32.20	\$ 105,327	\$ 125,612	\$ 20,285
Commuter Pick-ups & SUVs	1,079	\$ 32.75	\$ 38.85	\$ 35,337	\$ 41,919	\$ 6,582
Trucks & Oversize Trucks		See Schedule WEE-16		\$ 1,075,979	\$ 1,240,641	\$ 164,662
				<u>\$ 3,490,998</u>	<u>\$ 2,878,654</u>	<u>\$ (612,344)</u>
<u>Freight</u>						
-Freight		See Schedule WEE-17		<u>\$ 792,113</u>	<u>\$ 1,283,686</u>	<u>\$ 491,573</u>
<u>Bikes, Mopeds, Etc.</u>						
-Bikes, Mopeds, etc.		See Schedule WEE-18		<u>\$ 142,179</u>	<u>\$ 142,179</u>	<u>\$ (0)</u>
Total Rates and Charges				\$ 9,028,283	\$ 10,172,170	\$ 1,143,887
Total Other Revenue (Schedule WEE-2)				\$ 928,799	\$ 928,799	\$ -
TOTAL REVENUE				<u>\$ 9,957,082</u>	<u>\$ 11,100,969</u>	<u>\$ 1,143,887</u>
Revenue Required (Schedule WEE-1)					11,097,987	
Variance					\$ 2,982	0.03%