

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: INTERSTATE NAVIGATION COMPANY :
GENERAL RATE FILING : DOCKET NO. 4373

INTERSTATE NAVIGATION COMPANY'S RESPONSES TO THE COMMISSION'S
FOURTH SET OF DATA REQUESTS DIRECTED TO
INTERSTATE NAVIGATION COMPANY

Issued April 12, 2013

- 4-1. Please provide any analysis available to support Mr. McElroy's representation at the April 4, 2013 public comment hearing that Interstate transported approximately 5,000 fewer vehicles during the summer of 2012.**

Response: Please see the attached Seasonal Monthly Comparison 2004-2012 – Vehicles. Please note that for June, July, and August 2011, Interstate carried 27,944 vehicles (cars, pickups, and SUVs). However, in June, July, and August 2012, Interstate carried 22,621 vehicles. Therefore, Interstate carried 5,323 less vehicles in the summer of 2012 than it did in the summer of 2011.

Prepared by: Michael R. McElroy, Esq.

INTERSTATE ~ SEASONAL MONTHLY COMPARISON*

PASSENGERS

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| May | 40,386 | 31,270 | 35,220 | 37,420 | 36,489 | 33,677 | 42,118 | 35,816 | 38,586 |
| June | 65,899 | 60,040 | 54,679 | 67,436 | 58,132 | 48,594 | 60,857 | 62,404 | 65,458 |
| July | 123,986 | 130,798 | 123,490 | 123,870 | 119,458 | 118,933 | 143,080 | 148,219 | 128,708 |
| August | 129,292 | 151,675 | 135,042 | 139,237 | 132,148 | 131,486 | 140,523 | 123,002 | 140,982 |
| Sept | 53,043 | 60,988 | 48,180 | 57,941 | 38,201 | 54,125 | 51,249 | 48,831 | 54,068 |
| Oct | 27,178 | 23,102 | 25,834 | 26,901 | 26,372 | 22,095 | 23,602 | 24,937 | 21,825 |

VEHICLES

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| May | 5,841 | 5,552 | 5,077 | 5,194 | 4,444 | 4,729 | 4,617 | 4,485 | 4,200 |
| June | 7,877 | 8,371 | 7,409 | 7,814 | 7,181 | 6,578 | 6,615 | 6,800 | 6,072 |
| July | 11,039 | 11,046 | 10,879 | 10,777 | 10,282 | 10,959 | 10,435 | 11,018 | 8,231 |
| August | 11,257 | 11,687 | 11,213 | 11,063 | 10,959 | 10,894 | 11,154 | 10,126 | 8,318 |
| Sept | 7,204 | 7,465 | 7,018 | 7,018 | 5,522 | 6,212 | 6,301 | 6,433 | 5,746 |
| Oct | 5,735 | 4,265 | 4,764 | 4,747 | 4,236 | 3,816 | 3,947 | 3,786 | 3,347 |

* These figures are derived from the monthly fuel surcharge filings with the Division for Interstate Navigation's conventional ferries.

4-2. Please provide the number of Cars, Pickups & SUVs Interstate transported during each of the summers of 2004 through 2012 (please use the same months for each year).

Response: Please attachment in response to Commission 4-1 above.

Prepared by: Michael R. McElroy, Esq.

4-3. Please provide the number of passengers (aggregated) during each of the summers of 2004-2012 (please use the same months for each year).

Response: Please attachment in response to Commission 4-1 above.

Prepared by: Michael R. McElroy, Esq.

- 4-4. Please provide the impact on Settlement rates assuming:**
- a. Freight rates are held constant with the shortfall allocated to Cars, Pickups & SUVs.**
 - b. Freight rates are increased by the system average increase with the shortfall being allocated to Cars, Pickups & SUVs.**
 - c. Freight rates are increased by 1.5 times the system average increase with the shortfall being allocated to Cars, Pickups & SUVs.**
 - d. Freight rates are increased by 2.0 times the system average increase with the shortfall being allocated to Cars, Pickups & SUVs.**
 - e. Freight rates are increased by 3.0 times the system average increase with the shortfall being allocated to Cars, Pickups & SUVs.**

Response: Please see the attached summary of the impact on settlement rates. This summary presents both the current and settlement Cars, Pickups, & SUVs rates along with the rates based upon the (a) through (e) assumptions presented above. The summary also presents the percentage increase to freight and the revenue generated based upon the (a) through (e) assumptions presented above.

Summary of Impact on Settlement Rates
Interstate Navigation Company

Attachment to Comm 4-4

| | Current | Settlement | Freight Held Constant (a) | Freight Increased by System Ave. (b) | Freight Increased 1.5 X System Ave. (c) | Freight Increased 2 X System Ave. (d) | Freight Increased 3 X System Ave. (e) |
|----------------------------|------------|--------------|---------------------------------|---|--|--|--|
| <i>Vehicles</i> | | | | | | | |
| Rates | | | | | | | |
| Cars | \$ 49.80 | \$ 38.95 | \$ 45.20 | \$ 44.20 | \$ 43.70 | \$ 43.20 | \$ 42.15 |
| Pick-ups & SUVs | \$ 60.10 | \$ 47.90 | \$ 55.60 | \$ 54.35 | \$ 53.75 | \$ 53.10 | \$ 51.85 |
| Commuter Cars | \$ 27.00 | \$ 32.70 | \$ 38.00 | \$ 37.15 | \$ 36.70 | \$ 36.30 | \$ 35.45 |
| Commuter Pick-ups & SUVs | \$ 32.75 | \$ 39.45 | \$ 45.80 | \$ 44.80 | \$ 44.25 | \$ 43.75 | \$ 42.70 |
| <i>Freight</i> | | | | | | | |
| -Freight | | | | | | | |
| Percentage Increase | | 34% | 0.00% | 5.57% | 8.36% | 11.14% | 16.71% |
| Revenue Generated | \$ 792,113 | \$ 1,065,074 | \$ 792,113 | \$ 836,224 | \$ 858,324 | \$ 880,374 | \$ 924,504 |