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March 24, 2015

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

Re: Interstate Navigation Company
Limited Rate Change Application – Certain Traditional Ferry Rates

RECEIVED
2015 MAR 24 PM 2:41
PUBLIC UTILITIES COMMISSION

Dear Luly:

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

Enclosed for filing are the original and nine (9) copies of documents supporting the limited 10% rate change authorized in Docket No. 4373. We request that the new rates become effective on May 24, 2015, as authorized in Order No. 21069 in Docket No. 4373.

Enclosed are the following, which I believe contain all the information required by Order No. 21069:

1. The direct testimony and exhibits of Walter E. Edge, Jr., MBA, CPA, which contains all the supporting information required by Order No. 21069.
2. Proposed rate schedule changes which are set forth in the proposed revised tariffs and the testimony of Mr. Edge.
3. Proposed Notice for your review and comment.

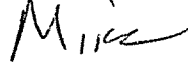
Please also inform me as to any publication requirements for the public notice which we must comply with pursuant to ¶2.4 of your Rules of Practice and Procedure. I assume publication will be made in the *Providence Journal* and the *Block Island Times*. Please let me know when the Notice has been approved.

Digital files of these documents will also be emailed to you.

We are seeking a rate increase of \$824,663, which is 10% on all classes, except commuter rates, freight rates, and fast ferry rates.

Please let me know if you need any further information or documentation.

Very truly yours,



Michael R. McElroy

MRMc:tmg

cc: Thomas Ahern, Administrator
Leo Wold, Esq.
Katherine Merolla, Esq.
Block Island Town Clerk (certified mail, RRR)
Narragansett Town Clerk
Newport City Clerk
Susan E. Linda
Joshua Linda
Walter E. Edge, Jr., MBA, CPA

Interstate/2015 Rate Case/Massarol

**Prefiled Direct Testimony
of
Walter E. Edge Jr., MBA, CPA**

**Regarding Request for 10% Rate Increase
In Certain Traditional Ferry Rates**

**Interstate Navigation Company
Docket _____**

March 2015

1 **Q. Will you state your name and business address for the record?**
2 A. Yes. My name is Walter E. Edge Jr. MBA, CPA and I am the Vice President of the firm
3 of B&E Consulting LLC (B&E) at 21 Dryden Lane, Providence, Rhode Island 02904.
4
5 **Q. Mr. Edge, have you testified before the Rhode Island Public Utilities Commission**
6 **(PUC) as an expert utility accounting and rate witness prior to this docket?**
7 A. Yes, many times. In addition, I was formerly the chief rate analyst for the Division of Public
8 Utilities and Carriers (DPUC) for five years and while in that position I was required to
9 testify on numerous occasions relating to all of the utilities regulated by the R.I. PUC. In
10 addition to my testifying experience at the R.I. PUC, I have also testified before a Rhode
11 Island Grand Jury, the Rhode Island Superior Court, Federal Courts in R.I. and
12 Massachusetts, the Federal Communications Commission and the Power Authority of the
13 State of New York.
14
15 **Q. Since leaving the DPUC have you testified before the R. I. PUC?**
16 A. Yes I have. During the last approximately twenty four years I have provided consulting
17 services (expert testimony, etc.) for Interstate Navigation Company (Interstate), Block Island
18 Power Company, Narragansett Bay Commission, Providence Water Supply Board, Newport
19 Water, Pawtucket Water Supply Board, Stone Bridge Fire District, North Smithfield Water,
20 Woonsocket Water, Prudence Island Ferry, and Osram Sylvania Company.
21
22 **Q. What is your knowledge of Interstate?**
23 A. I presented expert testimony for Interstate in its last five general rate filings before the
24 Commission; Dockets #4373, #3762, #3573, #2484, and #1935. Also, I prepared and
25 presented testimony for Interstate in dockets relating to its fast ferry operations such as the
26 Island Hi-Speed Ferry (IHSF) CPCN docket, Interstate's request for its own CPCN to
27 provide fast ferry service, Interstate's lease of the fast ferry vessel the M.V. *Athena*, and
28 Interstate's request for fast ferry rates. I also testified in Interstate's docket to buy the IHSF
29 fast ferry operation.

1 **Q. Mr. Edge, do you have additional knowledge relating to Interstate Navigation?**

2 A. Yes. My staff and I have prepared Interstate's annual PUC reports for the past twenty years
3 and I have completed the final review of each report before filing.

4
5 **Q. What does the Settlement Agreement in Order No. 21069 in Docket No. 4373
6 provide regarding pricing flexibility for Interstate?**

7 A. Section III.B entitled “**Post Rate Year Period Pricing Flexibility**” provides as follows:

8
9 Interstate shall be authorized to apply to the Commission from time to time to change
10 rates subsequent to the Rate Year Period, subject to the limits in Exhibit 3, and, with
11 Commission approval, to implement such changes on thirty (30) days’ notice. The
12 Division, except in extraordinary circumstances, will not object to any such changes,
13 will not recommend any suspension by the Commission beyond the thirty (30) days’
14 notice, and will not request compliance with any traditional rate filing requirements
15 other than the thirty (30) day notice. Pursuant to this authorization, Interstate has the
16 pricing flexibility to increase certain rates after the Rate Year Period to a level not
17 more than 10% higher than the rates established for the Rate Year Period or to
18 decrease certain rates after the Rate Year Period to a level not more than 20% lower
19 than the rates established for the Rate Year Period; provided, however, that
20 applications for rate increases will be allowed to take effect only on May 24 of a
21 given year. Notwithstanding the foregoing, rates applicable to commuters, commuter
22 vehicles, and freight shall not be increased for any rate increases authorized pursuant
23 to this paragraph.

24
25 In ordered paragraph 6, the Commission changed aforesaid the 30-day notice provision to 60
26 days, and also set forth the specific filing requirements as follows:

27
28 Post-Rate Period Filings shall be filed at least sixty (60) days prior to the proposed
29 effective date and shall contain the reason for the change, projected profit/loss for the
30 fiscal year in which the filing is being made, the projected Return on Equity for the
31 year in which the filing is being made, estimated financial impact of the change on
32 revenue, projected impact of the change on profit and rate of return, new tariffs, and
33 the public notice.

34
35 **Q. What is the purpose of your testimony in this filing?**
36 A. My testimony relates to Section III Rate Plan (subsection B.) of the approved Settlement
37 Agreement (page 3). As shown above, Interstate is authorized to apply to the Commission
38 to increase certain rates by up to 10% subsequent to the Rate Year Period. With Commission
39 approval, Interstate can implement such changes on 60 days notice. It was expected that the

1 Division would not object, would not recommend any suspensions, and would not request
2 compliance with any traditional rate filing requirements, other than the 60 day notice. The
3 rate change will only be allowed to take effect on May 24 of a given year. It is important to
4 note that this section of the approved Settlement Agreement relates only to Interstate's
5 Traditional Service ferry rates and excludes rates applicable to commuters, commuter
6 vehicles, freight rates, and fast ferry services.

7
8 **Q. Mr. Edge is Interstate Navigation requesting a 10% increase in certain rates in
9 compliance with Section III Rate Plan (subsection B.) in this filing?**

10 A. Yes. This testimony and attached schedules provide the appropriate information needed to
11 support this limited rate filing. I am providing the items listed by the Commission in Order
12 #21069 item 7, from Docket 4373 as follows:

- 13 1. The reason for the requested change in rates,
- 14 2. Projected profit/loss for the fiscal year in which the filing is being made (FY 2015),
- 15 3. Projected Return on Equity (ROE) for the year in which the filing is being made (FY
16 2015),
- 17 4. Estimated financial impact on revenue of the requested 10% increase of certain
18 Traditional Service rates,
- 19 5. Projected impact on profit and rate of return of the requested 10% increase of certain
20 Traditional Service rates,
- 21 6. New tariffs, and
- 22 7. Public notice.

23
24 **1. The Reason for the Change In Rates**

25
26 **Q. Why is Interstate requesting a 10% increase in certain Traditional Service rates at this
27 time?**

28 A. There are three reasons for the request of an across the board 10% rate increase for all rates
29 except commuter passenger, commuter vehicle, freight rates, and fast ferry rates.

1 The first reason is that Interstate is projecting that it will not make its authorized Return on
2 Equity (ROE) for FYE 2015. A shortfall of \$457,601 is anticipated (See schedule summary
3 schedule WEE-1).

4
5 The second reason is that Interstate has reviewed its anticipated costs relating to vessel and
6 dock maintenance in 2016 and is anticipating a significant increase in both of these areas.
7 These additional costs, together with inflationary increases, will negatively impact the 2015
8 ROE. It is therefore expected that the 2016 ROE will suffer a similar additional reduction.
9 Accordingly, an additional 3.2% projected ROE deficit for 2016 will also require rate relief.

10
11 The projected revenue increases needed for 2015 (\$295,066) and 2016 (\$302,283) require a
12 total revenue increase for 2016 of \$597,349 over the projected 2015 revenue. This results in
13 a 7.2% cumulative revenue increase needed for 2016. Given that the increases in revenues
14 for 2015 and 2016 equal the projected increases in expenses, the authorized rate of return is
15 maintained at 7.10% (See WEE-7).

16
17 The third reason for requesting the full 10% increase available to Interstate under
18 Commission Order #21069 is the fact that the Traditional Service has not added anything
19 (i.e., no profit) to Interstate's ROE in years. The ROE is provided 100% from the Fast Ferry
20 operation. Interstate strongly believes that this is unacceptable. It was never Interstate's
21 intent to rely 100% on the Fast Ferry to achieve its authorized rate of return. Interstate has
22 recently found it difficult to charter the M.V. *Athena* in the off season. Therefore, past fast
23 ferry charter revenues can not continue to be relied upon to make the approved ROE.
24 Accordingly, Interstate is requesting an additional 2.8% increase in revenues to cover the
25 distinct possibility that the Fast Ferry profits may not continue to cover Interstate's
26 authorized ROE.

27
28 **Projected Profit/Loss for the FY 2015**

29
30 **Q. Mr. Edge have you calculated the projected profit and loss for 2015?**

31 **A.** Yes. See Schedules WEE-1 and WEE-3 page 3 of 3.
32

1 Projected Return on Equity for FY 2015

2
3 **Q. Mr. Edge have you calculated the projected ROE for 2015?**

4 A. Yes. See Schedule WEE- 1. The 2.4% ROE is much less than Interstate's authorized ROE
5 of 11%.

6
7 Financial Impact on 2016 Revenue of the 10% Increase Requested

8
9 **Q. Mr. Edge have you calculated the increase in revenue needed for 2016 to collect the
10 10% rate increase on certain rates?**

11 A. Yes. See Schedule WEE-2c. The increase needed is \$824,663.

12
13 Projected Impact of the Change on Profit and Rate of Return For 2016

14
15 **Q. Mr. Edge did you calculate the change in profit and rate of return for 2016?**

16 A. Yes. Because we trued up the profit and rate of return for 2015 to the authorized rate of
17 return and added an equal amount of revenue and expense adjustments for 2016, the profit
18 remains \$457,601 and the ROE 7.10%.

19
20 New Tariffs

21
22 **Q. Mr. Edge have you provided new tariffs that reflect the increased revenues?**

23 A. Yes. The tariffs for commuter passengers and vehicles, freight rates and fast ferry rates were
24 not changed. The new tariffs for the rates that are changing are provided as a separate
25 document included with my testimony.

26
27 Public Notice

28
29 **Q. Was public notice completed?**

30 A. Yes. Mr. McElroy, attorney for Interstate, prepared the Notice and cover letter. Both were
31 provided as part of the full filing.

32
33 **Q. Are there any rate design changes?**

34 A. No, the 10% rate increase will be applied only to those rates allowed in Order No. 21069.

1
2 **Q. What is the impact of this rate increase on non-commuter ratepayers?**

3 A.

Rate	Current Rates	Proposed Rates
Adult One Way (PJ to/from BI)	\$12.35	\$13.60
Adult Round Trip (PJ to/from BI)	22.60	24.85
Children One Way (PJ to/from BI)	6.25	6.90
Children Round Trip (PJ to/from BI)	11.30	12.45
Cars	38.95	42.85
Pick-up Trucks, vans and SUV's	47.90	52.70
Trucks and Oversize Trucks		
Trucks	6.10	6.70
Hazardous Trucks	9.25	10.20
Oversized Vehicles	4.50	4.95
Vehicles over 7' High	6.10	6.70
Vehicle Overhang Charge	8.45	9.30
Weight Premium	60.35	66.40
Bikes, Mopeds, Etc.		
Bicycles	3.20	3.50
Electric Bicycles	8.30	9.15
Motorcycles	21.80	24.00

4
5 See also Schedule WEE-8, which is the "Rate Ceiling & Floor" Schedule agreed to and
6 approved in Docket No. 4373.

7
8 **Q. What is the requested effective date for the new rates?**

9 A. As provided in Docket No. 4373, we request an effective date of May 24, 2015, so that the
10 new rates will be in effect during Memorial Day Weekend.

11
12 **Q. Does that conclude your testimony?**

13 A. Yes.

Rate Year Summary
Interstate Navigation Company

Schedule WEE-1

	Projected FY 2015	Adjustments	Adjusted FY 2015	Rate Increase	FY 2015 at Rates to make Return on Equity	FY 2016 at New Rates
Revenue (WEE-2)	\$ 11,757,371	\$ 99,133	\$ 11,856,504	\$ 295,066	\$ 12,151,569	\$12,681,166
Expenses (WEE-3)	11,777,327	(87,047)	11,690,280	3,688	11,693,968	12,223,565
Net Profit	<u>\$ (19,956)</u>	<u>\$ 186,180</u>	<u>\$ 166,224</u>	<u>\$ 291,377</u>	<u>\$ 457,601 (A)</u>	<u>\$ 457,601</u>

Rate Base \$ 6,292,202 WEE-6

Percentage return 7.10% WEE-7

Return on Rate Base \$ 446,961 (A)

Variance (A) \$ 10,640

FY 2015 Increase to make ROE 3.6%

ROE Proposed FY 2016 Increase 7.2%

Requested Rate Increase 10.0%

Adjusted FY 2015 Net Profit	\$ 166,224
Remove Federal Tax	\$ 164,475
Deduct Interest Exp	<u>(208,806)</u>
Taxable Income	\$ 121,892
Tax	<u>(41,443)</u>
Taxable Income Base	\$ 80,449

Equity \$ 5,020,091

Percentage return on Equity 2.43%

Revenue Summary - Rate Year
Interstate Navigation Company

Schedule WEE-2

	Projected FY 2015	Adjustments	Adjusted FY 2015	WEE-2a FY 2015 at Rates to make Return on Equity	WEE-2c FY 2016 at New Rates
Revenue from Rates and Charges					
-Passengers --Conventional Service	\$ 5,592,079	\$ -	\$ 5,592,079	\$ 5,781,296	\$ 6,121,798
-Passengers --Newport FF Service	425,177	-	425,177	425,177	425,177
-Vehicles	2,978,115	-	2,978,115	3,079,078	3,259,488
-Freight	995,909	-	995,909	995,909	995,909
-Bikes & etc. -- Conventional Service	135,712	-	135,712	140,597	149,283
-Bikes & etc. -- Newport FF Service	3,392	-	3,392	3,392	3,392
	<u>10,130,383</u>	<u>-</u>	<u>10,130,383</u>	<u>10,425,449</u>	<u>10,955,046</u>
Miscellaneous Revenue					
-Bar -- Conventional Service	544,760	-	544,760	544,760	544,760
-Bar -- Newport FF Service	31,960	-	31,960	31,960	31,960
-Charter	206,379	-	206,379	206,379	206,379
-Mail	50,208	-	50,208	50,208	50,208
-Tours	3,747	-	3,747	3,747	3,747
-Other	4,438	-	4,438	4,438	4,438
Landing Fee Commissions	36,000	-	36,000	36,000	36,000
HLS Grant	-	-	-	-	-
Interest Income	-	-	-	-	-
Subsidy from Fast Ferry	569,496	99,133	668,629	668,629	668,629
Miscellaneous	180,000	-	180,000	180,000	180,000
	<u>1,626,987</u>	<u>99,133</u>	<u>1,726,120</u>	<u>1,726,120</u>	<u>1,726,120</u>
Total Revenues	\$ 11,757,371	\$ 99,133	\$ 11,856,504	\$ 12,151,569	\$ 12,681,166

Revenue Summary - FY 2015 required increase to meet Return on Equity
Interstate Navigation Company

Schedule WEE-2a

	Projected FY 2015 Count or Usage	Current Rate	3.6% increase Rate	Current Revenue	3.6% increase Revenue	Dollar Increase
<u>Passenger</u>						
<u>Passenger - Conventional Service</u>						
Adult One Way	135,182	\$ 12.35	\$ 12.80	\$ 1,669,498	\$ 1,730,330	\$ 60,832
Adult Round Trip	149,912	\$ 22.60	\$ 23.40	\$ 3,388,011	\$ 3,507,941	\$ 119,930
Child One Way	12,681	\$ 6.25	\$ 6.50	\$ 79,256	\$ 82,427	\$ 3,170
Child Round Trip	13,215	\$ 11.30	\$ 11.70	\$ 149,330	\$ 154,616	\$ 5,286
Commuter One Way	-	\$ -	\$ -	\$ -	\$ -	\$ -
Commuter Round Trip	19,124	\$ 16.00	\$ 16.00	\$ 305,984	\$ 305,984	\$ -
				<u>\$ 5,592,079</u>	<u>\$ 5,781,296</u>	<u>\$ 189,218</u>
<u>Passenger - Traditional Newport FF Service</u>						
Adult One Way - N to BI	1,345	\$ 25.00	\$ 25.00	\$ 33,625	\$ 33,625	\$ -
Adult Round Trip - N to BI	5,252	\$ 50.00	\$ 50.00	\$ 262,600	\$ 262,600	\$ -
Child One Way - N to BI	121	\$ 13.00	\$ 13.00	\$ 1,573	\$ 1,573	\$ -
Child Round Trip - N to BI	413	\$ 26.00	\$ 26.00	\$ 10,738	\$ 10,738	\$ -
Adult One Way - FR to BI	314	\$ 29.50	\$ 29.50	\$ 9,263	\$ 9,263	\$ -
Adult Round Trip - FR to BI	1,737	\$ 59.50	\$ 59.50	\$ 103,352	\$ 103,352	\$ -
Child One Way - FR to BI	20	\$ 15.00	\$ 15.00	\$ 300	\$ 300	\$ -
Child Round Trip - FR to BI	90	\$ 30.00	\$ 30.00	\$ 2,700	\$ 2,700	\$ -
Adult One Way - FR to N	19	\$ 15.00	\$ 15.00	\$ 285	\$ 285	\$ -
Adult Round Trip - FR to N	24	\$ 30.00	\$ 30.00	\$ 720	\$ 720	\$ -
Child One Way - FR to N	3	\$ 7.00	\$ 7.00	\$ 21	\$ 21	\$ -
Child Round Trip - FR to N	-	\$ 14.00	\$ 14.00	\$ -	\$ -	\$ -
				<u>\$ 425,177</u>	<u>\$ 425,177</u>	<u>\$ -</u>
<u>Vehicles</u>						
Cars	33,196	\$ 38.95	\$ 40.35	\$ 1,292,984	\$ 1,339,459	\$ 46,474
Pick-ups & SUVs	7,082	\$ 47.90	\$ 49.60	\$ 339,228	\$ 351,267	\$ 12,039
Commuter Cars	3,822	\$ 32.70	\$ 32.70	\$ 124,979	\$ 124,979	\$ -
Commuter Pick-ups & SUVs	1,059	\$ 39.45	\$ 39.45	\$ 41,778	\$ 41,778	\$ -
Trucks & Oversize Trucks			See Individual Tariff for Rates	\$ 1,179,146	\$ 1,221,595	\$ 42,449
				<u>\$ 2,978,115</u>	<u>\$ 3,079,078</u>	<u>\$ 100,963</u>
<u>Freight</u>						
-Freight			See Individual Tariff for Rates	\$ 995,909	\$ 995,909	\$ -
<u>Bikes, Mopeds, Etc.</u>						
-Bikes, Mopeds, etc.			See Individual Tariff for Rates	\$ 135,712	\$ 140,597	\$ 4,886
-Bikes, Mopeds, etc. -- Newport FF Service			See Individual Tariff for Rates	\$ 3,392	\$ 3,392	\$ -
Total Rates and Charges				\$ 10,130,383	\$ 10,425,449	\$ 295,066
Total Other Revenue (Schedule WEE-2)				\$ 1,726,120	\$ 1,726,120	\$ -
TOTAL REVENUE				<u><u>\$ 11,856,503</u></u>	<u><u>\$ 12,151,569</u></u>	<u><u>\$ 295,066</u></u>

Revenue Summary - At ROE Proposed FY 2016 Rates
Interstate Navigation Company

Schedule WEE-2b

	Projected FY 2015 & 2016 Count or Usage	Current Rate	7.2% increase Rate	Current Revenue	7.2% increase Revenue	Dollar Increase
<u>Passenger</u>						
<u>Passenger - Conventional Service</u>						
Adult One Way	135,182	\$ 12.35	\$ 13.25	\$ 1,669,498	\$ 1,791,162	\$ 121,664
Adult Round Trip	149,912	\$ 22.60	\$ 24.25	\$ 3,388,011	\$ 3,635,366	\$ 247,355
Child One Way	12,681	\$ 6.25	\$ 6.70	\$ 79,256	\$ 84,963	\$ 5,706
Child Round Trip	13,215	\$ 11.30	\$ 12.10	\$ 149,330	\$ 159,902	\$ 10,572
Commuter One Way	-	\$ -	\$ -	\$ -	\$ -	\$ -
Commuter Round Trip	19,124	\$ 16.00	\$ 16.00	\$ 305,984	\$ 305,984	\$ -
				<u>\$ 5,592,079</u>	<u>\$ 5,977,376</u>	<u>\$ 385,297</u>
<u>Passenger - Traditional Newport FF Service</u>						
Adult One Way - N to BI	1,345	\$ 25.00	\$ 25.00	\$ 33,625	\$ 33,625	\$ -
Adult Round Trip - N to BI	5,252	\$ 50.00	\$ 50.00	\$ 262,600	\$ 262,600	\$ -
Child One Way - N to BI	121	\$ 13.00	\$ 13.00	\$ 1,573	\$ 1,573	\$ -
Child Round Trip - N to BI	413	\$ 26.00	\$ 26.00	\$ 10,738	\$ 10,738	\$ -
Adult One Way - FR to BI	314	\$ 29.50	\$ 29.50	\$ 9,263	\$ 9,263	\$ -
Adult Round Trip - FR to BI	1,737	\$ 59.50	\$ 59.50	\$ 103,352	\$ 103,352	\$ -
Child One Way - FR to BI	20	\$ 15.00	\$ 15.00	\$ 300	\$ 300	\$ -
Child Round Trip - FR to BI	90	\$ 30.00	\$ 30.00	\$ 2,700	\$ 2,700	\$ -
Adult One Way - FR to N	19	\$ 15.00	\$ 15.00	\$ 285	\$ 285	\$ -
Adult Round Trip - FR to N	24	\$ 30.00	\$ 30.00	\$ 720	\$ 720	\$ -
Child One Way - FR to N	3	\$ 7.00	\$ 7.00	\$ 21	\$ 21	\$ -
Child Round Trip - FR to N	-	\$ 14.00	\$ 14.00	\$ -	\$ -	\$ -
				<u>\$ 425,177</u>	<u>\$ 425,177</u>	<u>\$ -</u>
<u>Vehicles</u>						
Cars	33,196	\$ 38.95	\$ 41.75	\$ 1,292,984	\$ 1,385,933	\$ 92,949
Pick-ups & SUVs	7,082	\$ 47.90	\$ 51.35	\$ 339,228	\$ 363,661	\$ 24,433
Commuter Cars	3,822	\$ 32.70	\$ 32.70	\$ 124,979	\$ 124,979	\$ -
Commuter Pick-ups & SUVs	1,059	\$ 39.45	\$ 39.45	\$ 41,778	\$ 41,778	\$ -
Trucks & Oversize Trucks			See Individual Tariff for Rates	\$ 1,179,146	\$ 1,264,044	\$ 84,899
				<u>\$ 2,978,115</u>	<u>\$ 3,180,395</u>	<u>\$ 202,280</u>
<u>Freight</u>						
-Freight			See Individual Tariff for Rates	\$ 995,909	\$ 995,909	\$ -
<u>Bikes, Mopeds, Etc.</u>						
-Bikes, Mopeds, etc. -- Conventional Service			See Individual Tariff for Rates	\$ 135,712	\$ 145,483	\$ 9,771
-Bikes, Mopeds, etc. -- Newport FF Service			See Individual Tariff for Rates	\$ 3,392	\$ 3,392	\$ -
Total Rates and Charges				\$ 10,130,383	\$ 10,727,731	\$ 597,349
Total Other Revenue (Schedule WEE-2)				\$ 1,726,120	\$ 1,726,120	\$ -
TOTAL REVENUE				<u><u>\$ 11,856,503</u></u>	<u><u>\$ 12,453,851</u></u>	<u><u>\$ 597,349</u></u>

Revenue Summary - At Requested Rates (10%)
Interstate Navigation Company

Schedule WEE-2c

	Projected FY 2015 & 2016 Count or Usage	Current Rate	10.0% increase Rate	Current Revenue	10.0% increase Revenue	Dollar Increase
<u>Passenger</u>						
<u>Passenger - Conventional Service</u>						
Adult One Way	135,182	\$ 12.35	\$ 13.60	\$ 1,669,498	\$ 1,838,475	\$ 168,978
Adult Round Trip	149,912	\$ 22.60	\$ 24.85	\$ 3,388,011	\$ 3,725,313	\$ 337,302
Child One Way	12,681	\$ 6.25	\$ 6.90	\$ 79,256	\$ 87,499	\$ 8,243
Child Round Trip	13,215	\$ 11.30	\$ 12.45	\$ 149,330	\$ 164,527	\$ 15,197
Commuter One Way	-	\$ -	\$ -	\$ -	\$ -	\$ -
Commuter Round Trip	19,124	\$ 16.00	\$ 16.00	\$ 305,984	\$ 305,984	\$ -
				<u>\$ 5,592,079</u>	<u>\$ 6,121,798</u>	<u>\$ 529,719</u>
<u>Passenger - Traditional Newport FF Service</u>						
Adult One Way - N to BI	1,345	\$ 25.00	\$ 25.00	\$ 33,625	\$ 33,625	\$ -
Adult Round Trip - N to BI	5,252	\$ 50.00	\$ 50.00	\$ 262,600	\$ 262,600	\$ -
Child One Way - N to BI	121	\$ 13.00	\$ 13.00	\$ 1,573	\$ 1,573	\$ -
Child Round Trip - N to BI	413	\$ 26.00	\$ 26.00	\$ 10,738	\$ 10,738	\$ -
Adult One Way - FR to BI	314	\$ 29.50	\$ 29.50	\$ 9,263	\$ 9,263	\$ -
Adult Round Trip - FR to BI	1,737	\$ 59.50	\$ 59.50	\$ 103,352	\$ 103,352	\$ -
Child One Way - FR to BI	20	\$ 15.00	\$ 15.00	\$ 300	\$ 300	\$ -
Child Round Trip - FR to BI	90	\$ 30.00	\$ 30.00	\$ 2,700	\$ 2,700	\$ -
Adult One Way - FR to N	19	\$ 15.00	\$ 15.00	\$ 285	\$ 285	\$ -
Adult Round Trip - FR to N	24	\$ 30.00	\$ 30.00	\$ 720	\$ 720	\$ -
Child One Way - FR to N	3	\$ 7.00	\$ 7.00	\$ 21	\$ 21	\$ -
Child Round Trip - FR to N	-	\$ 14.00	\$ 14.00	\$ -	\$ -	\$ -
				<u>\$ 425,177</u>	<u>\$ 425,177</u>	<u>\$ -</u>
<u>Vehicles</u>						
Cars	33,196	\$ 38.95	\$ 42.85	\$ 1,292,984	\$ 1,422,449	\$ 129,464
Pick-ups & SUVs	7,082	\$ 47.90	\$ 52.70	\$ 339,228	\$ 373,221	\$ 33,994
Commuter Cars	3,822	\$ 32.70	\$ 32.70	\$ 124,979	\$ 124,979	\$ -
Commuter Pick-ups & SUVs	1,059	\$ 39.45	\$ 39.45	\$ 41,778	\$ 41,778	\$ -
Trucks & Oversize Trucks			See Individual Tariff for Rates	\$ 1,179,146	\$ 1,297,061	\$ 117,915
				<u>\$ 2,978,115</u>	<u>\$ 3,259,488</u>	<u>\$ 281,373</u>
<u>Freight</u>						
-Freight			See Individual Tariff for Rates	\$ 995,909	\$ 995,909	\$ -
<u>Bikes, Mopeds, Etc.</u>						
-Bikes, Mopeds, etc. -- Conventional Service			See Individual Tariff for Rates	\$ 135,712	\$ 149,283	\$ 13,571
-Bikes, Mopeds, etc. -- Newport FF Service			See Individual Tariff for Rates	\$ 3,392	\$ 3,392	\$ -
Total Rates and Charges				\$ 10,130,383	\$ 10,955,046	\$ 824,663
Total Other Revenue (Schedule WEE-2)				\$ 1,726,120	\$ 1,726,120	\$ -
TOTAL REVENUE				<u><u>\$ 11,856,503</u></u>	<u><u>\$ 12,681,166</u></u>	<u><u>\$ 824,663</u></u>

Expenses Summary - FY 2015
Interstate Navigation Company

Schedule WEE-3

Page 1 of 3

Account #	Account Name	Projected FY 2015	Adjustments	Adjusted FY 2015	REF
4200	Refunds, Credits and Voids	\$ 76,079	\$ -	\$ 76,079	
5100	Payroll	2,902,290	-	2,902,290	
5160	Payroll - Islander	117,210	-	117,210	
6100	Depreciation	1,084,263	-	1,084,263	
6120	Depreciation - Islander	147,082	-	147,082	
6200	Amortization	0	-	0	
	Rate Case Expense	93,333	-	93,333	
7100	Vessel Maintenance - Block Island	197,444	-	197,444	
7110	Vessel Maintenance - Carol Jean	125,638	-	125,638	
7120	Vessel Maintenance - Manitou	35,591	-	35,591	
7130	Vessel Maintenance - Anna C	67,805	-	67,805	
7140	Vessel Maintenance - Nelseco	-	-	-	
7150	Vessel Maintenance - General	38,930	-	38,930	
7180	Vessel Maintenance - Islander	106,972	-	106,972	
7200	Building Maintenance - BI	4,872	-	4,872	
7205	Building Maintenance - Sunflower	5,476	-	5,476	
7210	Building Maintenance - PJ	20,758	-	20,758	
7220	Dock Maintenance - BI	8,633	-	8,633	
7230	Dock Maintenance - PJ	7,311	-	7,311	
7235	Dock Maintenance - Newport	-	-	-	
7240	Yard Maintenance - Montville	137,554	-	137,554	
7250	Terminal Maintenance	10,720	-	10,720	
7251	Terminal Maintenance-islander	391	-	391	
7255	Terminal Maintenance-Fall River	1,883	-	1,883	
7260	Auto and Truck Maintenance	17,283	-	17,283	
7270	General Repairs and Maintenance	85	-	85	
7280	Forklifts Maintenance	37,061	-	37,061	
7290	Fuel - Building	21,162	-	21,162	
7300	Fuel - MV Block Island	643,831	36,824	680,655	WEE-3b
7310	Fuel - MV Carol Jean	439,660	25,146	464,806	WEE-3b
7320	Fuel - MV Manitou	6,418	367	6,785	WEE-3b
7325	Fuel - MV Southland	-	-	-	WEE-3b
7330	Fuel - MV Anna C	220,373	12,604	232,977	WEE-3b
7335	Fuel - MV Islander	261,827	-	261,827	
7340	Fuel - MV Nelseco	-	-	-	
7350	Lube Oil	39,794	-	39,794	
7355	Lube Oil - Islander	4,174	-	4,174	
7360	Crew Expense	167,753	-	167,753	
7370	Boat Supplies	23,519	-	23,519	
7375	Boat Supplies - Islander	1,929	-	1,929	
7380	Other Vessel Expense	11,361	-	11,361	
7387	Other Vessel Expense - Islander	-	-	-	
7390	Wharfage	329,838	-	329,838	
7393	Wharfage - Islander	17,630	-	17,630	
7396	Charter Expense - Trad Ferry	-	-	-	
7397	Bus Charter	8,250	-	8,250	
7400	Food for Resale	116,485	-	116,485	

Expenses Summary - FY 2015
Interstate Navigation Company

Schedule WEE-3

Page 2 of 3

Account #	Account Name	Projected FY 2015	Adjustments	Adjusted FY 2015	REF
7407	Food for Resale - Islander	9,057	-	9,057	
7410	Beverages for Resale	54,162	-	54,162	
7413	Beverages for Resale - Islander	3,404	-	3,404	
7415	Meals - Tour Package	39,967	-	39,967	
7420	Bar Supplies	19,423	-	19,423	
7427	Bar Supplies - Islander	1,512	-	1,512	
7503	Homeland Security - Depreciation	(0)	-	(0)	
7504	Homeland Security - Grant	-	-	-	
7506	Homeland Security - Equipment	30,678	-	30,678	
7507	Homeland Security - Personnel	251,710	-	251,710	
7508	Homeland Security - Operations	28,136	-	28,136	
7509	Homeland Security - Equip Rental	4,688	-	4,688	
7510	Trash Removal	25,780	-	25,780	
7600	Local Transfer	219,619	-	219,619	
7700	Auto and Truck Expense	40,014	-	40,014	
7710	Travel	205	-	205	
7800	Advertising	334,841	-	334,841	
7805	Advertising - Fall river	75,179	-	75,179	
7815	Advertising - Islander	80,602	-	80,602	
7900	Other Traffic Expense	45,475	-	45,475	
7915	Other Traffic Expense - Islander	800	-	800	
7917	Other Traffic Expense - Fall River	475	-	475	
8100	Office	50,691	-	50,691	
8103	Office - Islander	-	-	-	
8105	Meetings/Seminars	14,623	-	14,623	
8107	Entertainment	-	-	-	
8110	Rent	24,982	-	24,982	
8120	Utilities	130,265	-	130,265	
8130	Dues and Subscriptions	13,654	-	13,654	
8137	Dues and Subscriptions - Islander	295	-	295	
8140	Telephone	60,907	-	60,907	
8150	Computer Expense	251,460	-	251,460	
8159	Computer Expense - Islander	1,350	-	1,350	
8160	PUC Expense	55,873	-	55,873	
8170	Contribution	4,495	-	4,495	
8180	Payroll Services	8,490	-	8,490	
8190	Credit Card Admin Fees	234,893	-	234,893	
8200	Bank Charges	689	-	689	
8210	Finance Charges	366	-	366	
8220	Freight	1,475	-	1,475	
8230	Miscellaneous	20,888	-	20,888	
8140	Bad Debt Expense	634	-	634	
8300	Accounting	131,499	-	131,499	
8310	Legal	127,126	-	127,126	
8315	Legal - Islander	-	-	-	
8320	Other Professional Fees	9,839	-	9,839	
8400	Profit Sharing	79,662	-	79,662	
8410	Employee Insurance	549,494	-	549,494	

Expenses Summary - FY 2015
Interstate Navigation Company

Schedule WEE-3

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<u>Account #</u>	<u>Account Name</u>	<u>Projected FY 2015</u>	<u>Adjustments</u>	<u>Adjusted FY 2015</u>	<u>REF</u>
8500	Insurance - Vessel	154,214	-	154,214	
8504	Insurance - Vesses - Southland	1,746	-	1,746	
8506	Insurance - Vesses - Islander	33,167	-	33,167	
8510	Insurance - Auto	8,533	-	8,533	
8520	Insurance - Property	2,476	-	2,476	
8530	Insurance - Other	373	-	373	
8540	Insurance - Workmens Comp	32,450	-	32,450	
8550	Damages - Auto and Freight	3,505	-	3,505	
8560	Injuries	10,133	-	10,133	
8600	FICA Expense	233,057	-	233,057	
8605	FICA Expense - Islander	8,927	-	8,927	
8610	Unemployment Comp - CT	2,173	-	2,173	
8620	Unemployment Comp - FED	13,401	-	13,401	
8630	Unemployment Comp - RI	93,939	-	93,939	
8700	Gross Earnings Tax	139,849	-	139,849	
8710	Sec of State - Annual Report	585	-	585	
8720	Licenses	8,389	-	8,389	
8730	Sales and Use Tax - RI	55,686	-	55,686	
8740	Sales and Use Tax - CT	11,883	-	11,883	
8745	Other Taxes	-	-	-	
8750	Federal Taxes	117,657	46,818	164,475	WEE-5
8760	CT Corporate Tax	5,204	-	5,204	
8770	Permits	510	-	510	
8780	Real Estate Tax	25,764	-	25,764	
8790	Personal Property Tax	2,571	-	2,571	
8800	Penalties	25	-	25	
8810	Cash Over/Short	(143)	-	(143)	
8900	Returned Items	49	-	49	
8910	Chargebacks	4,354	-	4,354	
9100	Interest Expense	208,806	(208,806)	-	
9900	Extraordinary Items	-	-	-	
		-	-	-	
	Total Expenses	11,777,327	(87,047)	11,690,280	
	Revenue	11,757,371	99,133	11,856,504	
	Gain/ (loss)	\$ (19,956)	\$ 186,180	\$ 166,224	

Analysis of Fuel Expense- Costs Eligible for Recovery
Interstate Navigation Company

Schedule WEE-3b

Date	(A) Gallons	(A) Average Fuel Cost	(A) Total Fuel	(B) Fuel Floor	(C) Fuel Recovery
May 31, 2015	41,681	\$ 2.65	\$ 110,454.65	135,463.25	\$ 25,008.60
April 30, 2015	25,538	2.65	67,675.70	82,998.50	15,322.80
March 31, 2015	18,700	2.65	49,555.00	60,775.00	11,220.00
February 28, 2015	16,895	2.56	43,304.00	54,908.75	11,604.75
January 31, 2015	17,571	2.16	37,877.00	57,105.75	19,228.75
December 31, 2014	20,089	2.56	51,407.00	65,289.25	13,882.25
November 30, 2014	18,001	2.97	53,411.00	58,503.25	5,092.25
October 31, 2014	31,211	3.07	95,913.00	101,435.75	5,522.75
September 30, 2014	43,663	3.27	142,954.00	141,904.75	(1,049.25)
August 31, 2014	64,689	3.36	217,214.00	210,239.25	(6,974.75)
July 31, 2014	69,395	3.41	236,387.00	225,533.75	(10,853.25)
June 30, 2014	49,201	3.52	172,967.00	159,903.25	(13,063.75)
	<u>416,634</u>		<u>\$ 1,279,119.35</u>	<u>\$ 1,354,060.50</u>	<u>\$ 74,941.15</u>

(A) Obtained from DGB-5b

(B) Calculated Gallons x Floor Rate \$3.25 = Fuel Floor

(C) Total Fuel less Fuel Floor = Fuel Recovery

		Projected FY 2015	Fuel Adjustments	Adjusted FY 2015
7300	Fuel - MV Block Island	643,831	36,824	680,655
7310	Fuel - MV Carol Jean	439,660	25,146	464,806
7320	Fuel - MV Manitou	6,418	367	6,785
7325	Fuel - MV Southland	-	0	-
7330	Fuel - MV Anna C	220,373	12,604	232,977
		<u>1,310,282</u>	<u>74,941</u>	<u>1,385,224</u>

Fast Ferry Revenue & Expense Summary - FY 2015
Interstate Navigation Company

Schedule WEE-4

Account #	Account Name	Projected FY 2015	Adjustments	Adjusted FY 2015	REF
Revenue from Rates and Charges					
	-Passengers	\$ 2,038,322	\$ -	\$ 2,038,322	
	-Bikes, Mopeds, etc.	14,633	-	14,633	
		<u>2,052,955</u>	<u>-</u>	<u>2,052,955</u>	
Miscellaneous Revenue					
	-Bar	\$ 90,927	\$ -	\$ 90,927	
	-Charter	25,000	(25,000)	-	
		<u>115,927</u>	<u>(25,000)</u>	<u>90,927</u>	
	Total FF Service Only -	<u>2,168,882</u>	<u>(25,000)</u>	<u>2,143,882</u>	
5150	Payroll - FF	211,672		211,672	
6101	Depreciation - FF	168,000	(168,000)	(0)	
6201	Amortization - FF	94,167	(94,167)	(0)	
7160	Vessel Maintenance - Athena - FF	104,844		104,844	
7345	Fuel - MV Athena - FF	376,774		376,774	
7352	Lube Oil - FF	13,326		13,326	
7362	Crew Expense - FF	453		453	
7372	Boat Supplies - FF	5,143		5,143	
7385	Other Vessel Expense - FF	86		86	
7395	Wharfage - FF	39,625		39,625	
7405	Food for Resale - FF	24,151		24,151	
7412	Beverages for Resale - FF	9,078		9,078	
7425	Bar Supplies - FF	4,032		4,032	
7810	Advertising - FF	100,604		100,604	
7910	Other Traffic Expense - FF	2,400		2,400	
8101	Office - FF	-		0	
8135	Dues and Subscriptions - FF	197		197	
8155	Computer Expense - FF	-		0	
8312	Legal - FF	-		0	
8502	Insurance - Vessel - FF	52,368		52,368	
8601	FICA Expense - FF	16,345		16,345	
8701	Gross Earnings Tax - FF	27,111		27,111	
8751	Federal Taxes - FF	-		0	
9110	Interest Expense - FF	349,009		349,009	
	Principal	-	138,034	138,034	
	Total Expenses	1,599,386	(124,133)	1,475,253	
	Revenue	<u>2,168,882</u>	<u>(25,000)</u>	<u>2,143,882</u>	
	Gain/ (loss)	\$ 569,496	\$ 99,133	\$ 668,629	

Net Utility Plant
Interstate Navigation Company

Schedule WEE-5

	<u>Annual Report Total 5/31/2014</u>	<u>Fast Ferry Service 5/31/2014</u>	<u>Newport Run 5/31/2014</u>	<u>Conventional Service 5/31/2014</u>	<u>Total 5/31/2014</u>
MV - Nelseco			-		-
MV - Islander			2,512,652		2,512,652
MV - Athena		2,934,960			2,934,960
MV - Nelseco - Rebuilt Engine			-		-
MV - Nelseco - Radar			-		-
MV - Nelseco - Renew Hull			-		-
MV - Athena - Rebuilt Engine		-			-
MV - Athena - AC		3,275			3,275
All other Assets				5,079,022	5,079,022
<i>Net Book Value of Capital Assets</i>	<u>\$ 10,529,909</u>	<u>\$ 2,938,235</u>	<u>\$ 2,512,652</u>	<u>\$ 5,079,022</u>	<u>\$ 10,529,909</u>

Rate Base - FY 2015
Interstate Navigation Company

Schedule WEE-6

Net Utility Plant 5/31/14 (Per Schedule WEE - 5)		\$ 5,079,022
Add Back New Newport Run - Islander Vessel		<u>2,512,652</u>
Utility Plant -Beginning of Rate Year		\$ 7,591,674
FY 2015 Additions		
Southland		11,194
Sunflower Building		8,714
		<u>19,908</u>
FY 2015 Depreciation (deduction)		
Conventional Service		(1,084,263)
Less New Newport Run - Islander Vessel Depreciation		<u>(147,082)</u>
		(1,231,345)
Utility Plant - End Of Rate Year (FY 2015)		<u>\$ 6,380,237</u>
Average Utility Plant		\$ 6,985,956
Working Capital		0
Deferred Revenue	[(713,752) FY2014] [(533,752) FY 2015]	(623,752)
Deferred Income Taxes	[(148,841) FY2014] [+8,838 FY 2015]	<u>(70,002)</u>
Average Rate Base for the Rate Year		<u>\$ 6,292,202</u>

Rate of Return and Federal Income Tax - FY 2015
Interstate Navigation Company

Schedule WEE-7

Proposed Capital Structure of the Rate Year

	<u>5/31/2014</u>	<u>5/31/2015</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	\$ 5,251,397	\$ 4,471,530	\$ 4,861,464	44.79%	3.57%	0.0160
Building Loan - Fixed rate 10/20 year (New)	986,003	957,203	971,603	8.95%	4.65%	0.0042
Total Debt						<u>0.0202</u>
Common Stock	19	19	19	0.00%	11.00%	0.0000
Other Paid-in Capital	400,532	400,532	400,532	3.69%	11.00%	0.0041
Treasury Stock	(1,005,279)	(1,005,279)	(1,005,279)	-9.26%	11.00%	-0.0102
Equity (See Calculation at bottom of page)	<u>5,503,713</u>	<u>5,745,923</u>	<u>5,624,818</u>	<u>51.83%</u>	<u>11.00%</u>	<u>0.0570</u>
Total Equity						0.0509
Total Capital structure	<u>\$ 11,136,385</u>	<u>\$ 10,569,929</u>	<u>\$ 10,853,157</u>	<u>100.00%</u>		<u>0.0710</u>

Calculation of Federal Income Tax:

Rate Base	\$ 6,292,202
Return On Equity	<u>0.0509</u>
Taxable Income Base	\$ 320,148
Taxable Income (Taxable Base / (1 - Rate))	\$ 485,073
Income Tax Rate	<u>34%</u>
Income Tax Expense (34%)	<u>164,475</u>
Total Tax	<u>\$ 164,475</u>

Calculation of Retained Earnings:

RE at May 31, 2014 Per Annual Report	\$ 3,529,248
Add Back: Accumulated Depreciation on Athena	1,265,040
Accumulated Amortization of other assets purchased from IHSF	<u>709,425</u>
Adjusted RE at May 31, 2014	B <u>\$ 5,503,713</u>
FY 2015 Net Income	\$ (19,956)
Add Back: 2015 Depreciation on Athena	168,000
2015 Amortization of other assets purchased from IHSF	<u>94,167</u>
Adjusted RE at May 31, 2015	B <u>\$ 5,745,923</u>

Rate Ceiling & Floor
Interstate Navigation Company

	Floor Rate -20%	Rate	Ceiling Rate +10%
<u>Passenger</u>			
Adult One Way	\$ 9.90	\$ 12.35	\$ 13.60
Adult Round Trip	\$ 18.10	\$ 22.60	\$ 24.85
Child One Way	\$ 5.00	\$ 6.25	\$ 6.90
Child Round Trip	\$ 9.05	\$ 11.30	\$ 12.45
Commuter One Way	\$ -	\$ -	\$ -
Commuter Round Trip	\$ 16.00	\$ 16.00	\$ 16.00
<u>Vehicles</u>			
Cars	\$ 31.15	\$ 38.95	\$ 42.85
Pick-ups & SUVs	\$ 38.30	\$ 47.90	\$ 52.70
Commuter Cars	\$ 32.70	\$ 32.70	\$ 32.70
Commuter Pick-ups & SUVs	\$ 39.45	\$ 39.45	\$ 39.45
<u>Trucks & Oversize Trucks</u>			
Trucks	\$ 4.90	\$ 6.10	\$ 6.70
Hazardous Trucks	\$ 7.40	\$ 9.25	\$ 10.20
Oversized Vehicles	\$ 3.60	\$ 4.50	\$ 4.95
Vehicles over 7' High	\$ 4.90	\$ 6.10	\$ 6.70
Vehicle Overhang Charge	\$ 6.75	\$ 8.45	\$ 9.30
Weight Premium	\$ 48.30	\$ 60.35	\$ 66.40
<u>Freight</u>			
-Freight		See individual Tariff	
<u>Bikes, Mopeds, Etc.</u>			
-Bikes, Mopeds, etc.			
Bicycles	\$ 2.55	\$ 3.20	\$ 3.50
Electric Bicycles	\$ 6.65	\$ 8.30	\$ 9.15
Motorcycles	\$ 17.45	\$ 21.80	\$ 24.00

Total Rates and Charges

Docket No. _____

INTERSTATE NAVIGATION COMPANY

LOCAL TARIFF

Naming

PASSENGER AND VEHICLE RATES

FOR TRADITIONAL SERVICE

APPLYING BETWEEN

POINTS AND PLACES IN THE STATE OF

RHODE ISLAND

(As Indicated Herein)

EFFECTIVE: May 24, 2015

ISSUED BY:

Interstate Navigation Company
Susan Linda, President
Post Office Box 482
New London, Connecticut 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:

- (a) Baggage may be either personal or sales sample cases defined as follows: Personal luggage or baggage consists 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 salesman containing samples or articles or merchandise for sale and for future transportation and not articles for immediate sale forthwith.
- (b) 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.
- (c) 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:

Carrier will not be responsible for articles left in automobiles when not loaded in car trunks.

RULE NO. 25 DAMAGE TO AUTOMOBILES IN TRANSIT:

Any alleged damage to automobiles aboard ship shall be reported to ship's officers prior to leaving the dock at destination.

RULE NO. 30 RETURN TICKET:

The carrier will not be responsible to persons holding return 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. 35a OVERSIZED VEHICLES:

Deck space in general is restricted in the vessels by height and width. Outside deck space (which can accommodate higher vehicles) is also very limited in availability. Therefore, Oversized Vehicles, (which include cars, pick-up trucks, SUVs and vans) that do not fit the standard sized description of a standard car, pick-up truck, or van, will be charged an Oversized Vehicle rate of \$4.95 per linear foot, but only if they are 7' in height or less. If they are over 7' high, see Rule 35b. A standard car is no more than 18' long, 6' wide, and 5' high. As examples, without limiting the generality of the foregoing, the following are Oversized Vehicles that will be charged the per linear foot Oversized Vehicle rate of \$4.95 per linear foot but only if they are 7' in height or less:

- Any vehicles (including but not limited to cars, vans, and pick-ups) that are over 6' in width at the widest point.
- Extended cab pick-up trucks.
- Dual-wheel vehicles (including but not limited to the F350 Ford Series).
- Small dump trucks with a pick up front, and a dump body.
- Stake body trucks.
- Vehicles where racks extend the length of the car, van or pick-up.
- Vehicles that are wider than standard. For example, the vehicle has a utility body containing tool boxes, or the body of the vehicle is not ordinary or standard open backed.
- Vehicles that have ladder racks, or racks that hold pipes or other items on their roof.
- Any trailers (including but not limited to utility trailers), that are longer or wider than a standard car or are over 6' wide at the widest.

RULE 35b VEHICLES OVER 7' HIGH OR THAT REQUIRE OUTSIDE DECK SPACE:

- Any vehicles (including but not limited to cars, vans, pick-ups, SUVs, and trailers of any type) that are over 7' in height at the highest point will be charged the \$6.70 per linear foot truck rate.
- Any vehicles that require the use of the limited outside deck space will charged the per linear foot truck rate of \$6.70 per linear foot. For example, people will often put their bikes on their car, and they often need outside deck space due to the extra height. We cannot guarantee them the outside deck space (trucks have priority) and the bikes and racks may have to come down. In such a case, if the bikes and racks come down and the car, van or pick-up is then otherwise standard size, the standard car, van or pick-up truck rate will apply, and the standard charges will also apply to the bikes, racks, or other items removed from the vehicle.

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:

All vehicles are transported at owner's sole risk. Drivers must accompany vehicles. The company will not be responsible for any damages to vehicles while in transport or while they are being loaded and unloaded aboard the vessel. The owner or driver must drive the vehicle on and off the vessel. In the event a vessel is canceled, the car reservation is also canceled. Any alleged damage to automobiles shall be reported to vessel's officers prior to leaving dock at destination.

RULE NO. 60 CAR RESERVATION CANCELLATIONS:

Car reservations may be changed two times 7 full days in advance of departure, then only one time within 7 days of departure. Cancellations made 7 full days in advance will be assessed a \$12.85 cancellation fee for each cancellation. No refunds will be made for cancellations made within 7 days of departure.

RULE NO. 65 VEHICLE OVERHANG CHARGE:

There is a \$9.30 additional charge per each way, in addition to the vehicle fee, for items over 7' on top of cars, and the same fee will be charged for items on the front, back and side of vehicles as well as items overhanging the roof of vehicles that exceed the length or width of the vehicle.

RULE NO. 70 NON-STANDARD VEHICLE CHARGES:

Vehicles that require more than one car space (such as limousines) may be charged an increased rate based on the amount of deck space required for the vehicle as opposed to a standard car or SUV (see also Rule 35).

RULE NO. 75 BLOCK TICKET SALES CHARGE:

There is a \$25.10 block ticket sales service charge for all block sales of 25 or more tickets. The block ticket sales service charge for arrangements made for group travel that includes making luncheon reservations, bus tours, and/or other similar amenities shall be \$45.00.

RULE NO. 80 ONLINE SALES CHARGE:

For all online internet and telephone call center passenger transactions, there is a \$2.65 convenience fee per transaction, to cover postage/handling charges.

RULE NO. 85 LOST TICKET CHARGE:

There is a \$16.70 charge for all lost tickets which are replaced (each way).

RULE NO. 90 DISCOUNTS:

Carrier may from time to time apply a 15% promotional group discount rate to groups of 25 or more. Carrier may from time to time apply up to a 25% discount on Monday through Thursday, inclusive, during the months of May through September, inclusive. Carrier may also from time to time offer non-rate incentive promotions.

RULE NO. 95 ADVANCE TICKET DISCOUNT:

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

RULE NO. 100 ISLANDER DISCOUNT COMMUTER RATE ELIGIBILITY:

Only those who certify under oath that they are full time residents of Block Island, residing for at least nine (9) months per calendar year at a physical Block Island address (not a post office box) are eligible for the islander discount commuter rate, provided that: (1) they also hold a current Rhode Island Registry of Motor Vehicles drivers' license that has a Block Island address as the sole address on the license and present the license for inspection and copying (or are too young to obtain a drivers' license, but attend the Block Island school and present a current Block Island school photo I.D. for inspection and copying), and (2) they also are duly registered and valid Block Island voters, as shown on the Block Island voters registration list (or are too young to register to vote and present a current Block Island school photo I.D.) If the discounted Islander commuter rate is sought for a standard size car, SUV, van, or pickup (oversized vehicles as defined in Rule 35 and regular trucks are not eligible for the discounted islander rate) the vehicle (1) must be driven by a driver with solely a Block Island address on his or her drivers' license, and (2) must have solely a Block Island address on its registration and the registration for each vehicle must be produced for inspection and copying

1. The PUC has ruled that those who are authorized to receive the discounted islander commuter rates "are islanders who commute to the mainland."
2. Block Island ordinances state in pertinent part:
 - [A] resident is defined as one who resides full time in the Town of New Shoreham.
 - Full time Block Island residency status is not affected by absence due to enrollment at an educational institution or fulfilling a military obligation providing that the resident is also a registered Block Island voter.

- Full time Block Island residency status is not affected by absence, whatever the reason, of up to three (3) months in any calendar year providing that the resident is also a registered Block Island voter.
3. The Block Island Ferry Islander card must be renewed annually, and you must appear in person to obtain or renew your card.
 4. Discounted islander commuter tickets will only be sold on Block Island on a round trip basis. Passenger tickets will be good for 7 days; vehicle tickets will be good for 30 days.
 5. If you do not obtain a Block Island Ferry Islander card because you are not a full time Block Island resident, you can still purchase discounted (frequent user) tickets (10 for the price of 9).
 6. Block Island Ferry also has reduced rates in effect for all children under 12 and seniors 65 and over, whether or not you are a full time Block Island resident.
 7. If your application for an Islander Card is denied, you may appeal the denial in writing to Joshua Linda, Vice President, Interstate Navigation Co., P.O. Box 482, New London, CT 06320. Please state why you feel you are a full time Block Island resident (at least 9 months per year). Please include with your written appeal any evidence of your Block Island residency that you wish Mr. Linda to review.

EXPLANATION OF ABBREVIATIONS

No. = Number

P.O. = Post Office

R.I. = Rhode Island

R.I.P.U.C = Rhode Island Public Utilities Commission

NA = Not Available

PLF. = Per Linear Foot

PASSENGER RATES
(Rates in Dollars and Cents Per Passenger)

ITEM:

Between Newport and Block Island Apply Column A Rates
 Between Point Judith and Block Island Apply Column B Rates
 Between Point Judith and Newport Apply Column C Rates

COLUMN

A	B	C					
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5 ADULT PASSENGER FARES

ONE WAY ADULT	\$25.00	\$13.60	\$25.00				
ROUND TRIP ADULT	\$50.00	\$24.85	\$50.00				

10 CHILDREN PASSENGER FARES

ONE WAY	\$13.00	\$6.90	\$13.00				
ROUND TRIP	\$26.00	\$12.45	\$26.00				

Commuter Rate \$16.00 (See Rule 100)

Senior Discount (over 65 years):
 \$.50 off one way
 \$1.00 off round trip

NOTE a. The passenger rates for children published in Item No. 10 will apply to children five (5) years of age up to and including children eleven (11) years of age when accompanied by an adult. For children twelve (12) years of age and older the adult passenger fares published in Item No. 5 will be charged.

NOTE b. Children under five (5) years of age when accompanied by an adult will be transported free.

FOR EXPLANATION OF ABBREVIATIONS AND REFERENCE MARKS SEE PAGE 6.

VEHICLE RATES

ITEM:

Between Block Island and Newport Apply Column A Rates
 Between Block Island and Point Judith Apply Column B Rates
 Between Point Judith and Newport Apply Column C Rates

RATES IN DOLLARS AND CENTS PER UNIT (one way)

		COLUMN		
		A	B	C
15	Automobiles (See Rules 20, 25, 35, 50, 55, 60, 65 and 70 herein and Rule 20 of Freight Tariff)	n/a	42.85	n/a
16	Bicycles	6.00	3.50	6.00
16a	Bicycle wagons, whether or not attached to a bicycle	6.00	3.50	6.00
16b	Tandem Bicycles, whether or not attached to a bicycle	6.00	3.50	6.00
16c	Electric Bicycles, motorized skateboards, and mini-motorcycles	8.30	9.15	8.30
17	Motorcycles	n/a	24.00	n/a
18	Pick-up trucks, vans, and SUV's (See Rules 20, 25, 35, 50, 55, 60, 65 and 70 herein and Rule 20 of Freight Tariff)	n/a	52.70	n/a
19	Trucks* (See note)	n/a	6.70/lf	n/a
20	Hazardous Trucks* (See note)	n/a	10.20/l f	n/a

Commuter Vehicle Rates:

- Standard-sized Automobiles \$32.70
 (See Rules 20, 25, 35, 50, 55, 60, 65, 70, and 100 herein and Rule 20 of Freight Tariff)
- Standard-sized Pick-up Trucks, Vans, and SUVs \$39.45 (See Rules 20, 25, 35, 50, 55, 60, 65, 70, and 100 herein and Rule 20 of Freight Tariff)

* Note: Except as set forth below, trucks carrying hazardous materials or dangerous goods, as defined by 49 CFR, Subchapter C Hazardous Materials Regulations, the U.S. Coast Guard, and the International Maritime Organization, can not be transported aboard passenger vessels. Therefore, except as set forth below, when carrying these materials, the vessel must operate strictly as a cargo vessel, and the per foot rate is as set forth above for hazardous trucks. For this purpose, the Carrier will make a vessel available as a cargo vessel on a reservation only, as available basis, at the rate set forth above per same day round trip run from Point Judith to Block Island and return (maximum 4 hours). When available, the cargo vessel must be scheduled to leave Point Judith and complete the run at the discretion of the Carrier.

Trucks which carry sludge for the New Shoreham Sewer Commission will be required to travel on the hazardous truck cargo vessel, and will not be allowed to travel on a vessel with passengers, but will be allowed to travel at the regular truck rate of \$6.70 per linear foot, because the sludge is not a hazardous material or dangerous good as defined by 49 CFR, Subchapter C, but odor from the truck is a problem for ferry passengers. In addition, trucks which carry garbage for the Town of New Shoreham will also be allowed, on an as-needed basis, to travel on the hazardous truck cargo vessel, but at the standard truck rate of \$6.70 per linear foot, or they may travel on the usual passenger ferry.

Trucks which have a gross weight of 50,000 pounds or more and are not tractor trailer trucks and are not carrying property for the Town of New Shoreham will be required to pay, in addition to the per linear foot truck rate, a weight premium of \$66.40 per one way trip due to the weight limitations imposed upon the ferry vessels.

STATE OF RHODE ISLAND

PUBLIC UTILITIES COMMISSION

Docket No. 4373_____

INTERSTATE NAVIGATION COMPANY

LOCAL TARIFF

Naming

PASSENGER AND VEHICLE RATES

FOR TRADITIONAL SERVICE

APPLYING BETWEEN

POINTS AND PLACES IN THE STATE OF

RHODE ISLAND

(As Indicated Herein)

EFFECTIVE: May 24, 2013 May 24, 2015

ISSUED BY:

Interstate Navigation Company
Susan Linda, President
Post Office Box 482
New London, Connecticut 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:

- (a) Baggage may be either personal or sales sample cases defined as follows: Personal luggage or baggage consists 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 salesman containing samples or articles or merchandise for sale and for future transportation and not articles for immediate sale forthwith.
- (b) 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.
- (c) 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:

Carrier will not be responsible for articles left in automobiles when not loaded in car trunks.

RULE NO. 25 DAMAGE TO AUTOMOBILES IN TRANSIT:

Any alleged damage to automobiles aboard ship shall be reported to ship's officers prior to leaving the dock at destination.

RULE NO. 30 RETURN TICKET:

The carrier will not be responsible to persons holding return 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. 35a OVERSIZED VEHICLES:

Deck space in general is restricted in the vessels by height and width. Outside deck space (which can accommodate higher vehicles) is also very limited in availability. Therefore, Oversized Vehicles, (which include cars, pick-up trucks, SUVs and vans) that do not fit the standard sized description of a standard car, pick-up truck, or van, will be charged an Oversized Vehicle rate of ~~\$4.50~~4.95 per linear foot, but only if they are 7' in height or less. If they are over 7' high, see Rule 35b. A standard car is no more than 18' long, 6' wide, and 5' high. As examples, without limiting the generality of the foregoing, the following are Oversized Vehicles that will be charged the per linear foot Oversized Vehicle rate of ~~\$4.50~~4.95 per linear foot but only if they are 7' in height or less:

- Any vehicles (including but not limited to cars, vans, and pick-ups) that are over 6' in width at the widest point.
- Extended cab pick-up trucks.
- Dual-wheel vehicles (including but not limited to the F350 Ford Series).
- Small dump trucks with a pick up front, and a dump body.
- Stake body trucks.
- Vehicles where racks extend the length of the car, van or pick-up.
- Vehicles that are wider than standard. For example, the vehicle has a utility body containing tool boxes, or the body of the vehicle is not ordinary or standard open backed.
- Vehicles that have ladder racks, or racks that hold pipes or other items on their roof.
- Any trailers (including but not limited to utility trailers), that are longer or wider than a standard car or are over 6' wide at the widest.

RULE 35b VEHICLES OVER 7' HIGH OR THAT REQUIRE OUTSIDE DECK SPACE:

- Any vehicles (including but not limited to cars, vans, pick-ups, SUVs, and trailers of any type) that are over 7' in height at the highest point will be charged the ~~\$6.10~~6.70 per linear foot truck rate.
- Any vehicles that require the use of the limited outside deck space will charged the per linear foot truck rate of ~~\$6.10~~6.70 per linear foot. For example, people will often put their bikes on their car, and they often need outside deck space due to the extra height. We cannot guarantee them the outside deck space (trucks have priority) and the bikes and racks may have to come down. In such a case, if the bikes and racks come down and the car, van or pick-up is then otherwise standard size, the standard car, van or pick-up truck rate will apply, and the standard charges will also apply to the bikes, racks, or other items removed from the vehicle.

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.

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RULE NO. 60 CAR RESERVATION CANCELLATIONS:

Car reservations may be changed two times 7 full days in advance of departure, then only one time within 7 days of departure. Cancellations made 7 full days in advance will be assessed a ~~\$11.70~~12.85 cancellation fee for each cancellation. No refunds will be made for cancellations made within 7 days of departure.

RULE NO. 65 VEHICLE OVERHANG CHARGE:

There is a ~~\$8.45~~9.30 additional charge per each way, in addition to the vehicle fee, for items over 7' on top of cars, and the same fee will be charged for items on the front, back and side of vehicles as well as items overhanging the roof of vehicles that exceed the length or width of the vehicle.

RULE NO. 70 NON-STANDARD VEHICLE CHARGES:

Vehicles that require more than one car space (such as limousines) may be charged an increased rate based on the amount of deck space required for the vehicle as opposed to a standard car or SUV (see also Rule 35).

RULE NO. 75 BLOCK TICKET SALES CHARGE:

| There is a ~~\$22.80~~25.10 block ticket sales service charge for all block sales of 25 or more tickets. The block ticket sales service charge for arrangements made for group travel that includes making luncheon reservations, bus tours, and/or other similar amenities shall be ~~\$40.90~~45.00.

RULE NO. 80 ONLINE SALES CHARGE:

| For all online internet and telephone call center passenger transactions, there is a ~~\$2.40~~2.65 convenience fee per transaction, to cover postage/handling charges.

RULE NO. 85 LOST TICKET CHARGE:

| There is a ~~\$15.20~~16.70 charge for all lost tickets which are replaced (each way).

RULE NO. 90 DISCOUNTS:

Carrier may from time to time apply a 15% promotional group discount rate to groups of 25 or more. Carrier may from time to time apply up to a 25% discount on Monday through Thursday, inclusive, during the months of May through September, inclusive. Carrier may also from time to time offer non-rate incentive promotions.

RULE NO. 95 ADVANCE TICKET DISCOUNT:

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

RULE NO. 100 ISLANDER DISCOUNT COMMUTER RATE ELIGIBILITY:

Only those who certify under oath that they are full time residents of Block Island, residing for at least nine (9) months per calendar year at a physical Block Island address (not a post office box) are eligible for the islander discount commuter rate, provided that: (1) they also hold a current Rhode Island Registry of Motor Vehicles drivers' license that has a Block Island address as the sole address on the license and present the license for inspection and copying (or are too young to obtain a drivers' license, but attend the Block Island school and present a current Block Island school photo I.D. for inspection and copying), and (2) they also are duly registered and valid Block Island voters, as shown on the Block Island voters registration list (or are too young to register to vote and present a current Block Island school photo I.D.) If the discounted Islander commuter rate is sought for a standard size car, SUV, van, or pickup (oversized vehicles as defined in Rule 35 and regular trucks are not eligible for the discounted islander rate) the vehicle (1) must be driven by a driver with solely a Block Island address on his or her drivers' license, and (2) must have solely a Block Island address on its registration and the registration for each vehicle must be produced for inspection and copying

1. The PUC has ruled that those who are authorized to receive the discounted islander commuter rates "are islanders who commute to the mainland."
2. Block Island ordinances state in pertinent part:
 - [A] resident is defined as one who resides full time in the Town of New Shoreham.
 - Full time Block Island residency status is not affected by absence due to enrollment at an educational institution or fulfilling a military obligation providing that the resident is also a registered Block Island voter.

- Full time Block Island residency status is not affected by absence, whatever the reason, of up to three (3) months in any calendar year providing that the resident is also a registered Block Island voter.
3. The Block Island Ferry Islander card must be renewed annually, and you must appear in person to obtain or renew your card.
 4. Discounted islander commuter tickets will only be sold on Block Island on a round trip basis. Passenger tickets will be good for 7 days; vehicle tickets will be good for 30 days.
 5. If you do not obtain a Block Island Ferry Islander card because you are not a full time Block Island resident, you can still purchase discounted (frequent user) tickets (10 for the price of 9).
 6. Block Island Ferry also has reduced rates in effect for all children under 12 and seniors 65 and over, whether or not you are a full time Block Island resident.
 7. If your application for an Islander Card is denied, you may appeal the denial in writing to Joshua Linda, Vice President, Interstate Navigation Co., P.O. Box 482, New London, CT 06320. Please state why you feel you are a full time Block Island resident (at least 9 months per year). Please include with your written appeal any evidence of your Block Island residency that you wish Mr. Linda to review.

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No. = Number

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NA = Not Available

PLF. = Per Linear Foot

PASSENGER RATES
(Rates in Dollars and Cents Per Passenger)

ITEM:

Between Newport and Block Island Apply Column A Rates
Between Point Judith and Block Island Apply Column B Rates
Between Point Judith and Newport Apply Column C Rates

COLUMN

A	B	C					
---	---	---	--	--	--	--	--

5 ADULT PASSENGER FARES

ONE WAY ADULT	\$25.00	\$42.35 13.60	\$25.00				
ROUND TRIP ADULT	\$50.00	\$22.60 24.85	\$50.00				

**10 CHILDREN PASSENGER
FARES**

ONE WAY	\$13.00	\$6.25 90	\$13.00				
ROUND TRIP	\$26.00	\$11.30 12.45	\$26.00				

Commuter Rate \$16.00 (See Rule 100)

Senior Discount (over 65 years):

\$.50 off one way
\$1.00 off round trip

NOTE a. The passenger rates for children published in Item No. 10 will apply to children five (5) years of age up to and including children eleven (11) years of age when accompanied by an adult. For children twelve (12) years of age and older the adult passenger fares published in Item No. 5 will be charged.

NOTE b. Children under five (5) years of age when accompanied by an adult will be transported free.

FOR EXPLANATION OF ABBREVIATIONS AND REFERENCE MARKS SEE PAGE 6.

VEHICLE RATES

ITEM:

Between Block Island and Newport Apply Column A Rates
 Between Block Island and Point Judith Apply Column B Rates
 Between Point Judith and Newport Apply Column C Rates

RATES IN DOLLARS AND CENTS PER UNIT (one way)

		COLUMN		
		A	B	C
15	Automobiles (See Rules 20, 25, 35, 50, 55, 60, 65 and 70 herein and Rule 20 of Freight Tariff)	n/a	38.954 <u>2.85</u>	n/a
16	Bicycles	6.00	3.203.5 <u>0</u>	6.00
16a	Bicycle wagons, whether or not attached to a bicycle	6.00	3.203.5 <u>0</u>	6.00
16b	Tandem Bicycles, whether or not attached to a bicycle	6.00	3.203.5 <u>0</u>	6.00
16c	Electric Bicycles, motorized skateboards, and mini-motorcycles	8.30	8.309.1 <u>5</u>	8.30
17	Motorcycles	n/a	21.802 <u>4.00</u>	n/a
18	Pick-up trucks, vans, and SUV's (See Rules 20, 25, 35, 50, 55, 60, 65 and 70 herein and Rule 20 of Freight Tariff)	n/a	47.905 <u>2.70</u>	n/a
19	Trucks* (See note)	n/a	6.106.7 <u>0/lf</u>	n/a
20	Hazardous Trucks* (See note)	n/a	9.2510. <u>20/lf</u>	n/a

Commuter Vehicle Rates:

- Standard-sized Automobiles \$32.70

(See Rules 20, 25, 35, 50, 55, 60, 65, 70, and 100 herein and Rule 20 of Freight Tariff)
Standard-sized Pick-up Trucks, Vans, and SUVs \$39.45 (See Rules 20, 25, 35, 50, 55, 60, 65, 70, and 100 herein and Rule 20 of Freight Tariff)

* Note: Except as set forth below, trucks carrying hazardous materials or dangerous goods, as defined by 49 CFR, Subchapter C Hazardous Materials Regulations, the U.S. Coast Guard, and the International Maritime Organization, can not be transported aboard passenger vessels. Therefore, except as set forth below, when carrying these materials, the vessel must operate strictly as a cargo vessel, and the per foot rate is as set forth above for hazardous trucks. For this purpose, the Carrier will make a vessel available as a cargo vessel on a reservation only, as available basis, at the rate set forth above per same day round trip run from Point Judith to Block Island and return (maximum 4 hours). When available, the cargo vessel must be scheduled to leave Point Judith and complete the run at the discretion of the Carrier.

Trucks which carry sludge for the New Shoreham Sewer Commission will be required to travel on the hazardous truck cargo vessel, and will not be allowed to travel on a vessel with passengers, but will be allowed to travel at the regular truck rate of ~~\$6.10~~6.70 per linear foot, because the sludge is not a hazardous material or dangerous good as defined by 49 CFR, Subchapter C, but odor from the truck is a problem for ferry passengers. In addition, trucks which carry garbage for the Town of New Shoreham will also be allowed, on an as-needed basis, to travel on the hazardous truck cargo vessel, but at the standard truck rate of ~~\$6.10~~6.70 per linear foot, or they may travel on the usual passenger ferry.

Trucks which have a gross weight of 50,000 pounds or more and are not tractor trailer trucks and are not carrying property for the Town of New Shoreham will be required to pay, in addition to the per linear foot truck rate, a weight premium of ~~\$60.35~~66.40 per one way trip due to the weight limitations imposed upon the ferry vessels.

NOTICE OF FILING

The Interstate Navigation Company (“Interstate”) hereby gives notice that on March 24, 2015, Interstate filed with the Rhode Island Public Utilities Commission (the “Commission”) new rates and schedules designed to increase traditional service revenues by \$824,663 (Docket No. 4373). The impact of the proposal as currently filed is an overall increase in traditional service rates of 10% on all rates, except commuter rates, freight rates, and fast ferry rates, which will not be affected.

As filed, the customer impact for certain rate classes would be as follows:

Rate	Current Rates	Proposed Rates
Adult One Way (PJ to/from BI)	\$12.35	\$13.60
Adult Round Trip (PJ to/from BI)	22.60	24.85
Children One Way (PJ to/from BI)	6.25	6.90
Children Round Trip (PJ to/from BI)	11.30	12.45
Cars	38.95	42.85
Pick-up Trucks, vans and SUV's	47.90	52.70
Trucks and Oversize Trucks		
Trucks	6.10	6.70
Hazardous Trucks	9.25	10.20
Oversized Vehicles	4.50	4.95
Vehicles over 7' High	6.10	6.70
Vehicle Overhang Charge	8.45	9.30
Weight Premium	60.35	66.40
Bikes, Mopeds, Etc.		
Bicycles	3.20	3.50
Electric Bicycles	8.30	9.15
Motorcycles	21.80	24.00

The new rates are proposed to take effect on May 24, 2015. However, the Commission can suspend the effective date of the proposed rates and no rate change will take effect until the Commission has conducted an investigation of the proposal. The Commission will publish a notice of the hearing dates when they are scheduled. At that time, ratepayers may comment on the proposal.

A copy of the filing is available at the offices of Interstate Navigation Company'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