

# *Schacht & McElroy*

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June 30, 2013

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

Re: Interstate Navigation Company  
Docket No. 4373 –Pension Expense Filing

Dear Luly:

As you know, this office represents Interstate Navigation Company (Interstate). Interstate's fiscal year ends May 31.

The Commission's Report and Order issued on June 20, 2013 (page 11) states that:

“Interstate's cost of service includes a \$70,000 annual pension expansion which is required to be funded thirty days following the end of the fiscal year and is an annual funding commitment unless altered by the Commission. Interstate is required to file documentation with the Commission regarding funding.”

In addition, the Settlement Agreement attached to the Report and Order as Appendix A states on page 9 that:

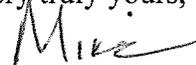
“Interstate's cost of service includes \$70,000 of annual pension expense. This amount will be funded and contributed to the external pension fund within thirty days after the end of the fiscal year. This funding commitment is ongoing and will continue from year to year unless directed otherwise by the Commission. Interstate will provide the Commission and the Division with documentation of its funding of the pension plan consistent with the terms of this paragraph.”

Pursuant to this requirement, enclosed is a Memorandum from David Bebyn, CPA, which shows that Interstate has made more than the \$70,000 required contribution for fiscal year 2014. A

copy of Mr. Bebyn's calculation and Interstate's check are attached hereto. Note that the plan Interstate uses allows flexible contributions and future years may vary, but Interstate's total contributions will not be less than the \$70,000 per year total required by the approved settlement.

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

Very truly yours,

A handwritten signature in black ink that reads "Mike" with a stylized flourish at the end.

Michael R. McElroy

MRMc:tmg  
cc: Service List

Interstate/Pension Filings/Massaro

TO: Mike McElroy  
FROM: David Bebyn  
RE: Interstate Navigation Company Pension Contribution.  
Date: June 30, 2014

I have prepared the attached schedule which presents my calculation for the FY 2014 pension contribution based upon my conversation with Sue. Sue has already prepared and sent out the check for this payment which is also attached.

If you have any questions please don't hesitate to call me at 785-0800 extension 29.

Sincerely,

David G. Bebyn, CPA

Calculation of FY 2014 Pension Contribution  
Interstate Navigation Company  
5/31/14

**Pension Contribution expense:**

Est Qualified Employee Payroll FY 2014	\$	2,701,947.33	
Pension Funding Rate		<u>3%</u>	
Pension Contribution Expense			<u>\$ 81,058.42</u>
Total Contribution Made			<u><u>\$ 81,058.42</u></u>

10421

INTERSTATE NAVIGATION CO.

REFERENCE NO.	DESCRIPTION	INVOICE DATE	INVOICE AMOUNT	DISCOUNT TAKEN	AMOUNT PAID
	Contract #110890				81,058.42
CHECK DATE	CHECK NO.	PAYEE		DISCOUNTS TAKEN	CHECK AMOUNT
5/31/14	010421	John Hancock USA FBO CN#1 10890			\$81,058.42

10421

THE WASHINGTON TRUST WESTERLY COMPANY  
57-85-115  
P.O. Box 482  
New London, CT 06320

INTERSTATE NAVIGATION CO.

P.O. Box 482  
New London, CT 06320

CHECK NO. 010421  
DATE May 31, 2014  
AMOUNT \$81,058.42

Eighty-One Thousand Fifty-Eight and 42/100 Dollars

PAY TO THE ORDER OF:

John Hancock USA FBO CN#1 10890  
John Hancock (USA)  
P O Box 7247-7122  
Philadelphia, PA 19170-7122

*Susan L. Linder*  
AUTHORIZED SIGNATURE

Security Features: Details on Back

⑆010421⑆ ⑆011500858⑆ 03034002⑆

Docket No. 4373 – Interstate Navigation Co. – General Rate Filing  
 Service List as of 12/27/12

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<b>File an original &amp; nine (9) copies w/:</b> Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888	<a href="mailto:Lmassaro@puc.state.ri.us">Lmassaro@puc.state.ri.us</a>	401-780-2107
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