

Schacht & McElroy

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June 28, 2019

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:

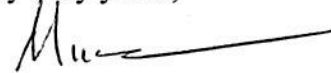
“Interstate’s cost of service includes \$70,000 of annual pension expense. This amount will be funded and contributed to the external pension fund within thirty days after the end of the fiscal year. This funding commitment is ongoing and will continue from year to year unless directed otherwise by the 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 are two Memoranda from David Bebyn, CPA, which shows that Interstate has made more than the \$70,000 required contribution for fiscal years 2018

and 2019. 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,



Michael R. McElroy

MRMc:tmg
cc: Service List

Interstate/Pension Filings/Massar6

Docket No. 4373 – Interstate Navigation Co. – Limited Rate Change Application
 Service List as of 12/17/15

*Requested to receive hard copy of all pleadings.

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Richard La Capra 5 Carmine St New York, NY 10014	Rlacapra@lacapra.com ;	212-675-8123
File an original & nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2107
	Cynthia.WilsonFrias@puc.ri.gov ;	
	Alan.nault@puc.ri.gov ;	

TO: Mike McElroy
FROM: David Bebyn
RE: Interstate Navigation Company Pension Contribution.
Date: June 28, 2019

I have prepared the attached schedule which presents my calculation for the FY 2018 pension contribution based upon my conversation with Sue. Sue has already prepared and sent out the check for this payment. A copy of the payment from accounting program is also attached.

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

Sincerely,

A handwritten signature in black ink, appearing to read "David G. Bebyn". The signature is fluid and cursive, with a large initial "D" and "B".

David G. Bebyn, CPA

Calculation of FY 2018 Pension Contribution
Interstate Navigation Company
5/31/18

Pension Contribution expense:

Est Qualified Employee Payroll FY 2018	\$	2,975,001.46	
Pension Funding Rate		<u>5%</u>	
Pension Contribution Expense			\$ <u>148,750.07</u>
Total Contribution Made			\$ <u><u>148,750.07</u></u>

INTERSTATE NAVIGATION CO.

13103

REFERENCE NO.	DESCRIPTION	INVOICE DATE	INVOICE AMOUNT	DISCOUNT TAKEN	AMOUNT PAID
	Pension contributions/2017				148,750.07
CHECK DATE	CHECK NO.	PAYEE		DISCOUNTS TAKEN	CHECK AMOUNT
8/24/18	0019759	John Hancock USA FBO CN#110890			\$148,750.07

19759

THE WASHINGTON TRUST WESTERY
Company
 57-85/115
 P.O. Box 5680
 Wakefield, RI 02880

INTERSTATE NAVIGATION CO.

P.O. Box 5680
 Wakefield, RI 02880

CHECK NO. 0019759
 DATE Aug 24, 2018
 AMOUNT \$148,750.07

One Hundred Forty-Eight Thousand Seven Hundred Fifty and 07/100 Dollars

PAY TO THE ORDER OF:
 John Hancock USA FBO CN#110890
 John Hancock (USA)
 P O Box 7247-7122
 Philadelphia, PA 19170-7122

[Signature]
 AUTHORIZED SIGNATURE

⑈019759⑈ ⑆01500858⑆ 03034002⑈

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FROM: David Bebyn
RE: Interstate Navigation Company Pension Contribution.
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Sincerely,

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David G. Bebyn, CPA

Calculation of FY 2019 Pension Contribution
Interstate Navigation Company
5/31/19

Pension Contribution expense:

Est Qualified Employee Payroll FY 2019	\$	4,012,149.60	
Pension Funding Rate		<u>5%</u>	
Pension Contribution Expense			<u>\$ 200,607.48</u>
Total Contribution Made			<u>\$ 200,607.48</u>

INTERSTATE NAVIGATION CO.

20801

REFERENCE NO.	DESCRIPTION	INVOICE DATE	INVOICE AMOUNT	DISCOUNT TAKEN	AMOUNT PAID
	Pension contributions/2018				200,607.48
CHECK DATE	CHECK NO.	PAYEE		DISCOUNTS TAKEN	CHECK AMOUNT
5/31/19	20801	John Hancock USA FBO CN#110890			\$200,607.48

INTERSTATE NAVIGATION CO.
P.O. Box 5680
Wakefield, RI 02880

THE WASHINGTON TRUST WESTERLY, RHODE ISLAND, 02891
Company 57-85/115

20801

PAY TO THE ORDER OF: John Hancock USA FBO CN#110890
John Hancock (USA)
P O Box 7247-7122
Philadelphia, PA 19170-7122

CHECK NO. 20801

DATE May 31, 2019

AMOUNT \$200,607.48

Two Hundred Thousand Six Hundred Seven and 48/100 Dollars

Suzanne Lunde
AUTHORIZED SIGNATURE

Security Features. Details on back.

⑈0 2080 ⑈ ⑈0 ⑈ 5006 58⑈ ⑈0 303400 2⑈