

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: INTERSTATE NAVIGATION COMPANY'S GENERAL RATE FILING FOR
TRADITIONAL FERRY SERVICE - DOCKET NO. 4373

NOTICE OF PUBLIC HEARINGS

Pursuant to the provisions of Sections 39-1-1, 39-1-11 and 39-3-11 of the Rhode Island General Laws, as amended, the Public Utilities Commission (the "Commission") will hold hearings on the following dates and locations for the purpose of accepting public comments regarding the Interstate Navigation Company rate application on:

April 4, 2013 @ 12:15 P.M. Town Hall, #16 Old Town Rd.,
Block Island, Rhode Island.

April 23, 2013 @ 9:30 A.M. Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island

In this docket, the Commission will examine the propriety of a Settlement Agreement entered between Interstate Navigation Company (the "Company") and the Division of Public Utilities and Carriers resolving issues arising in this docket. The Agreement will allow the Company to increase its rates for traditional ferry service to generate \$579,388 in additional base rate revenues effective May 24, 2013. The Agreement includes the following provisions:

- The proposed rates shall be effective at least through the Rate Year Period of May 24, 2013 through May 23, 2014.
- Increase the fuel price recovered through base rates from current level of \$2.00 per gallon to \$3.25 per gallon (including taxes) in the Rate Year Period, subject only to statutory fuel surcharges if the price of fuel oil exceeds \$3.25 per gallon.
- Provide the Company with pricing flexibility to apply to the Commission to change certain rates beyond the Rate Year Period. Subject to the Commission's approval, the Company could increase rates to a level of not more than 10% higher or decrease rates to a level of not more than 20% lower than the rates established for the Rate Year Period. The application for rate increases will be allowed to take effect May 24 of a given year. This provision will not apply to commuters, commuter vehicles and freight.

If approved, the adult round trip fare from Point Judith to Block Island, will increase by \$4.30 from \$18.30 to \$22.60, the child round trip fare will increase by \$2.20, from \$9.10 to \$11.30, and the commuter round trip fare will increase by \$5.50 from \$10.50 to \$16.00. The impact on non-commuter vehicles is a decrease in the range of 20.2% to 21.7%. The impact on commuter vehicles is an increase in the range of 20.45% to 21.1%. The Commission may approve different rates that may be higher or lower than those proposed in the Agreement.

The application is on file for examination at the Commission's office. The filing can also be accessed at www.ripuc.org under Commission Docket Menu, Docket No. 4373. Reference is made to Chapters 39-1, 39-3 and 42-35 of the RI General Laws.

These buildings are accessible to the handicapped. Individuals requesting interpreter services must notify the Commission Clerk's office at 401-780-2107 in advance of hearing rates.

Luly E. Massaro, Commission Clerk
March 25, 2013