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February 22, 2016

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

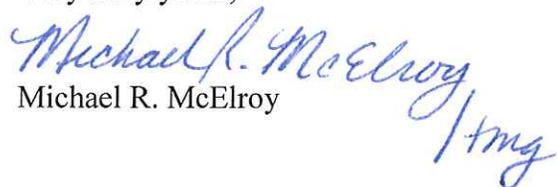
Re: A & R Marine Corp., d/b/a Prudence Bay Islands Transport
Rate Change Application – Docket No. 4586

Dear Luly:

As you know, this office represents A & R Marine Corp., d/b/a Prudence & Bay Islands Transport (A & R).

Enclosed for filing are the original and nine (9) copies of A & R's Responses to the 2nd set of data requests from the Division of Public Utilities and Carriers.

Very truly yours,


Michael R. McElroy

MRMc:tmg

cc: Christy Hetherington, Esq.
Andrew M. Teitz, Esq.
Kevin P. Gavin, Esq.
Stephen Antaya
David Bebyn, CPA
Service List

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PUBLIC UTILITIES COMMISSION

**Division of Public Utilities and Carriers
to A&R Marine Corp Initial Rate Filing
February 12, 2016 Second Set of Data Request of the Division to A&R Marine Corp**

February 19, 2016

1. Referring to the response to Commission Data Request 1-18, please provide supporting documentation for the bi-annual re-certification costs of \$40,310 for the M/V Herbert Bonner and general maintenance costs of \$12,805 to the M/V Prudence Ferry.

RESPONSE:

See Attached.

Prepared by David G Bebyn CPA

Bi-Annual Re-certification Costs
A&R Marine Corp

Attachemet to DIV 2-1

Senesco Work Item	MV Hebert Bonner	MV Prudence Island	Reason for difference between costs
1	\$ 18,700	\$ 1,625	Just small lift no drydock
2	\$ 6,500	\$ 3,250	1/2 size of Bonner
4	\$ 750	\$ 750	Price not effected by size
5	\$ 1,875	\$ 938	1/2 size of Bonner
14	\$ 7,594	\$ 3,797	1/2 size of Bonner
18	\$ 1,557	\$ 779	1/2 size of Bonner
25	\$ 1,509	\$ 755	1/2 size of Bonner
37	\$ 1,825	\$ 913	1/2 size of Bonner
	<u>\$ 40,310</u>	<u>\$ 12,805</u>	



10 MacNaught Street - North Kingston, RI - 02852

REPAIR YARD INVOICE

DATE 08/14/2014

DUE

INVOICE NUMBER

Contract	CUSTOMER	VESSEL/JOB	START	END
R0214A	BTT	Herbert C. Bonner	08/04/2014	08/13/2014

Work item	DESCRIPTION	CHARGE	TOTAL
1	Block/Haul/ Launch -Labor and material; include riging	\$18,700.00	
2	Lay day charge per day - @\$650 per day 10 days on the dock	\$6,500.00	
3	Services charge per day - on the water - waived; on the dock \$532 / day 10 days	\$5,320.00	
4	Marine chemist certificate - Pat Hickey	\$750.00	
5	Competent person - \$125 per day,7/25-08/13; working days 15	\$1,875.00	
27	Fuel tanks - pump & wash.Bilge water removal through the boat	\$5,871.00	
14	Gauging hull - Windward marine: Ultrasound on bottom plating, repair any thin sections.General labor in prep and support	\$7,594.00	
Repair items: As current on 08/13/14			
6	Stern seam Port - Inspect and repair @ \$130/ linear feet	\$128.00	
7	Side shell under Keel coolers STBD - repair @ T&M include NC	\$5,397.00	
36	Void 1- Inspect, Steel Work/Ship Fitting @ T&M	\$3,394.00	
9	Void 2 - Inspect, Steel work/ Ship fitting, @T&M	\$2,192.00	
64	MSD Space: T&M Inspect , Weld and Fit,B2 support	\$7,697.00	\$82,732.40
113	Void 5,AFT void & Rudder Space/lazz:: T&M Inspect, Mechanical, Weld and Fit	\$3,946.00	
16	Battery cables main engines - Replace cables and termination lugs	\$969.40	
18	Sea valves inspection - Disassembly remove of the boat clean and pressure test to satisfaction of surveyor. 2 time test.	\$1,557.00	
25	Remove/ install props- for C.G. inspection	\$1,509.00	
28	Port side house weld structure	\$5,506.00	
37	Keel coolers - remove/service/ test /reinstall	\$1,825.00	
39	Bridge & Main Deck- Steel Work/Ship Fitting/General labor	\$2,002.00	

CFR # Condition find and repair work approved

To be submitted in next invoice

\$0.00

Sub Total

\$0.00

SERVICES

\$0.00

Sub Total

\$0.00

OTHER

\$0.00

Sub Total

\$0.00

TOTAL INVOICE

\$82,732.40

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2. Referring to Schedule DGB-11, please update the status of the new office, including the in-service date and cost of the new office.

RESPONSE:

The Prudence Island office building is nearing completion. All external and internal walls are up as is the exterior siding, trim, roofing, doors and windows. The electrical and telephone lines have been run as of this week (2/18/16). Next the light fixtures, heat, insulation, and sheet rock will go in and the office will be complete. We expect it to be ready to use in a few weeks. The expected cost is \$52,000.

Prepared by David G Bebyn CPA

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3. Referring to the depreciation lapse schedule provided in response to Division Data Request 1-6, please provide a complete description of the start-up costs being amortized over fifteen years. The response should itemize the start-up costs included in the total and should fully describe each of those items.

RESPONSE:

See Attached.

Prepared by David G Bebyn CPA

Breakdown of Startup Costs
A&R Marine Corp

Attachemet to DIV 2-3

Vendor	Memo	Amount
AdvanTech Consulting	Ticketing System support and set-up	1,025.98
B&E Consulting, LLC	Assistance with CPNC & DPUC Finance filings	14,600.00
Chatterton Insurance, Inc. Onebeacon Insurance	Insurance on Vessels before Start of operations Workers Comp before Start of Operations	3,450.00 1,777.00
Childs Engineering	Preliminary Engineering Pre Mar 2014	4,465.00
Coastal Documentation	Preliminary CRMC work	1,192.00
CRMC	Permits	3,250.00
DeJong & Lebet, Inc.	Preliminary Engineering on Vessels	4,336.00
Michael R. McElroy	Assistance with CPNC & DPUC Finance filings, Assitance with Corporate setup and filings, Assitance with CRMC and Permitting	136,580.61
John Doherty	Assitance with Setting up Accounting and Business Plan	13,932.00
Four Winds Marine Surveying Natural Resource Services, Inc.	Surveying pre construction of Docks Eel grass survey for P.I. dock	4,290.00 2,250.00
George Brown Danfords Marina	Fuel Expense (Bonner) transport from purchase Fuel Expense (Bonner) transport from repair drydock	3,039.30 2,764.23
Miscellaneous Travel Expense	Travel Scouting new vessels and purchase and closing on Bonner	7,073.00
Miscellaneous Travel Expense	Travel and Lodging to oversee repair and cutomization of MV Bonner	12,778.09
National Grid & Silvia Construction various	Leasehold Improvements (3 phase power installation of Dock motors) PI phase converter, winch & Bearings	19,645.72 5,297.90
Payroll	May thru Sept 2014 Payroll for setup of operations and to oversee the construction of Dock and oversee repair and customization of MV Bonner	48,028.64
various	Web Design, Accounting Software and office supplies	628.08
various	Employee EMS traning and Drug Testing	1,031.00
various	Boat Supplies	3,989.03
The Lightship Group DC Electrical	Bristol ramp structural repairs Bristol Ramp electrical repairs	9,091.22 3,221.74
The Home Depot	Leasehold Improvements (Bristol office)	282.84
Traffic Signs And Bristol	PI Parking lot signs	481.50
National Grid	Utilities before start of operations	287.95
various	Vessel Improvements (Bonner) various minor repairs	5,287.92
Offshore Marine Electric Custom Steel Boats, Inc. USA Marine Windows and Doors MFG, Inc. FIREX, Inc FIREX, Inc various	Vessel Improvements (Bonner) Invoice dated 7/18/14 vessel release Bonner cabin windows, doors Bonner fixed CO2 system Bonner fixed CO2 system Vessel Improvements (Bonner)	4,936.00 53,182.64 4,707.50 8,591.47 4,516.78 11,833.33
The Lightship Group, LLC	Prudence Ferry bulwark modifications	7,871.27
Triumph Modular	temp PI office before start of operations	1,033.26
		<u>410,729.00</u>

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4. Referring to the depreciation lapse schedule provided in response to Division Data Request 1-6, with regard to the assets with an acquisition date of 9/15/2014 or earlier, why is the rate year depreciation different from the depreciation for FYE 6/30/16?

RESPONSE:

The depreciation for the interim period ending 6/30/16 was set at 9 months instead of 12 months. The rate year reflects a full year of depreciation.

Prepared by David G Bebyn CPA