

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: INTERSTATE NAVIGATION COMPANY : DOCKET NO. 4598
FAST FERRY RATE FILING :

ORDER

On January 28, 2016, Interstate Navigation Company (Interstate) filed with the Public Utilities Commission (PUC) an application to increase the rates of its fast ferry, a seasonal discretionary passenger service that runs between Point Judith and Block Island.¹ This is the first request for a rate change related to the fast ferry service since 2010. Generally, Interstate proposed to raise all rates by one to two dollars over current rates. The exception was that Interstate proposed no change to the child rate for those children four years old and under.²

As part of its filing, Interstate filed a motion requesting the PUC find that good cause existed under R.I. Gen. Laws § 39-3-12 to waive the hearing requirement of § 39-3-11 and to waive the filing requirements of Part Two of the PUC's Rules of Practice and Procedure. In support thereof, Interstate cited a prior PUC Order granting such a request on the basis that the fast ferry does not constitute "lifeline" ferry services to an isolated ratepayer population.³

On March 4, 2016, the Division of Public Utilities and Carriers (Division) submitted a memorandum from Assistant Chief Accountant John Bell recommending the PUC approve the proposed rates as filed.⁴ Mr. Bell cited a 2006 Order in which the PUC approved a Settlement in

¹ Interstate Filing (Jan. 28, 2016); [http://www.ripuc.org/eventsactions/docket/4598-Interstate-FastFerry-Rate\(1-28-16\).pdf](http://www.ripuc.org/eventsactions/docket/4598-Interstate-FastFerry-Rate(1-28-16).pdf). The discretionary service of the fast ferry is distinguished from the traditional ferry service offered year-round by Interstate Navigation Company which carries passengers, vehicles, and freight, thus serving as the "bridge" between mainland Rhode Island and the Town of New Shoreham (Block Island).

² Interstate Filing at Tariff pages 3-4; [http://www.ripuc.org/eventsactions/docket/4598-Interstate-FastFerry-Rate\(1-28-16\).pdf](http://www.ripuc.org/eventsactions/docket/4598-Interstate-FastFerry-Rate(1-28-16).pdf) (pages 25-26 on the portable document format).

³ Interstate Motion for waiver at 2, citing Order No. 19962 (In re: Interstate Navigation Fast Ferry Rates and Tariffs, Docket 4152, issued Apr. 10, 2010); [http://www.ripuc.org/eventsactions/docket/4152-Interstate-Ord19962\(4-14-10\).pdf](http://www.ripuc.org/eventsactions/docket/4152-Interstate-Ord19962(4-14-10).pdf). See also Order No. 17619 (In re: Island Hi-Speed Form of Regulation and Review of Rates, Docket No. 3495, issued Nov. 25, 2003); [http://www.ripuc.org/eventsactions/orders/3495-IHSFOrd17619\(11.25.03\).pdf](http://www.ripuc.org/eventsactions/orders/3495-IHSFOrd17619(11.25.03).pdf).

⁴ Bell Mem., 2; http://www.ripuc.org/eventsactions/docket/4598-DPU-Memo_3-4-16.pdf.

a rate case involving both the traditional and fast ferry rates. The relevant portion of the Settlement recognized that the fast ferry service is purely discretionary and, therefore, Interstate would be authorized to file for rate changes relating solely to fast ferry services for effect on thirty days' notice. The Division agreed not to object to the proposed rate change except in extraordinary services. Mr. Bell represented that no extraordinary events existed to warrant such objection.

At an Open Meeting held on March 30, 2016, the PUC approved Interstate Navigation's rate filing for effect May 1, 2016. The Commission further found that a comprehensive rate proceeding was not required in this matter and therefore exercised its option under R.I. Gen. Laws § 39-3-12, finding good cause to exist to waive further investigation, further notice and public hearing, based upon the fact that the services, proposed by the applicant, do not constitute "lifeline" ferry services to an isolated ratepayer population.

Interstate's fast ferry does not, nor is it required to, provide lifeline service. Interstate's fast ferry service is purely discretionary. It offers only passenger and bicycle service. It does not transport passenger cars. It is a matter of choice for consumers to utilize the fast ferry during the summer season to visit Block Island.

In contrast, Interstate also provides year-round, lifeline service. That service is necessary for residents of the Town of New Shoreham. It operates under separate tariffs applicable to the ferries that also transport vehicles and freight. The rates and charges for the lifeline service are not at issue in this case.

Finally, the profits from the fast ferry provide a benefit to the traditional, i.e., lifeline, service. Therefore, the lifeline service will not suffer from any competition resulting from the fast ferry alternative.

Accordingly, it is hereby,

(22415) ORDERED:

Interstate Navigation Company's Tariffs filed on January 28, 2016 are hereby approved

for effect May 1, 2016.

EFFECTIVE AT WARWICK, RHODE ISLAND ON MAY 1, 2016 PURSUANT TO AN
OPEN MEETING DECISION ON MARCH 30, 2016. WRITTEN ORDER ISSUED MAY 20,
2016.

PUBLIC UTILITIES COMMISSION



Margaret E. Curran, Chairman

Paul J. Roberti, Commissioner

Herbert F. DeSimone, Jr., Commissioner

NOTICE OF RIGHT OF APPEAL PURSUANT TO R.I.G.L. SECTION 39-5-1, ANY PERSON AGGRIEVED BY A DECISION OR ORDER OF THE COMMISSION MAY, WITHIN SEVEN DAYS (7) DAYS FROM THE DATE OF THE ORDER, PETITION THE SUPREME COURT FOR A WRIT OF CERTIORARI TO REVIEW THE LEGALITY AND REASONABLENESS OF THE DECISION OR ORDER.