

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DIVISION OF PUBLIC UTILITIES AND CARRIERS  
89 JEFFERSON BOULEVARD  
WARWICK, RHODE ISLAND 02888**

IN RE: Petition Filing by the Interstate Navigation :  
Company For Approval of Statewide “Smiles : Docket No. D-09-55  
Per Gallon” Campaign Program Promotion :

**ORDER**

Whereas: On June 25, 2009, the Rhode Island Division of Public Utilities and Carriers (“Division”) received a petition filing from the Interstate Navigation Company (“Interstate”), seeking Division approval for a discount promotion, described as the statewide “Smiles Per Gallon” Campaign. According to the petition, Interstate wishes to participate in the “Smiles Per Gallon” Campaign, which is a campaign sponsored by the Rhode Island Economic Development Corporation (“RIEDC”), together with regional tourism councils in the State of Rhode Island, designed to promote tourism in Rhode Island. Interstate makes the instant filing pursuant to Rhode Island General Laws, §§ 39-2-2, 39-2-3, 39-2-4 and 39-2-5(2).

Whereas: Interstate explains that the RIEDC, together with regional tourism councils in the State, and other tourist attractions from around the State are participating in the “Smiles Per Gallon” Campaign. The campaign involves a commitment by the participants to offer a \$1 discount on their attractions/services on limited days between June and September 2009. The

campaign was designed to encourage travel at a time when gasoline prices in the State are unusually high.

According to its petition, Interstate proposes to participate in the RIEDC campaign by offering \$1 off the Point Judith to Block Island \$17.40 same day adult “conventional ferry”<sup>1</sup> round-trip ticket (exclusive of landing fees and fuel surcharge), the Newport to Block Island \$15.25 same day adult “conventional ferry” round-trip ticket (exclusive of landing fees and fuel surcharge) and the Point Judith to Newport \$12.00 same day adult conventional round-trip ticket (exclusive of landing fees and fuel surcharge), for Monday through Thursday (inclusive) during the months of June, July, August, and September, 2009. In order to take advantage of the discount, ratepayers will be required to download a coupon from a participating web page and then present the coupon at the ferry in order to obtain the \$1 discount.

Whereas: Interstate declares that it agrees to absorb any losses that may result from the discount tickets for the promotional program. Interstate also notes that the Division has approved similar discount programs for Interstate in the past.

Whereas: Rhode Island anti-discrimination laws prohibit common carriers from providing free or discounted service (See R.I.G.L. §§ 39-2-2, 39-2-3, 39-2-4). However, the Division may grant related waivers upon a finding that the free or discounted service is “just and reasonable, or required in the

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<sup>1</sup> Interstate is not proposing the discount for its “high-speed” Point Judith/Block Island ferry service tickets.

interests of the public, and not unjustly discriminatory” (See R.I.G.L. §39-2-5(2)).

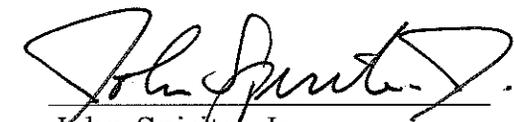
Whereas: The Division notes that it has previously approved this same RIEDC sponsored tourism-related promotional program for Interstate in 2004, 2005 and 2008.<sup>2</sup> As determined in those prior dockets, the Division again finds the proposed promotion just and reasonable and not unjustly discriminatory.

Accordingly, it is

(19681) ORDERED:

1. That the Interstate Navigation Company’s June 25, 2009 petition is hereby granted.
2. That revenue losses associated with the discounted service shall be borne by Interstate and its shareholders.

Dated and Effective at Warwick, Rhode Island on June 26, 2009.

  
John Spirito, Jr.  
Chief Legal Counsel

APPROVED:   
Thomas F. Ahern  
Administrator



<sup>2</sup> See Order No. 17881, issued on June 23, 2004 in Docket No. D-04-20; Order No. 18221, issued on April 28, 2005 in Docket No. D-05-14; and Order No. 19300, issued on June 5, 2008.