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July 9, 2014

Luly Massaro, Clerk Division of Public Utilities and Carriers 89 Jefferson Boulevard Warwick, RI 02888

Re:

A & R Marine Corp. – Docket No. D-14-105

Dear Luly:

Enclosed are an original and five copies of A & R Marine Corp.'s motion for extension of time to meet the conditions imposed by Order No. 21363.

If you have any questions, please feel free to call.

Very truly yours,

Michael R. McElroy

MRMc:tmg

cc:

Service List

A & R Marine Corp/BankRI Loan/Massaro2

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN RE: A & R MARINE CORP.

DOCKET No. D-14-105

MOTION FOR EXTENSION OF TIME TO MEET THE CONDITIONS IMPOSED BY ORDER No. 21363

On February 28, 2014, in Order No. 21363, the Division of Public Utilities and Carriers (Division) granted an application by A & R Marine Corp. (A & R) for a Certificate of Public Convenience and Necessity (CPCN) to operate as a common carrier of persons and property upon water between Bristol, Rhode Island and Prudence Island and Hog Island, Portsmouth, Rhode Island.

This approval was conditioned on A & R demonstrating within 180 days from the issue date of the Report and Order (i.e., by August 27, 2014) that A & R has satisfied the following conditions:

- 1. Access to suitable docking/landing facilities in Bristol and on Prudence Island.
- 2. Acquisition of a vessel for use in providing the proposed ferry services consistent with the commitments and evidence presented during the case.
- Satisfaction of all Coast Guard requirements associated with the provision of the proposed ferry services.
- 4. Satisfaction of any applicable municipal permitting requirements.
- 5. Adequate liability and cargo insurance.
- 6. A Division inspection to ensure regulatory compliance.¹

¹ In addition, A & R was required to have Public Utilities Commission (Commission) approved tariffs in effect before it provides any ferry services. The Commission approved A & R's tariffs in Order No. 21487 in Docket No. 4499 issued on June 9, 2014. A & R is also required to provide its initial operating schedule and all subsequent changes at least 30 days prior to use. A & R has recently had a Town Hall type meeting with Prudence Islanders and has distributed a proposed schedule to the Islanders. Once A & R has comments back from the Islanders, it will finalize a proposed schedule and file it with the Division.

A & R's current plans are to begin ferry operations on or about September 15, 2014. Because of repairs required to the Bristol landing facility, including the installation of a new transfer bridge and repairs to the bulkhead to which the transfer bridge will attach, there may be a delay of a week or two before A & R is capable of providing vehicle transportation. However, A & R expects to be able to provide passenger transportation commencing on or about September 15, 2014. The lease that Prudence Ferry, Inc. has on the Bristol Island dock was originally set to expire in June, 2014, but it was extended by Bristol (with approval of A & R) through September 14, 2014, at which time it expires.

A & R has made substantial progress regarding satisfying the Division's conditions, but it is unlikely that all conditions will be satisfied prior to August 27, 2014. Accordingly, A & R respectfully requests an extension of time until September 30, 2014 to satisfy the conditions of Order No. 21363.

With regard to the first condition, dealing with the docking/landing facilities in Bristol and on Prudence Island, A & R has completed negotiations with legal counsel for the Town of Portsmouth and the attorneys for both parties have agreed to a draft lease for land on Prudence Island on which A & R will build a new dock. This lease will be presented to the Portsmouth Town Council shortly for approval. On the Bristol side, A & R is currently exchanging draft leases with legal counsel for the Town of Bristol. The parties are in agreement that A & R's lease in Bristol will commence on September 15, 2014. There are, however, issues that still need to be resolved with Bristol before the lease is submitted for approval by the Bristol Town Council.

With regard to acquiring a vessel, A & R has purchased the M/V Bonner, and she is currently being retrofitted to provide ferry services consistent with the commitments and evidence presented during the case.

With regard to Coast Guard requirements, those will be satisfied once the retrofitting of the M/V Bonner is completed.

With regard to applicable permitting requirements, we expect to have initial CRMC and DEM approvals by the end of July for the construction of the Prudence Island dock. There may also be some limited CRMC and DEM approvals needed for improvements to the Bristol landing. There may also be some minor local building and electrical permit requirements on both Prudence Island and Bristol.

With regard to liability and cargo insurance, A & R has been in touch with its insurance carrier and the carrier is prepared to place the necessary insurances once A & R has completed the work on the vessel and obtained the Certificate of Inspection from the Coast Guard.

With regard to a Division inspection, as soon as the work is complete, A & R will make the vessel and the docking facilities available to the Division for inspection.

In order to accomplish the aforesaid work, A & R has already invested in excess of \$800,000 into this operation, and will also be filing a request for expedited approval with the Division to take out a loan for an additional \$1 million to provide sufficient funding for A & R to construct the Prudence Island dock, make improvements to the Bristol landing facility, continue improvements on the M/V Bonner, purchase equipment, and provide working capital.

As can be seen from the above, A & R has made substantial progress toward satisfying the Division's conditions, but respectfully requests an extension through and including September 30, 2014 to allow A & R sufficient time to fully meet all of the conditions.

Respectfully submitted, A & R Marine Corp.,

By its attorney

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CERTIFICATE OF SERVICE

I hereby certify that on the 9th day of July, 2014, I mailed a true copy of the foregoing by first class mail to the attached service list.

Theresa Gallo

A & R Marine/BankRI/Motion for Extension

Date: July 9, 2014

A&R Marine Corp. d/b/a Prudence & Bay Islands — Docket No. D-13-105 Updated Service List as of 1/21/14

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