

INTERSTATE NAVIGATION COMPANY

U.S. MAIL, PASSENGER AND FREIGHT SERVICE

TESTIMONY AND DATA IN SUPPORT OF INTERSTATE NAVIGATION COMPANY'S GENERAL RATE FILING - TRADITIONAL RATES

DOCKET NO. _____

INTERSTATE NAVIGATION COMPANY
POST OFFICE BOX 482
NEW LONDON, CONNECTICUT 06320

NOVEMBER, 2012

INTERSTATE NAVIGATION COMPANY
U.S. MAIL, PASSENGER AND FREIGHT SERVICE

2012 RATE CASE
TABLE OF CONTENTS

1. Transmittal Letter
2. Rate Change Application
3. Previously Approved Tariffs
4. Proposed New Tariffs
5. Direct Testimony and Exhibits of Joshua Linda
6. Attestation of Susan E. Linda
7. Direct Testimony and Exhibits of Walter E. Edge, MBA, CPA
8. Direct Testimony and Exhibits of David G. Bebyn, CPA
9. Index of filing requirements
10. Proposed Notice of Filing

INTERSTATE NAVIGATION COMPANY

U.S. MAIL, PASSENGER AND FREIGHT SERVICE

Transmittal Letter

Schacht & McElroy

*Michael R. McElroy
Robert M. Schacht (retired)*

Attorneys at Law

*(401) 351-4100
fax (401) 421-5696*

*Members of Rhode Island
and Massachusetts Bars*

*21 Dryden Lane
Post Office Box 6721
Providence, RI 02940-6721*

*www.McElroyLawOffice.com
Michael@McElroyLawOffice.com*

November 27, 2012

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

Re: Interstate Navigation Company – Rate Change Application - Traditional Rates

Dear Luly:

As you know, this office represents Interstate Navigation Company (Interstate).

Enclosed for filing are the original and nine (9) copies of a Rate Change Application. We request new rates to become effective in thirty (30) days in accordance with the R.I.G.L. § 39-3-11 required 30-day notice period.

Also enclosed are the following, which I believe contain all the information required by your Rules:

1. Proposed rate schedule changes which are set forth in the proposed revised tariffs (the current tariffs are also included for comparison).
2. The direct testimony and exhibits of Joshua Linda, Vice President of Interstate.
3. An attestation from Susan E. Linda, President and Treasurer of Interstate.
4. The direct testimony and exhibits of Walter E. Edge, Jr., MBA, CPA.
5. The direct testimony and exhibits of David G. Bebyn, CPA.
6. Index of Part Two filing requirements.
7. Proposed notice for your review and comment.

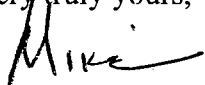
Please also inform me as to any publication requirements for the public notice which we must comply with pursuant to ¶2.4 of your Rules of Practice and Procedure. I assume publication will be made in the *Providence Journal* and the *Block Island Times*. Please let me know when the Notice has been approved.

Digital files of this document will also be emailed to you.

We are seeking a rate increase of \$1,302,177, which translates to an overall 13.19% increase. However, the actual increase will vary by rate class.

Please let me know if you need any further information or documentation.

Very truly yours,


Michael R. McElroy

MRMc:tmg

cc: Thomas Ahern, Administrator
Leo Wold, Esq.
Katherine Merolla, Esq.
Block Island Town Clerk (certified mail, RRR)
Narragansett Town Clerk
Mark McSally, Esq.
Newport City Clerk
Susan E. Linda
Joshua Linda
Walter E. Edge, Jr., MBA, CPA

Interstate/2013 Rate Case/Massaro!

Schacht & McElroy

INTERSTATE NAVIGATION COMPANY
U.S. MAIL, PASSENGER AND FREIGHT SERVICE

Rate Change Application

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: INTERSTATE NAVIGATION COMPANY : DOCKET No.: _____

RATE CHANGE APPLICATION

Pursuant to R.I.G.L. § 39-1-1 et seq., Interstate Navigation Company hereby applies for authorization and permission to increase its rates as shown on the proposed tariffs attached to the testimony of Walter E. Edge, Jr., CPA.

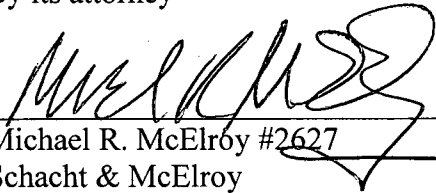
The following is provided pursuant to Rule 1.9 of the Rules of Practice and Procedure (“Rules”):

1. NAME OF APPLICANT: The Interstate Navigation Company, a Connecticut Corporation licensed to do business in Rhode Island.
2. PLACE OF BUSINESS: The Company’s principal Rhode Island operations are in Point Judith and Block Island. However, the Company’s Administrative Offices are at 12 Eugene O’Neill Drive, New London, Connecticut 06320.
3. NOTICES: Correspondence or communications in regard to this Application should be addressed to:

Michael R. McElroy, Esq.
Schacht & McElroy
P.O. Box 6721
Providence, RI 02940-6721
Tel: (401) 351-4100
Fax: (401) 421-5696
Email: Michael@McElroyLawOffice.com

Respectfully submitted,
Interstate Navigation Company
By its attorney

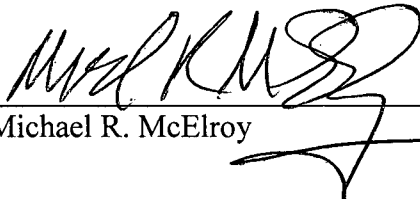
Date: 11/26/12



Michael R. McElroy #2627
Schacht & McElroy
21 Dryden Lane
P.O. Box 6721
Providence, RI 02940-6721
Tel: (401) 351-4100
Fax: (401) 421-5696
Email: Michael@McElroyLawOffice.com

VERIFICATION

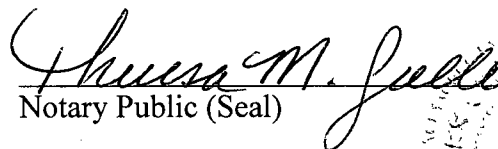
Michael R. McElroy, being first duly sworn deposes and says that the information presented in this Application is true to the best of his knowledge, information, and belief.



Michael R. McElroy

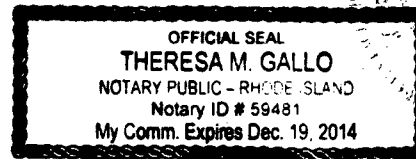
STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

Sworn to and subscribed before me this 26th day of November, 2012.



Notary Public (Seal)

Interstate/2013 Rate Case/Rate Change Application



INTERSTATE NAVIGATION COMPANY
U.S. MAIL, PASSENGER AND FREIGHT SERVICE

Previously Approved Tariffs

STATE OF RHODE ISLAND

PUBLIC UTILITIES COMMISSION

Docket No. 3762

INTERSTATE NAVIGATION COMPANY

LOCAL TARIFF

Naming

PASSENGER AND VEHICLE RATES

FOR TRADITIONAL SERVICE

APPLYING BETWEEN

POINTS AND PLACES IN THE STATE OF

RHODE ISLAND

(As Indicated Herein)

EFFECTIVE: April 1, 2012

ISSUED BY:

Interstate Navigation Company
Susan Linda, President
Post Office Box 482
New London, Connecticut 06320

RULE NO. 5 PETS OR ANIMALS ACCOMPANYING PASSENGERS:

Animals or pets will not be allowed to accompany passengers aboard ships unless such animals are securely under leash.

RULE NO. 10 BAGGAGE DEFINED:

- (a) Baggage may be either personal or sales sample cases defined as follows: Personal luggage or baggage consists of wearing apparel, toilet articles or similar effects in actual use, necessary and appropriate for the wear, use, comfort or convenience of the passenger for the purpose of the trip and not intended for other persons or for sale. Sample cases are those to be used by salesman containing samples or articles or merchandise for sale and for future transportation and not articles for immediate sale forthwith.
- (b) Money, jewelry, negotiable papers or like valuables should not be enclosed in baggage to be checked. This carrier will not be responsible for such articles in baggage.
- (c) All baggage must be enclosed in receptacles such as trunks, valises, suit cases, leather hat boxes or satchels provided with handles, securely locked or otherwise fastened and made of material of sufficient strength and durability and quality to withstand the rapid handling and piling incidental to its transportation.

RULE NO. 15 BAGGAGE ACCOMPANYING PASSENGERS:

Each passenger purchasing an adult or child one way ticket will be allowed to transport without charge fifty (50) pounds of luggage or baggage, which must be carried on and off the ship by the passenger at points of embarkation and debarkation.

RULE NO. 20. ARTICLES IN AUTOMOBILES:

Carrier will not be responsible for articles left in automobiles when not loaded in car trunks.

RULE NO. 25 DAMAGE TO AUTOMOBILES IN TRANSIT:

Any alleged damage to automobiles aboard ship shall be reported to ship's officers prior to leaving the dock at destination.

RULE NO. 30 ROUND TRIP TICKET:

The carrier will not be responsible to persons holding round trip tickets for failure to provide return carriage due to weather or mechanical failure; the carrier will honor the return ticket by providing carriage as soon as the weather and the sea are fit for navigation and the equipment is fit to operate.

RULE NO. 35a OVERSIZED VEHICLES:

Deck space in general is restricted in the vessels by height and width. Outside deck space (which can accommodate higher vehicles) is also very limited in availability. Therefore, Oversized Vehicles, (which include cars, pick-up trucks, SUVs and vans) that do not fit the standard sized description of a standard car, pick-up truck, or van, will be charged an Oversized Vehicle rate of \$4.15 per linear foot, but only if they are 7' in height or less. If they are over 7' high, see Rule 35b. A standard car is no more than 18' long, 6' wide, and 5' high. As examples, without limiting the generality of the foregoing, the following are Oversized Vehicles that will be charged the per linear foot Oversized Vehicle rate of \$4.15 per linear foot but only if they are 7' in height or less:

- Any vehicles (including but not limited to cars, vans, and pick-ups) that are over 6' in width at the widest point.
- Extended cab pick-up trucks.
- Dual-wheel vehicles (including but not limited to the F350 Ford Series).
- Small dump trucks with a pick up front, and a dump body.
- Stake body trucks.
- Vehicles where racks extend the length of the car, van or pick-up.
- Vehicles that are wider than standard. For example, the vehicle has a utility body containing tool boxes, or the body of the vehicle is not ordinary or standard open backed.
- Vehicles that have ladder racks, or racks that hold pipes or other items on their roof.
- Any trailers (including but not limited to utility trailers), that are longer or wider than a standard car or are over 6' wide at the widest.

RULE 35b VEHICLES OVER 7' HIGH OR THAT REQUIRE OUTSIDE DECK SPACE:

- Any vehicles (including but not limited to cars, vans, pick-ups, SUVs, and trailers of any type) that are over 7' in height at the highest point will be charged the \$5.60 per linear foot truck rate.
- Any vehicles that require the use of the limited outside deck space will charged the per linear foot truck rate of \$5.60 per linear foot. For example, people will often put their bikes on their car, and they often need outside deck space due to the extra height. We cannot guarantee them the outside deck space (trucks have priority) and the bikes and racks may have to come down. In such a case, if the bikes and racks come down and the car, van or pick-up is then otherwise standard size, the standard car, van or pick-up truck rate will apply, and the standard charges will also apply to the bikes, racks, or other items removed from the vehicle.

RULE NO. 40 TIME LIMIT ON SUITS:

Suits to recover on any claim for loss of life or bodily injury must be instituted within one (1) year from the day when the death or injury occurred. Suits to recover on any claim other than loss of life or bodily injury, including breach of contract, must be instituted within six (6) months of the scheduled arrival of the passenger or property at destination.

RULE NO. 45 SCREENING AND INSPECTION:

Pursuant to Homeland Security Coast Guard Regulations, entering the ferry facility is deemed valid consent to screening or inspection; and failure to consent or submit to screening or inspection will result in denial or revocation of authorization to enter.

RULE NO. 50 ARTICLES LEFT ABOARD VESSEL:

Carrier will not be responsible for articles left aboard the vessel. Such shipments shall be charged for at the minimum rates provided in the company's tariffs.

RULE NO. 55 DAMAGE TO AUTOMOBILES:

All vehicles are transported at owner's sole risk. Drivers must accompany vehicles. The company will not be responsible for any damages to vehicles while in transport or while they are being loaded and unloaded aboard the vessel. The owner or driver must drive the vehicle on and off the vessel. In the event a vessel is canceled, the car reservation is also canceled. Any alleged damage to automobiles shall be reported to vessel's officers prior to leaving dock at destination.

RULE NO. 60 CAR RESERVATION CANCELLATIONS:

Car reservations may be changed two times 7 full days in advance of departure, then only one time within 7 days of departure. Cancellations made 7 full days in advance will be assessed a \$11.10 cancellation fee for each cancellation. No refunds will be made for cancellations made within 7 days of departure.

RULE NO. 65 VEHICLE OVERHANG CHARGE:

There is a \$7.75 additional charge per each way, in addition to the vehicle fee, for items over 7' on top of cars, and the same fee will be charged for items on the front, back and side of vehicles as well as items overhanging the roof of vehicles that exceed the length or width of the vehicle.

RULE NO. 70 NON-STANDARD VEHICLE CHARGES:

Vehicles that require more than one car space (such as limousines) may be charged an increased rate based on the amount of deck space required for the vehicle as opposed to a standard car or SUV (see also Rule 35).

RULE NO. 75 BLOCK TICKET SALES CHARGE:

There is a \$21.60 block ticket sales service charge for all block sales of 25 or more tickets. The block ticket sales service charge for arrangements made for group travel that includes making luncheon reservations, bus tours, and/or other similar amenities shall be \$38.75.

RULE NO. 80 ONLINE SALES CHARGE:

For all online internet and telephone call center passenger transactions, there is a \$2.25 convenience fee per transaction, to cover postage/handling charges.

RULE NO. 85 LOST TICKET CHARGE:

There is a \$14.40 charge for all lost tickets which are replaced (each way).

RULE NO. 90 GROUP DISCOUNTS:

Carrier may from time to time apply a 15% promotional group discount rate to groups of 25 or more.

RULE NO. 95 ADVANCE TICKET DISCOUNT:

Carrier may sell advance tickets on a pay for 9 tickets in advance, get 10 tickets basis.

RULE NO. 100 COMMUTER RATE ELIGIBILITY:

Only the holders of a Rhode Island driver's license with solely a Block Island address on the license are eligible for commuter rates, and to be eligible for the commuter standard sized car, SUV, van and pick up rates, (Oversized Vehicles as defined in Rule 35, are not eligible for the commuter vehicle rate), the vehicle (1) must be driven by a driver with solely a Block Island license, and (2) must have solely a Block Island address on its registration. Also, Block Island resident school students who are over the age of eleven, but under the age of sixteen who attend the Block Island School may obtain the adult resident commuter rate by presenting a valid Block Island School Photo Identification Card which will be issued by the Town of New Shoreham.

EXPLANATION OF ABBREVIATIONS

No. = Number

P.O. = Post Office

R.I. = Rhode Island

R.I.P.U.C = Rhode Island Public Utilities Commission

NA = Not Available

PLF. = Per Linear Foot

PASSENGER RATES
(Rates in Dollars and Cents Per Passenger)

ITEM:

Between Newport and Block Island Apply Column A Rates
 Between Point Judith and Block Island Apply Column B Rates
 Between Point Judith and Newport Apply Column C Rates

COLUMN

A	B	C					
---	---	---	--	--	--	--	--

5 ADULT PASSENGER FARES

ONE WAY ADULT	\$10.85	\$11.25	\$8.40				
ROUND TRIP ADULT	\$16.05	\$18.30	\$12.65				

**10 CHILDREN PASSENGER
FARES**

ONE WAY	\$5.15	\$5.70	\$4.20				
ROUND TRIP	\$7.45	\$9.10	\$6.30				

Commuter Rate \$10.50 (See Rule 100)

Senior Discount (over 65 years):

\$.50 off non-commuter one way tickets

\$1.00 off non-commuter round trip tickets

NOTE a. The passenger rates for children published in Item No. 10 will apply to children five (5) years of age up to and including children eleven (11) years of age when accompanied by an adult. For children twelve (12) years of age and older the adult passenger fares published in Item No. 5 will be charged.

NOTE b. Children under five (5) years of age when accompanied by an adult will be transported free.

FOR EXPLANATION OF ABBREVIATIONS AND REFERENCE MARKS SEE PAGE 5.

VEHICLE RATES**ITEM:**

Between Block Island and Newport Apply Column A Rates

Between Block Island and Point Judith Apply Column B Rates

Between Point Judith and Newport Apply Column C Rates

RATES IN DOLLARS AND CENTS PER UNIT (one way)

		COLUMN		
		A	B	C
15	Automobiles (See Rules 20, 25, 35, 50, 55, 60, 65 and 70 herein and Rule 20 of Freight Tariff)	n/a	49.80	n/a
16	Bicycles	3.20	3.20	2.65
16a	Bicycle wagons, whether or not attached to a bicycle	3.20	3.20	2.65
16b	Tandem Bicycles, whether or not attached to a bicycle	3.20	3.20	2.65
16c	Electric Bicycles, motorized skateboards, and mini-motorcycles	8.30	8.30	6.85
17	Motorcycles	21.80	21.80	17.35
18	Pick-up trucks, vans, and SUV's (See Rules 20, 25, 35, 50, 55, 60, 65 and 70 herein and Rule 20 of Freight Tariff)	n/a	60.10	n/a
19	Trucks* (See note)	n/a	5.60/lf	n/a
20	Hazardous Trucks* (See note)	n/a	8.50/lf	n/a

Commuter Vehicle Rates:

- Standard-sized Automobiles \$27.00
(See Rules 20, 25, 35, 50, 55, 60, 65, 70, and 100 herein and Rule 20 of Freight Tariff)
- Standard-sized Pick-up Trucks, Vans, and SUVs \$32.75 (See Rules 20, 25, 35, 50, 55, 60, 65, 70, and 100 herein and Rule 20 of Freight Tariff)

* Note: Except as set forth below, trucks carrying hazardous materials or dangerous goods, as defined by 49 CFR, Subchapter C Hazardous Materials Regulations, the U.S. Coast Guard, and the International Maritime Organization, can not be transported aboard passenger vessels. Therefore, except as set forth below, when carrying these materials, the vessel must operate strictly as a cargo vessel, and the per foot rate is as set forth above for hazardous trucks. For this purpose, the Carrier will make a vessel available as a cargo vessel on a reservation only, as available basis, at the rate set forth above per same day round trip run from Point Judith to Block Island and return (maximum 4 hours). When available, the cargo vessel must be scheduled to leave Point Judith and complete the run at the discretion of the Carrier.

Trucks which carry sludge for the New Shoreham Sewer Commission will be required to travel on the hazardous truck cargo vessel, and will not be allowed to travel on a vessel with passengers, but will be allowed to travel at the regular truck rate of \$5.60 per linear foot, because the sludge is not a hazardous material or dangerous good as defined by 49 CFR, Subchapter C, but odor from the truck is a problem for ferry passengers. In addition, trucks which carry garbage for the Town of New Shoreham will also be allowed, on an as-needed basis, to travel on the hazardous truck cargo vessel, but at the standard truck rate of \$5.60 per linear foot, or they may travel on the usual passenger ferry.

Trucks which have a gross weight of 50,000 pounds or more and are not tractor trailer trucks and are not carrying property for the Town of New Shoreham will be required to pay, in addition to the per linear foot truck rate, a weight premium of \$55.40 per one way trip due to the weight limitations imposed upon the ferry vessels.

COMMODITY RATES

STATE OF RHODE ISLAND

PUBLIC UTILITIES COMMISSION

Docket No. 3762

INTERSTATE NAVIGATION COMPANY

LOCAL TARIFF

Naming

CLASS AND COMMODITY RATES

FOR TRADITIONAL SERVICE

APPLYING BETWEEN

POINTS AND PLACES IN THE STATE OF

RHODE ISLAND

(As Indicated Herein)

For reference to the governing Classification and other governing publications, see Rule No. 5 herein.

EFFECTIVE: April 1, 2012

ISSUED BY:

Interstate Navigation Company
Susan Linda, President
Post Office Box 482
New London, Connecticut 06320

EXPLANATION OF ABBREVIATIONS AND REFERENCE MARKS

<p> Bbl= Barrel Co= Company Col= Column Conn= Connecticut Ctn= Carton I.C.C.= Interstate Commerce Commission KD= Knocked Down Lbs= Pounds M= Thousand MT= Empty </p>	<p> Min= Minimum Charge No.= Number NOIBN= Not Otherwise indexed by name in classification Pkg= Package Pt= Point R.I.= Rhode Island Department of Public Utilities SU= Set Up Viz= Namely &= And </p>
---	--

RULES GOVERNING ALL TARIFFS

RULE NO. 5 GOVERNING CLASSIFICATION, RULES AND EXCEPTIONS TARIFF:

Governed, except as otherwise provided herein, by the Coordinated Freight Class- No. 11, The New England Motor Rate Bureau, Inc., Agent's MF-I.C.C. No. A-210, MF-R.I.D.P.U. No. A-84 and by the Rules, Regulations and Exceptions thereto, the New England Motor Rate Bureau, Inc., Agent's MF-I.C.C. No. A-202, MF-R.I.D.P.D. No A-82, supplements thereto or successive issued thereof.

RULE NO. 10 APPLICATION OF RATES:

(a) Commodity rates named in this tariff are applicable only on shipments tendered to the carrier in exact accordance with the commodity description and packing requirements set forth herein.

(b) Unless otherwise provided, the rates shown herein apply only on articles received on one bill of lading at one time and place from one consignor for delivery to one consignee at one place, at one destination.

(c) The transportation obligation of the carrier under this tariff consists of the receipt of freight at its dock at the shipping point and its transportation to the dock of the carrier at destination.

RULE NO. 15 MAXIMUM CHARGES:

In no case shall the charge for a given shipment be greater than the charge for a shipment of the same commodity, of a greater weight, between the same points.

RULE NO. 20 MINIMUM CHARGES:

Except as provided in individual items herein rates named are subject to the following minimum charges per shipment.

<u>BETWEEN</u>	<u>AND</u>	<u>MINIMUM CHARGE</u>
Newport or Pt. Judith, R.I.	Block Island, R.I.	\$4.00

RULE NO. 25 LIABILITY FOR FEEDING LIVESTOCK:

The carrier will not be responsible for the feeding or watering, of livestock transported. It shall be the responsibility of the consignor to guarantee the carrier that a plentiful supply of feed and water shall be placed aboard vessel prior to the boarding of such shipments of livestock.

RULE NO. 30 HOUSEHOLD GOODS, DESCRIPTION OF:

The rates on Household Goods apply to all Household Goods, new or used, including but not limited to goods and personal effects such as furniture, clothing and residence furnishings and when shipped uncrated will only be accepted at owner's risk.

RULE NO. 35 INTEREST:

Interest will be charged on overdue accounts (past 30 days) at 1.5% per month, plus reasonable attorney's fees if collection efforts are needed.

RULE NO. 40 C.O.D. SHIPMENTS, COLLECTION AND REMITTAL CHARGES:

The following charges will apply for the collection and the remittance of C.O.D. bills collected from consignees between all points in Rhode Island:

When the amount collected is:			Charge for Collection and remittance will be:	
Not over	TO	\$ 10.00	\$.90	
\$ 10.01	TO	20.00	1.07	
20.01	TO	30.00	1.25	
30.01	TO	40.00	1.43	
40.01	TO	50.00	1.61	
50.01	TO	75.00	1.78	
75.01	TO	100.00	2.23	
100.01	TO	150.00	2.85	
150.01	TO	200.00	3.57	
200.01	TO	300.00	4.65	
300.01	TO	400.00	5.72	
400.01	TO	500.00	6.79	
500.01	TO	1,000.00	8.03	
	OVER	1,000.00	8.03	per \$1,000

RULE NO. 45 EMPTY CONTAINERS RETURNED, RATES APPLICABLE:

The rates in cents per can, case, carton or other empty alcoholic or nonalcoholic beverage container including bottles in racks, or other containers not otherwise shown herein will apply as follows:

	BETWEEN	Pt. Judith & B.I.
(a)		
Containers with bottles, each		.52
Containers without bottles, each		.45
Milk Cans, Each		.45
Milk Dispensers, each		.52
Beer Kegs, each		1.07

(b)

The rates in cents per empty tank shall be returned as follows:

Soda Fountain tanks, each	.80
Pyrofax tanks, each	1.07
Propane Gas Tanks, each	1.07

RULE NO. 50 FREIGHT TRANSPORTED AT OWNER'S RISK:

Shipments of livestock, pinball machines, music machines, neon or electric signs and pianos will be accepted for transportation at owner's risk.

RULE NO. 55 TRANSPORTATION OF LIVESTOCK:

All Livestock, except household pets accompanied by an owner or handler, dogs, cats and animals of like size in portable kennels, and fowl in crates, will be carried only in animal vans or trailers. The tariff for such transportation will be the tariff for such vans or trailers.

RULE NO. 60 PERSONAL PALLETS:

Personal pallets are \$7.85 each. Personal pallets can be used on an as available basis in the discretion of the Carrier and are solely to be used for the transportation of personal items (such as groceries and luggage). Each pallet is 3 ½' high and no items may be loaded on a personal pallet that are higher than 3 ½'. Personal pallets will be given to customers on a "first come, first served" basis, and the boats are limited to how many pallets can be taken. The number of personal pallets which can be taken will vary trip to trip in the discretion of the Carrier based on the availability of deck space and pallets.

RULE NO. 65 SURFBOARDS:

Surfboards are \$6.50 one way, \$13.00 round trip.

DATE: 1/27/12	ITEM MASTER R		RATE TOOL LISTING			RATE%: -1.72 (RATE)		
CLASS ITEM NUMBER	DESCRIPTION OF COMMODITY UOM		WEIGHT	CONVERSION	*----- COLUMN -----*			
ABC ABC	ABC ITEM MASTER RECORD. THIS W EA AS THE FIRST TEST ITEM ENTERED ITEM MASTER		PER UNIT	FACTOR	A B C			
			1.00000	1.00000	1.460 1.610 1.750			
			AFTER:	1.440	1.580 1.720			
			RATE TOOL LISTING			RATE%: -1.72 (RATE)		
			WEIGHT	CONVERSION	*----- COLUMN -----*			
006 45-00	DESCRIPTION OF COMMODITY UOM							
	EMPTY CONTAINER WITH BOTTLES EA							
45-01	RULE 45					AFTER:		0.55
	EMPTY CONTAINER W/O BOTTLES EA							.540
45-02	RULE 45					AFTER:		0.47
	EMPTY MILK CASES, CANS EA							.460
45-03	RULE 45					AFTER:		0.47
	EMPTY MILK DISPENSERS EA							.460
45-04	RULE 45					AFTER:		0.55
	EMPTY BEER KEGS EA							.540
45-06	RULE 45					AFTER:		1.09
	EMPTY BREAD TRAY, PLASTIC EA							1.070
007 015-02	AREA WALL/PARTITION					AFTER:		0.47
030-05	BAIT BARRELS, EMPTY EA							.460
035-05	BATHTUB, CAST IRON EA					AFTER:		2.55
035-06	JACUZZI, WHIRLPOOL EA							2.510
035-07	RULE #40 APPLIES					AFTER:		1.27
	SHOWER BASE, GRANITE, NOIBN EA							13.5
040-00	BATTERIES, USED, CAR EA					AFTER:		13.270
040-03	BATTERIES, USED INDUSTRIAL EA							19.61
045-00	KEG; WINE 1/4 EA					AFTER:		19.280
045-08	COLD PLATE W/COOLER EA							5.920 5.920 5.920
	ANCHOR, MOORING, 200-499LB EA					AFTER:		5.820 5.820 5.820
	ANCHOR, MOORING, 500-799LB EA							0.72
	ANCHOR, MOORING, 800-999 EA					AFTER:		.710
	ANCHOR, SMALL EA							1.81
	ANCHOR, MOORING, 100-199LB EA					AFTER:		1.780
	ANCHOR, MOORING, 1000 & ABOVE EA							2.28
30-05	BARREL, 15 GAL EA					AFTER:		2.240
30-06	BARREL, 30 GAL EA							2.92
						AFTER:		2.870
								7.29
						AFTER:		7.170
								15.3
						AFTER:		15.040
								22.800 22.800 22.800
						AFTER:		22.410 22.410 22.410
								1.460 1.460 1.460
						AFTER:		1.440 1.440 1.440
								5.450 5.450 5.450
						AFTER:		5.360 5.360 5.360
								33.97
						AFTER:		33.390
								3.620 3.620 3.620
						AFTER:		3.560 3.560 3.560
								5.460 5.460 5.460

40-02	BATTERIES, ELECTRICAL, SOLAR	EA	AFTER:	5.370	5.370	5.370
45-05	INDUSTRIAL, MARINE KEG; WINE 1/2	EA	AFTER:			3.62
45-10	DISPENSER, WATER	EA	AFTER:			3.560
50-00	WATER, BOTTLE, >5GAL	EA	AFTER:			3.27
55-02	BICYCLE, UNCRATED	EA	AFTER:			3.210
600-21	SOLAR PANELS/MODULES APPROX 4X8	EA	AFTER:	8.750	8.750	8.750
005-01	ALUMINUM LOUVERS, VENTS	PC	AFTER:	8.600	8.600	8.600
005-02	ANTI-FREEZE COMPOUNDS, NOIBN, EA LIQUID, IN CASES, EA.	EA	AFTER:			1.46
005-03	ANTI-FREEZE COMPOUNDS, NOIBN, EA LIQUID IN BARRELS OR DRUMS EA	EA	AFTER:			1.440
005-04	ANGLE IRON BY LINEAR FEET	FT	AFTER:			7.45
010-01	AUTOMOBILE PARTS: EXHAUSTS, PIPES, MUFFLERS ETC.	EA	AFTER:			7.320
010-02	AUTO SEATS	EA	AFTER:			0.47
015-01	AUTO TRANSMISSIONS	EA	AFTER:			.460
020-01	BAGS, BURLAP, GUNNY OR JUTE, EA NOIBN	EA	AFTER:			1.46
025-01	BARRELS(NOT OIL OR TAR), DRUMS EA PAILS, TUBS, WOOD/IRON/STEEL	EA	AFTER:			1.440
030-02	BARRELS, TAR, EMPTY, EACH	EA	AFTER:			6.19
030-03	BARRELS, TAR, FULL, EACH	EA	AFTER:			6.080
030-04	BAIT BARRELS	EA	AFTER:			6.19
035-01	BATHTUBS, EACH	EA	AFTER:			6.080
035-02	COMBINATION TUB AND SHOWER (FIBERGLASS)	EA	AFTER:			5.46
035-03	SHOWER IN BOX BY PIECE	EA	AFTER:			5.370
035-04	SHOWER (FIBERGLASS)	EA	AFTER:			8.75
040-01	BATTERIES, ELECTRIC, STORAGE, EA EACH	EA	AFTER:			8.600
045-01	BEVERAGES, ALCOHOLIC, VIZ. KEG M.T. KEGS	KEG	AFTER:			18.64
045-02	BEER, 24 PER CASE,	CAS	AFTER:			18.320
045-03	BEER IN KEGS EACH	KEG	AFTER:			3.08
045-04	LIQUORS, SPLITS PER CASE	CAS	AFTER:			3.030
			AFTER:			12.74
			AFTER:			12.520
			AFTER:			1.81
			AFTER:			1.780
			AFTER:			1.09
			AFTER:			1.070
			AFTER:			1.3
			AFTER:			1.280
			AFTER:			2.3
			AFTER:			2.260
			AFTER:			2.5

045-05	WINE, PER CASE	CAS	AFTER:	2.460
				1.85
045-06	BEER 48 BOTTLES PER CASE, EACH	CAS	AFTER:	1.820
				1.81
050-01	BEVERAGES, SODA, JUICE, WATER	CAS	AFTER:	1.780
				1
050-02	BEVERAGES, NON-ALCOHOLIC: SODA	CAS	AFTER:	.980
	, PRE-MIXED CANS, EACH			1.27
050-03	BEVERAGES, NON-ALCOHOLIC: CO2	CYL	AFTER:	1.250
	+ 02 TANKS AND CYLINDERS			2.28
055-01	BICYCLES, NOIBN, IN BOXES OR	EA	AFTER:	2.240
	CRATES, EACH			3.74
055-11	STROLLER, CARRIAGE	EA	AFTER:	3.680
	CRATED			2.24
055-12	STROLLER, CARRIAGE	EA	AFTER:	2.200
	UNCRATED			2.03
065-04	COBBLESTONE	EA	AFTER:	2.000
				.460
065-05	COBBLESTONE, LESS THAN 10 INCH	EA	AFTER:	.460
				.450
				.220
65-03	BLOCK, PATIO	EA	AFTER:	.220
				.550
70-00	BUOY, CARTON, LOOSE, SMALL	EA	AFTER:	.540
	2X2' BOX			.540
70-01	BUOY, CARTON, LOOSE, LARGE	EA	AFTER:	2.150
	OVER 2'X2' BOX			3.82
70-02	BUOY, LOBSTER	EA	AFTER:	3.560
				.370
70-04	BOBCAT TRACTOR	EA	AFTER:	.360
				29.510
70-05	BOBCAT TRACTOR WITH BACK	EA	AFTER:	29.010
	ATTACHMENTS			38.990
060-01	BLINDS, WINDOW OR SHUTTERS	EA	AFTER:	38.330
				0.81
065-01	BLOCKS, CHIMNEY 9 X 13	EA	AFTER:	.800
				0.5
065-02	BLOCKS, BUILDING, CEMENT OR	EA	AFTER:	.490
	CINDER EACH			0.55
070-00	KAYAK, CANOE, WALK ON	EA	AFTER:	.540
				11.34
070-01	BOATS, PER LINEAR FOOT	FT	AFTER:	11.150
				1.46
075-01	BOAT TRAILERS, EACH	EA	AFTER:	1.440
				18.73
080-01	BOILER/FURNACE	EA	AFTER:	18.410
				24.85
085-01	BOOKS, BY THE CARTON	CTN	AFTER:	24.430
				2.46
085-02	BOOTS OR SHOES, IN CARTONS,	CTN	AFTER:	2.420
	EACH			2.46
090-01	CRATES, STEEL OR WOODEN	EA	AFTER:	2.420
				12.37
090-02	COPPER/BRASS FITTINGS IN CTNS	CTN	AFTER:	12.160
				3.74

095-01	BREAD, BAKERY PRODUCTS, IN CTN	AFTER:	3.680
	CARTONS EACH (1.77 MIN)		1
095-03	BREAD TRAYS, FULL EA	AFTER:	.980
100-01	MINIMUM CHARGE (1.77)	AFTER:	1
	BRIDGING BOX METAL EA	AFTER:	.980
100-02	BROOM, ROAD, ATTACHMENT EA	AFTER:	0.27
			26.03
105-01	BOTTLES, CARBOYS, DEMIJOHNS, JAR, EA	AFTER:	25.590
110-01	NOIEN, GLASS OTHER CUT, EMPTY RT Drip Edge BND	AFTER:	0.89
			.870
115-01	BOXES, FISH, EMPTY, EACH EA	AFTER:	3.74
			3.680
120-01	BRICKS, BUILDING, COMMON, LESS EA THAN M, EACH	AFTER:	0.27
120-02	BRICKS, BUILDING, COMMON OVER M 1,000 BRICKS	AFTER:	0.09
			.090
125-01	BRIDGING METAL, BOX EA	AFTER:	61.85
			60.800
125-02	BRICKS, FACE, EACH EA	AFTER:	1.460
			1.810
125-03	BRICKS, FIRE, EACH EA	AFTER:	1.440
			1.780
009 130-02	WEED WHACKER, ELECTRIC EA	AFTER:	0.1
170-00	COMPUTER EQUIPMENT: EA	AFTER:	.100
	CPU, LAPTOP, MONITOR, ETC.		0.13
170-01	CASH REGISTERS, BOOKKEEPING, FAX EA	AFTER:	.130
170-02	COPY, TYPING OR STENOGRAPH MACH	AFTER:	3.620
	COMPUTER PRINTER, SCANNER EA		3.620
175-09	CABINET, FILLER EA	AFTER:	3.560
			3.560
175-10	CABINET, PANEL EA	AFTER:	7.45
			7.320
175-11	CABINET, FILING EA	AFTER:	7.450
	RULE # 40 APPLIES		7.450
175-12	CABINET, QUAD EA	AFTER:	7.320
	RULE #40 APPLIES		7.320
175-13	CABINET, FILING, SMALL 2 DRWR EA	AFTER:	5.530
	RULE #40 APPLIES		5.530
180-05	CASKET, GRAVE, LINER SET	AFTER:	5.440
			5.440
180-06	PRECAST STAIRWAY EA	AFTER:	1.460
			1.460
180-07	CART, SHOPPING EA	AFTER:	1.440
			1.440
185-04	EXPANSION JOINT EA	AFTER:	3.260
			3.260
240-00	COUNTER TOP FT	AFTER:	3.200
			3.200
240-01	COPPER SHOWER PANS EA	AFTER:	6.200
			6.200
		AFTER:	6.090
			6.090
		AFTER:	18.180
			18.180
		AFTER:	17.870
			17.870
		AFTER:	2.920
			2.920
		AFTER:	2.870
			2.870
		AFTER:	19.310
			19.310
		AFTER:	18.980
			18.980
		AFTER:	39.32
			38.650
		AFTER:	3.620
			3.620
		AFTER:	3.560
			3.560
		AFTER:	.140
			.140
		AFTER:	.140
			.140
		AFTER:	.950
			.950
		AFTER:	.930
			.930
		AFTER:	2.730
			3.450
			2.730

130-01	WEED WHACKER, GAS POWERED	EA	AFTER: 2.680	3.390	2.680
135-01	BULKHEAD STEEL	EA	AFTER: 6.190	7.750	6.190
140-01	BURLAP, ROLL OR BALE	EA	8.840	10.880	8.840
145-01	BUOY FLOAT, MAST HEAD	EA	AFTER: 8.690	10.700	8.690
150-01	BUFFER/POLISHER	EA	7.450	9.250	7.450
155-01	CALCIUM CHLORIDE PER BAG	EA	AFTER: 7.320	9.090	7.320
160-01	BUILDING-SHED, HOUSE, FABR	EA	1.270	1.560	1.270
165-01	STEEL PER CWT.	EA	AFTER: 1.250	1.530	1.250
165-02	CANDY OR CONFECTIONERY, IN BOXES OR CARTONS	EA	8.640	10.820	8.640
175-01	CANDY OR CONFECTIONERY MINIMUM CHARGE PER SHIPMENT	EA	AFTER: 2.460	3.080	2.460
175-03	CABINET, MEDICINE	EA	AFTER: 2.420	3.030	2.420
175-04	TRASH CAN: PLASTIC, ALUMINUM EMPTY	EA	4.100	5.190	4.100
175-05	TOYS, GAMES	CTN	AFTER: 4.030	5.100	4.030
175-06	CABINET, SINGLE	EA	2.460	3.080	2.460
175-07	RULE 40 APPLIES	EA	AFTER: 2.420	3.030	2.420
175-08	CARPETS OR LINOLEUM/ROLL	EA	3.740	4.640	3.740
180-02	ROLL PADDING/FOAM	EA	AFTER: 3.680	4.560	3.680
180-03	CASKETS OR VAULT, BURIAL, CASKET, WOODEN, EACH	EA	6.190	7.750	6.190
180-04	CASKETS OR VAULTS, BURIAL, CASKET, STEEL, EACH	EA	AFTER: 6.080	7.620	6.080
185-01	CASKETS OR VAULT, BURIAL, VAULT, CEMENT, EACH	EA	7.290	7.290	7.290
185-02	CEMENT, PLASTER, MORTAR IN 50-80LB. BAGS EACH	EA	AFTER: 7.170	7.170	7.170
185-03	POWER CEMENT TROWEL	EA	2.280	2.280	2.280
190-01	SAKRETE, MORTAR, GROUT IN 25-45LB. BAGS EACH	BAG	AFTER: 2.240	2.240	2.240
180-10	CESSPOOLS, COMPLETE, EACH	EA	12.370	16.100	12.370
180-11	STAIRWAY, PREFAB 8 FEET / LESS 8 FEET	EA	AFTER: 12.160	15.830	12.160
195-01	STAIRWAY, PREFAB GREATER THAN 8 FEET	EA	17.360	21.110	17.360
200-01	CHARCOAL	BAG	AFTER: 17.060	20.750	17.060
	CAULKING COMPOUND, ACCESS PER BOX	BOX	29.760	37.210	29.760
			AFTER: 29.250	36.580	29.250
			1.460	2.100	1.460
			AFTER: 1.440	2.060	1.440
			6.190	7.750	6.190
			AFTER: 6.080	7.620	6.080
			.720	.720	.720
			AFTER: .710	.710	.710
			55.840	62.040	55.840
			AFTER: 54.890	60.990	54.890
			5.100	5.100	5.100
			AFTER: 5.010	5.010	5.010
			AFTER:		9.17
			1.810	2.460	1.810
			AFTER: 1.780	2.420	1.780
			1.460	1.810	1.460

205-01	BOX	CHEMICALS, NOIBN, IN CARBOYS, CRB EACH	AFTER: 1.440 1.750 1.440
205-02		CHAIN, 500-799 LB BARREL EA	AFTER: 2.460 3.740 2.460
205-03		CHAIN, 200-499 LB BARREL EA	AFTER: 2.420 3.680 2.420
205-04		CHAIN, LESS THAN 200 LB EA	15.510 15.510 15.510
210-01		CHIMNEY FLUE LINING, CLAY, EA. 8"X8" LINEAR FOOT	AFTER: 15.250 15.250 15.250
210-02		CHIMNEY FLUE LINING, CLAY EA. 8" X 12 "	10.270 10.270 10.270
215-01		CIGARETTE VENDING MACHINE EA.	AFTER: 10.100 10.100 10.100
220-01		CLAY THIMBLE 8"X8" EA.	5.100 5.100 5.100
235-01		CLOTH, DRY GOODS, FABRIC, CTN BAGGING, GUNNY, IN BNDL OR CTN	AFTER: 5.010 5.010 5.010
245-01		COAL OR COKE IN CLOSED BAGS TON PER TON (2000 LBS)	.550 .630 .550
245-02		COAL OR COKE IN CLOSED BAGS, BAG PER 50 LBS BAG	AFTER: .540 .620 .540
245-03		CORD WOOD: PER PALLET OR 1/2 GRD CORD	.630 .720 .630
245-04		CORD WOOD: PER CORD CRD	AFTER: .620 .710 .620
250-01		STEMWARE/CROKERY CTN	13.650 17.360 13.650
255-01		PLATES, CUPS, POTS AND PANS	AFTER: 13.420 17.060 13.420
255-02		DOORS, WOODEN, GLAZED, EACH EA.	.630 .810 .630
255-03		DOORS, SCREEN EA.	AFTER: .620 .800 .620
255-04		DOOR, ALUMINUM EA.	1.270 1.810 1.270
255-05		DOOR, GARAGE, DOUBLE OR OVERHEAD, EACH	AFTER: 1.250 1.780 1.250
255-06		DOOR FRAMES EA.	13.650 16.100 13.650
255-07		DOOR, STEEL FIRE, EACH EA.	AFTER: 13.420 15.830 13.420
255-08		DOOR, CELLER, EACH EA.	AFTER: 0.47 .460 9.1
255-09		DOORS, PRE-HUNG, EACH EA.	AFTER: 8.950 18.17
255-10		DOOR, GLASS, SLIDING, FRENCH EA. PATIO	AFTER: 3.080 3.080 3.080
255-11		DOOR, DOUBLE PRE-HUNG EA	AFTER: 3.030 4.470 3.030
255-12		DOOR, BIFOLD EA	7.450 9.930 7.450
255-13		DOOR, WOOD, W/WINDOW EA	AFTER: 7.320 9.760 7.320
255-14		DOOR, COMBO EA	2.460 3.080 2.460
255-15			AFTER: 2.420 3.030 2.420
255-16			11.830 15.470 11.830
255-17			AFTER: 11.630 15.210 11.630
255-18			12.370 15.470 12.370
255-19			AFTER: 12.160 15.210 12.160
255-20			5
255-21			AFTER: 4.920
255-22			10.88
255-23			AFTER: 10.700
255-24			9.990 9.990 9.990
255-25			AFTER: 9.820 9.820 9.820
255-26			3.080 3.080 3.080
255-27			AFTER: 3.030 3.030 3.030
255-28			3.620 3.620 3.620
255-29			AFTER: 3.560 3.560 3.560
255-30			4.550 4.550 4.550

255-18	DOOR, GLASS, SLIDING, FRENCH, EA	AFTER: 4.470	4.470	4.470
255-19	DOUBLE PATIO	AFTER: 21.830	21.830	21.830
255-20	GATE, LARGE 16' OR LESS EA	AFTER: 21.460	21.460	21.460
255-21	GATE, LARGE 17' OR GREATER EA	5.610	5.610	5.610
		AFTER: 5.510	5.510	5.510
		9.550	9.550	9.550
		AFTER: 9.390	9.390	9.390
		6.61		6.61
260-01	DRUGS OR MEDICINES, NOIBN CTN	AFTER: 3.080	3.740	3.080
260-02	IN CARTONS	AFTER: 3.030	3.680	3.040
	DURA-WALL 500 LINEAL FEET 8" EA.			5.9
260-03	DURA-WALL 500 LINEAL FEET 12" EA.	AFTER: 5.800		5.800
270-00	WIRE, COIL EA	AFTER: 6.690		6.81
300-08	DRESSER, CHEST EA	AFTER: 1.810	1.810	1.810
		AFTER: 1.780	1.780	1.780
		6.190	6.190	6.190
300-13	DISPLAY CASE, BOOKSHELF, RACK EA	AFTER: 6.080	6.080	6.080
		6.19		6.19
602-00	DUMPSTER, 15YRD EA	AFTER: 6.080		6.080
		36.43		36.43
602-01	DUMPSTER, 10-14 YRDS EA	AFTER: 35.810		35.810
		29.15		29.15
602-02	DUMPSTER, 6-9 YRDS EA	AFTER: 28.650		28.650
		21.87		21.87
602-03	DUMPSTER, 3-5 YRDS EA	AFTER: 21.500		21.500
		18.18		18.18
602-04	DUMPSTER, LESS THAN 3 YRDS EA	AFTER: 17.870		17.870
		7.290	7.290	7.290
245-00	COOKIES BOX	AFTER: 7.170	7.170	7.170
		0.63		0.63
255-00	DOOR, SHOWER EA	AFTER: .620		.620
		3.62		3.62
255-10	DOOR, STORM EA	AFTER: 3.560		3.560
		3.62		3.62
255-11	SCREEN, SLIDING EA	AFTER: 3.560		3.560
		2.77		2.77
011 15-02	ENGINE BLOCK EA	AFTER: 2.720		2.720
		5.460	5.460	5.460
15-03	ENGINE, COMPLETE EA	AFTER: 5.370	5.370	5.370
		10.900	10.900	10.900
265-01	EGGS, NOIBN, IN CASES EACH CS	AFTER: 10.710	10.710	10.710
		3.080	3.740	3.080
265-03	ELECTRIC SUPPLIES PER CARTON CTN	AFTER: 3.030	3.680	3.030
		1.81		1.81
265-07	TRANSFORMER, 75 KVA EA	AFTER: 1.780		1.780
		72.840	72.840	72.840
265-08	TRANSFORMER, 112.5 KVA EA	AFTER: 71.600	71.600	71.600
		94.66		94.66
265-09	TRANSFORMER, 5 KVA EA	AFTER: 7.290	7.290	7.290
		7.170	7.170	7.170
265-10	TRANSFORMER, 37 KVA EA	34.940	34.940	34.940

265-11	TRANSFORMER, 45 KVA	EA	AFTER: 34.350	34.350	34.350
			50.980	50.980	50.980
265-12	UTILITY ENCLOSURES	EA	AFTER: 50.110	50.110	50.110
			13.490	13.490	13.490
270-0	WIRE, SPOOL	EA	AFTER: 13.260	13.260	13.260
			1.810	1.810	1.810
270-01	FELT, BUILDING IN ROLLS PER	EA.	AFTER: 1.780	1.780	1.780
	ROLL		.810	1.000	1.460
270-02	FENCE, PER ROLL: SNOW/DEER	EA.	AFTER: .800	.980	1.440
					5
270-03	FENCE, PER ROLL, CHICKEN WIRE	EA.	AFTER: 4.920		4.920
					1.98
270-04	FENCE, PER ROLL, STEEL	EA.	AFTER: 1.950		1.950
					6.81
270-08	FENCE, STOCKADE >3'X8'	SEC	AFTER: 6.690		6.690
					4.36
270-09	FENCE, STOCKADE < OR = 3'X8'	SEC	AFTER: 4.290		4.290
					2.83
270-10	FENCE, MESH SHEET 5'X10' BY	PLT	AFTER: 2.780		2.780
	PALLET		32.500	32.500	32.500
270-11	FENCE, PER ROLL, SILT	EA	AFTER: 31.950	31.950	31.950
			1.980	1.980	1.980
275-00	FERTILIZER COMPOUNDS, SINGLE O TON		AFTER: 1.950	1.950	1.950
	NE TON BAG, NOIBN				39.69
275-01	FERTILIZER COMPOUNDS, NOIBN,	EA.	AFTER: 1.980	2.460	1.980
	LIME, MANURE IN BAGS		AFTER: 1.950	2.420	1.950
275-02	MULCH, PEAT MOSS	EA	AFTER: 1.460	1.460	1.460
275-03	SOIL	EA	AFTER: 1.440	1.440	1.440
			1.460	1.460	1.460
275-04	MULCH, PEAT MOSS PALLET SIZE	PLT	AFTER: 1.440	1.440	1.440
	BALE		20.210	20.210	20.210
275-05	FERTILIZER COMPOUNDS, 1000LB B BAG		AFTER: 19.870	19.870	19.870
	AG, NOIBN				25.09
280-00	FISH, LARGE, FRESH, BOXED	EA	AFTER: 25.650		25.650
			5.830	5.830	5.830
280-01	FISH, FRESH OR FROZEN, IN	EA.	AFTER: 5.730	5.730	5.730
	BARRELS, EACH		3.740	4.910	3.740
280-02	FISH, FRESH OR FROZEN, BOXES	EA.	AFTER: 3.680	4.830	3.680
			2.460	3.080	2.460
280-03	FISH, FRESH OR FROZEN, IN BAGS	EA.	AFTER: 2.420	3.030	2.420
	, EACH				1.81
280-04	LOBSTERS, IN BARRELS OR CRATES	EA.	AFTER: 4.910	7.450	4.910
	, EACH		AFTER: 4.830	7.320	4.830
280-045	LOBSTER, IN LARGE BBL OR CRATE	EA			11.53
			AFTER: 11.430		11.430
280-11	FISH, X-TUB	TUB			16.36
			AFTER: 16.080		16.080
280-12	X-TUB, EMPTY	EA		8.190	8.190
			AFTER: 8.050	8.050	8.050
280-13	FISH, X-TUB, SMALL	TUB			8.64
			AFTER: 8.490		8.490
285-00	FLAG STONES, BLUESTONE, SLATE PLT				29.15

285-01	PALLET	FLAG STONES, BLUESTONE, SLATE EA	AFTER:	28.650
285-02		FIRE EXTINGUISHERS EA.	AFTER:	1.98
290-01		FLOWERS: FRESH/ARTIFICIAL CTN PER BOX/CTN/BND	AFTER:	1.950
290-02		FLASHING: ALUMINUM/LEAD 8"-10" ROL	AFTER:	1.81
290-03		ROLL	AFTER:	1.780
290-04		FLASHING, ALUMINUM/LEAD 11-12" ROL	AFTER:	1.46
290-05		ROLL	AFTER:	1.440
290-06		FLASHING, BOXED BOX	AFTER:	1.27
295-01		FLASHING; COPPER RL	AFTER:	1.250
300-06		ALUMINUM, SHEET, BY SQUARE FOOT SQF	AFTER:	1.64
300-07		FRUITS OR VEGETABLES LB	AFTER:	1.610
300-09		TABLE, FOLDING RENTAL EA	AFTER:	1.460
300-1		RULE #40 APPLIES	AFTER:	1.440
300-10		DESK EA	AFTER:	2.550
300-12		RULE #40 APPLIES EA	AFTER:	2.550
300-14		TABLE, PICNIC EA	AFTER:	2.510
305-02		CHAIR, FOLDING IN RACK RAK	AFTER:	0.21
305-03		ENTERTAINMENT CENTER/ARMOIRE EA	AFTER:	2.10
305-04		CHAIR, PATIO, SLEEVE SLV	AFTER:	2.200
305-05		CHAISE LOUNGE; PATIO, SLEEVE SLV	AFTER:	2.160
305-07		GALLEY EA.	AFTER:	2.920
309-06		DIST. BOXES EA.	AFTER:	2.870
310-01		1,000 GAL SEPTIC TANK EA.	AFTER:	2.870
310-02		SHALLOW GALLEY/FLOW DIFFUSOR EA	AFTER:	7.29
310-03		BLOCK, RETAINING / BARRICADE EA 3X3X5	AFTER:	7.170
315-00		BUTCHER BLOCK TABLE EA	AFTER:	7.290
315-01		GLASS, BOX OF, CRATED, LOOSE EA.	AFTER:	7.170
		GLASSWARE, CARBOYS, EMPTY EACH EA.	AFTER:	8.420
		GLASSWARE, IN CARTONS, INCLUDE EA. POTTERY, ETC.	AFTER:	8.280
		PET FOOD PKG	AFTER:	14.74
		GRAIN, FEED, SEED, BAG EA.	AFTER:	14.490

315-02	(UNDER A TON) GRAIN, FEED, SEED, BAG, TON AN EA D OVER	AFTER: 1.250 1.440 1.250	0.81
315-03	GRAVEL IN BAGS EA.	AFTER: 1.270 1.460 1.270	.800
315-04	GRAIN, FEED, SEED, 1 TON BAG / EA OR 2 1/2 TON BAGS	AFTER: 1.250 1.440 1.250	26.22
315-05	PELLETS, WOOD BY 50LB BAG BAG	AFTER: 25.770	1.27
320-01	GREASE DRUM, 120# EA.	AFTER: 2.280 2.820 2.280	1.250
320-02	GREASE, ENGINE OR MOTOR, IN EA. BOXES, OR BARRELS	AFTER: 2.240 2.770 2.240	2.240
325-01	GROCERIES, BAG OF: EACH EA.	AFTER: 1.980 2.460 1.980	1.980
325-02	GROCERIES, BY CWT CWT	AFTER: 1.950 2.420 1.950	1.950
325-03	GROCERIES, TOTE, PEAPOD ITEM EA	AFTER: .550 .630 .550	.550
325-04	GROC. SUPPLIES ARE DESCRIBED IN COMMODITY LIST #1 P.18 & 19	AFTER: .540 .620 .540	.540
325-05	GROCERY SUPPLIES MINIMUM CTN CHARGE PER SHIPMENT	100.00000 2.190 2.730 2.190	2.190
325-06	GROCERIES, MINIMUM CHARGE LBS PER SHIPMENT	AFTER: 2.150 2.680 2.150	2.150
330-02	GUTTERS/DOWNSPOUTS/ROOF DRAINS LF PER LINEAR FOOT EACH, NOT CTN	AFTER: 1.980 2.190 1.980	2.430
330-03	GYP SOLITE, BY BAG BAG	AFTER: 1.950 2.150 1.950	1.950
265-04	TRANSFORMER, 10 KVA EA	AFTER: 1.070	1.09
265-05	TRANSFORMER, 15 KVA EA	10.00000	1.560
265-06	TRANSFORMER, 25 KVA EA	AFTER: .130 .160 .130	1.530
270-05	FENCE, POST AND/OR RAIL EA	AFTER: .130 .160 .130	.130
270-06	FENCE, HOLDER, POST EA	1.270 1.560 1.270	1.270
290-00	FORMICA RL	AFTER: 1.250 1.530 1.250	10.9
295-00	PRODUCE LB	AFTER: 10.710	14.57
300-00	CHAIRS: PATIO, FOLDING EA RULE 40 APPLIES	AFTER: 14.320	21.87
300-01	CHAIRS: LOUNGE, CTN OR LOOSE EA RULE 40 APPLIES	AFTER: 21.500	0.72
300-02	SOFA; COUCH, SLEEPER EA RULE 40 APPLIES	AFTER: .710	0.37
300-03	TABLE, DINNING ROOM EA	AFTER: .360	6.34
300-04	TABLE; END EA	AFTER: 6.230	2.200
300-05	TABLE; COFFEE EA	100.00000	2.160
		AFTER: 1.46	1.46
		AFTER: 1.440	2.92
		AFTER: 2.870	9.1
		AFTER: 8.950	7.29
		AFTER: 7.170	2.92
		AFTER: 2.870	4.36

310-04	RULE 40 APPLIES POTTERY BY PALLET	PLT	AFTER: 24.590	4.290
330-01	GROUND RODS, PER LINEAR FOOT	LF	AFTER: 24.170	24.590
335-01	HAMPERS, LAUNDRY EMPTY RETURN	EA.	AFTER: .060	.060
335-03	RULE 40 APPLIES HAMPERS, LAUNDRY, CLEAN	EA.	AFTER: 4.910	2.870
335-04	HAMPER, DIRTY LAUNDRY	EA	AFTER: 4.830	4.830
335-05	RULE 40 APPLIES LAUNDRY, DIRTY	EA	AFTER: 4.290	4.36
340-02	RULE 40 APPLIES SPADES, SHOVELS, BROOMS, POST BDL	EA.	AFTER: 1.440	1.46
340-03	HOLE DIGGERS, RAKES, PER BNDL.		AFTER: 1.610	1.64
340-04	SPADES, SHOVELS, BROOMS, POST	EA.	AFTER: 1.46	1.46
340-04	HOLE DIGGERS, ECT. EACH	EA.	AFTER: 1.440	1.440
340-05	HARROW		AFTER: 26.030	32.550
345-01	WHEEL BARROW	EA	AFTER: 25.590	25.590
345-02	HAY, IN BALES, PER TON	TON	AFTER: 5.100	5.100
345-03	HAY, BALES	EA	AFTER: 5.010	5.010
350-01	SHAVINGS	BAG	AFTER: 18.640	18.640
350-02	HEATERS, AIR, ELECTRIC, FANS, CTN	CTN	AFTER: 18.320	18.320
350-03	OR COMB. IN BOXES OR CTNS.		AFTER: 1.000	1.000
355-01	HEATER, LARGE, CRATED	EA	AFTER: 980	980
355-02	HEATER, KEROSENE	EA	AFTER: 1.460	1.460
355-03	HEATERS, GAS OR ELECTRIC, HOT	EA.	AFTER: 1.440	1.440
360-01	WATER, LESS THAN 40 CAP.		AFTER: 1.810	2.460
365-01	HEATERS, GAS OR ELECTRIC HOT	EA.	AFTER: 1.780	2.420
365-02	WATER, 40-79 CAP		AFTER: 5.480	5.480
365-03	HEATERS, GAS OR ELECTRIC HOT	EA	AFTER: 5.370	5.370
365-04	WATER, 80 OR GREATER CAP		AFTER: 3.620	3.620
365-05	HOUSES, PREFABRICATED:	PSF	AFTER: 3.560	3.560
365-06	BUNGALOW OR RANCH PER SQ FOOT		AFTER: 6.190	6.190
365-07	HOUSES, PREFABRICATED:	PSF	AFTER: 6.080	8.490
365-08	TWO STORY, PER SQUARE FOOT		AFTER: 8.640	11.200
365-09	ICE, BAG BY PALLET	EA	AFTER: 8.490	11.010
365-10	HEATERS, GAS OR ELECTRIC HOT	EA	AFTER: 14.18	14.18
365-11	WATER, 80 OR GREATER CAP		AFTER: .630	.810
365-12	HOUSES, PREFABRICATED:	PSF	AFTER: .620	.800
365-13	BUNGALOW OR RANCH PER SQ FOOT		AFTER: 1.000	1.270
365-14	HOUSES, PREFABRICATED:	PSF	AFTER: .980	1.250
365-15	TWO STORY, PER SQUARE FOOT		AFTER: 29.15	29.15
365-16	ICE, ARTIFICIAL OR NATURAL, BLK	BLK	AFTER: 2.460	3.080
365-17	PER BLOCK		AFTER: 2.420	3.030
365-18	ICE, ARTIFICIAL OR NATURAL, EA.	EA.	AFTER: 1.460	1.810
365-19	PER BUSHEL BASKET OR BAG		AFTER: 1.440	1.780
365-20	ICE CREAM, PER CARTON	CTN	AFTER: 3.080	3.740
365-21	ICE CREAM JACKET, OVER TWO	EA.	AFTER: 3.030	3.680
365-22	GALLONS CAPACITY (ALWAYS)		AFTER: 5	5
365-23	ICE CREAM JACKETS, EMPTY RETN	EA.	AFTER: 1.000	1.270
365-24			AFTER: 1.000	1.000

375-02	PER ONE OR TWO GALLON JACKETS ICE CREAM JACKETS EMPTY RETN EA.	AFTER: .980 1.250 .980
375-03	OVER TWO GALLON CAPACITY	1.460 1.810 1.460
380-01	ICE CREAM, IN PALLET BOX, EA PER UNIT/PKG.	AFTER: 1.440 1.780 1.440
380-02	IRON OR STEEL, BUILDING, TON PREFABRICATED NOIBN PER TON	AFTER: 45.830 62.040 45.830
380-03	IRON OR STEEL, JUNK OR SCRAP TON PER TON	AFTER: 45.050 60.990 45.050
380-04	INSULATION, PER ROLL EA.	AFTER: 45.830 62.040 45.830
380-05	INSULATION, PER BATT EA.	AFTER: 45.050 60.990 45.050
380-06	INSULATION, SHEETS 1" EA.	AFTER: 1.000 1.270 1.000
380-07	INSULATION, SHEETS 2" EA.	AFTER: .980 1.250 .980
380-08	INSULATION, SHEETS 3" EA.	AFTER: 1.46 1.46
380-09	INSULATION, SHEETS 4" EA.	AFTER: 1.440 1.440
380-10	INSULATION, SHEETS 5" EA.	AFTER: 0.89 0.89
380-11	INSULATION, SHEETS 6" EA.	AFTER: .870 .870
380-12	INSULATION, SHEETS 7" EA.	AFTER: 1.27 1.27
380-13	INSULATION, SHEETS 8" EA.	AFTER: 1.250 1.250
380-14	INSULATION, SHEETS 9" EA.	AFTER: 1.64 1.64
380-15	INSULATION, 4" SHEETS EA.	AFTER: 2.190 2.190 2.190
380-16	INSULATION, 4" SHEETS EA.	AFTER: 2.150 2.150 2.150
380-17	INSULATION, 4" SHEETS EA.	AFTER: 2.54 2.54
380-18	STYROFOAM LOGS EA.	AFTER: 2.500 2.500
380-19	FLOAT DRUM, DOCK FLOATATION EA.	AFTER: 2.920 2.920 2.920
380-20	LOBSTER TRAP, FENCE, ROLLS EA OVER 20"	AFTER: 2.870 2.870 2.870
380-21	LOBSTER LINE, COIL EA.	AFTER: 7.29 7.29
380-22	HEADBOARD/FOOTBOARD EA.	AFTER: 4.360 4.360 4.360
380-23	COLUMN, WOOD EA.	AFTER: 4.290 4.290 4.290
380-24	LOLLY COLUMNS EA.	AFTER: 1.460 1.460 1.460
380-25	SINK, TRIPLE EA.	AFTER: 1.440 1.440 1.440
380-26	LAWN MOWER, WALK BEHIND EA.	AFTER: 2.920 2.920 2.920
380-27	LAWN MOWERS, FLAIL, TOW MOWER EA.	AFTER: 2.870 2.870 2.870
380-28	LAWN MOWERS - LARGE RIDING EA.	AFTER: 4.010 4.010 4.010
380-29	LIVESTOCK, VIZ: BEES IN CRATES CRT	AFTER: 3.940 3.940 3.940
380-30	LIVESTOCK, DOGS, CATS IN EA	AFTER: 2.46 2.46
380-31	PORTABLE KENNELS	AFTER: 2.420 2.420
380-32	LIVESTOCK, HENS, DUCKS, OR CRT	AFTER: 9.990 9.990 9.990
380-33	TURKEYS IN CRATES	AFTER: 9.820 9.820 9.820
380-34	TRUSS	AFTER: 10.880 10.880 10.880
380-35	FLOORING, BOXED, BUNDLED EA.	AFTER: 10.700 10.700 10.700
380-36		AFTER: 6.190 6.190 6.190
380-37		AFTER: 6.080 6.080 6.080
380-38		AFTER: 29.51 29.51
380-39		AFTER: 29.010 29.010
380-40		AFTER: 3.18 3.18
380-41		AFTER: 3.130 3.130
380-42		AFTER: 3.74 3.74
380-43		AFTER: 3.680 3.680
380-44		AFTER: 4.91 4.91
380-45		AFTER: 4.830 4.830
380-46		AFTER: 10.900 10.900 10.900
380-47		AFTER: 10.710 10.710 10.710
380-48		AFTER: 1.810 1.810 1.810

405-01	AIR CONDITIONER	EA	AFTER:	1.780	1.780	1.780
				6.190	6.190	6.190
405-06	POWER WASHER	EA	AFTER:	6.080	6.080	6.080
				6.190	6.190	6.190
405-07	GALLON JUG	EA	AFTER:	6.080	6.080	6.080
				1.460	1.460	1.460
405-08	ROTOTILLER, ELECTRIC	EA	AFTER:	1.440	1.440	1.440
						5.53
405-09	ROTOTILLER, GAS POWERED	EA	AFTER:		5.440	5.440
					6.19	6.19
405-10	ROTOTILLER, RIDING	EA	AFTER:		6.080	6.080
						10.88
405-11	VACUUM	EA	AFTER:		10.700	10.700
				5.530	5.530	5.530
525-17	MACHINE, WELDER	EA	AFTER:	5.440	5.440	5.440
						7.45
595-05	DISPOSAL	EA	AFTER:		7.320	7.320
				5.100	5.100	5.100
595-06	COMPACTOR	EA	AFTER:	5.010	5.010	5.010
				6.190	6.190	6.190
595-07	COOK TOP	EA	AFTER:	6.080	6.080	6.080
				5.100	5.100	5.100
280-05	LOBSTER TRAP	EA	AFTER:	5.010	5.010	5.010
				2.190	2.190	2.190
280-06	LOBSTER TRAP, FENCE, ROLLS	RL				
	UP TO 20"					
280-07	LOBSTER TRAP, MESH APPROX 3X4	PLT				
	BY PALLET					
280-08	LOBSTER TRAP, MESH APPROX 3X4	EA	AFTER:	2.150	2.150	2.150
						2.19
						2.150
						29.15
						28.650
						1.46
385-01	LADDERS, ALUMINUM, STEEL, WOOD, FT		AFTER:		1.440	1.440
	PER LINEAR FOOT					0.37
385-03	LATTICE	SH	AFTER:		.360	.360
					2.34	2.34
385-04	LAUNDRY, SMALL PKG	BND	AFTER:		2.300	2.300
	RULE 40 APPLIES					1.39
385-05	LAUNDRY, LARGE BAG	EA	AFTER:		1.370	1.370
	RULE 40 APPLIES					1.81
390-01	SINK	EA	AFTER:		1.780	1.780
						5
390-03	TOILET, TANK/BOWL	EA	AFTER:		4.920	4.920
						5
390-06	TOILET, 1 PIECE	EA	AFTER:		4.920	4.920
						9.99
400-01	LUMBER-FINISH (OVER 1000 BOARD	BFT	AFTER:		9.820	9.820
	FEET)			1,000.00000		62.040
400-02	LUMBER-FINISH-LESS-1000-	BFT	AFTER:		60.990	60.990
						0.1
400-03	LUMBER-UNFINISH OVER-1000	BFT	AFTER:		.100	.100
				1,000.00000		45.470
400-04	LUMBER-UNFINISH-LESS-1000	BFT	AFTER:		44.700	44.700
						0.06
405-00	MACHINES - CANDY, CIG, VENDING	EA	AFTER:		.060	.060
						13.65

405-02	MACHINES POWER TOOLS	EA	AFTER:	13.420
				6.19
405-03	MACHINES VIDEO GAMES, JUKE BOX	EA	AFTER:	6.080
	PINEALL			21.11
405-04	MACHINES COMPRESSOR	EA	AFTER:	20.750
				7.45
405-05	MACHINES COFFEE	EA	AFTER:	7.320
				4.95
405-12	PUMP, GAS STATION	EA	AFTER:	4.870
				21.11
410-00	GRAVE STONES	WT	AFTER:	20.750
			100.00000	3.080
415-00	MATTRESSES SINGLE BED	EA	AFTER:	3.030
				2.46
415-01	MATTRESSES DOUBLE BED	EA	AFTER:	2.420
				3.74
415-02	FRAMES/FOLDING CARTS/BEDS	EA	AFTER:	3.680
				3.08
420-00	MILK-PER-CASE	CS	AFTER:	3.030
				1.46
420-01	MILK-DISPENSERS	EA	AFTER:	1.440
				1.81
390-02	LAWN MOWERS - PUSH	EA	AFTER:	1.780
				5.46
390-04	LAWN MOWERS - RIDING	EA	AFTER:	5.370
				10.88
014 270-07	FENCE, HOLDER, POST BUNDLE	EA	AFTER:	10.700
			1.460 1.460 1.460	1.460
430-02	MOTORCYCLE	EA	AFTER:	1.440 1.440 1.440
				21.87
435-03	LAWN TRACTOR MOWER DECK	EA	AFTER:	21.500
				15.880 7.770
440-04	NEWSPAPER, PALLET	EA	AFTER:	15.610 7.640
			10.900 10.900 10.900	10.900
450-01	MEATS	LB	AFTER:	10.710 10.710 10.710
			100.00000	2.270
450-02	DRY FOOD GOODS CTN OR BAG	EA	AFTER:	2.230
			1.460 1.460 1.460	1.460
455-02	PAINTS/PER-CTN	CS	AFTER:	1.440 1.440 1.440
				1.46
500-27	PIPE, EMT 2"	FT	AFTER:	1.440
			.170 .170 .170	.170
500-28	PIPE, EMT 1 1/2"	FT	AFTER:	.170 .170 .170
			.130 .130 .130	.130
500-29	PIPE, COPPER 3"	FT	AFTER:	.130 .130 .130
				0.29
500-33	SONO TUBE, 36"	FT	AFTER:	.290
			.400 .400 .400	.400
500-34	PIPE, BLACK IRON 1/2"	FT	AFTER:	.390 .390 .390
			.040 .040 .040	.040
500-35	PIPE, BLK IRON, 1 1/4"	FT	AFTER:	.040 .040 .040
				0.07
500-36	PIPE, BLACK IRON 8"	FT	AFTER:	.070
			.440 .440 .440	.440

500-37	SONO TUBE, 6"	FT	AFTER: .430	.430	.430
500-38	PIPE; BLACK IRON 6"	FT	AFTER: .070	.070	.070
500-39	SONO TUBE 24"	FT	AFTER: .370	.370	.370
500-40	PIPE; BLK IRON, 1 1/2	EA	AFTER: .360	.360	.360
500-41	PIPE, PVC 1/2"	FT	AFTER: .270	.270	.270
500-43	PIPE, CORRUGATED, 12" DIAMETER	FT	AFTER: .080	.080	.080
500-44	PIPE, CORRUGATED, 18" DIAMETER	FT	AFTER: .078	.078	.078
500-45	SONO TUBE 18"	FT	AFTER: .020	.020	.020
500-46	PIPE, EMT, 1 1/4"	FT	AFTER: .710	.710	.710
500-47	SONO TUBE, 16"	FT	AFTER: .980	.980	.980
500-48	PIPE; BLK IRN, 12"	LFT	AFTER: .210	.210	.210
500-49	PIPE, CORRUGATED, 24" DIAMETER	FT	AFTER: .210	.210	.210
500-50	PIPE, BLACK IRON, 2 1/2	FT	AFTER: .100	.100	.100
500-51	PIPE, PVC, 18"	FT	AFTER: .100	.100	.100
500-52	SONO TUBE BASE, FOOTING	EA	AFTER: .190	.190	.190
500-53	PIPE; BLACK IRON 4"	EA	AFTER: .660	.660	.660
500-54	PIPE; BLACK IRON 3"	FT	AFTER: .650	.650	.650
500-55	PIPE, EMT, 4"	FT	AFTER: 1.270	1.270	1.270
500-56	PIPE, CORRUGATED, 10" DIAMETER	FT	AFTER: 1.250	1.250	1.250
500-57	PIPE, EMT, 3"	FT	AFTER: .140	.140	.140
500-58	PIPE, CORRUGATED, 36" DIAMETER	FT	AFTER: .140	.140	.140
505-07	SHEETROCK 4X8X1/4-1/2	EA	AFTER: .400	.400	.400
505-13	PANEL; GLASS/STEEL, PLASTIC WALL	EA	AFTER: .390	.390	.390
505-14	PANEL, CRINKLE CUT PEG BOARD 4X8X1/4	EA	AFTER: .570	.570	.570
510-01	FILON	EA	AFTER: .560	.560	.560
425-00	MIRRORS	EA	AFTER: .270	.270	.270
430-00	MOPEDS	EA	AFTER: .270	.270	.270
			AFTER: 2.23	2.23	2.23
			AFTER: 2.190	2.190	2.190
			AFTER: 1.86	1.86	1.86
			AFTER: 1.830	1.830	1.830
			AFTER: 1.030	1.030	1.030
			AFTER: 1.010	1.010	1.010
			AFTER: 1.86	1.86	1.86
			AFTER: 1.830	1.830	1.830
			AFTER: 2.800	2.800	2.800
			AFTER: 2.750	2.750	2.750
			AFTER: 4.91	4.91	4.91
			AFTER: 4.830	4.830	4.830
			AFTER: 8.68	8.68	8.68

430-01	MOLDING-PER-100-LF	LF		AFTER:	8.530
				100.00000	1.460
435-02	TRACTOR MOWER DECK	EA		AFTER:	1.440
440-01	NAILS-IN-CTN	BX		AFTER:	14.57
					14.320
					1.46
440-02	NEWSPAPERS, MAGAZINES BY BNDL	BDL		AFTER:	1.440
					0.63
440-03	NEWSPAPER, MAGAZINES BY CARTON	CTN		AFTER:	.620
					2.46
445-01	OIL-PER-CASE	EA		AFTER:	2.420
					1.46
445-02	OUTBOARD, MOTOR	EA		AFTER:	1.440
					5.92
455-01	5-GALLON-PAILS	EA		AFTER:	5.820
				1.460	1.460
500-00	PIPE, EMT, 1/2"	FT		AFTER:	1.440
					1.440
500-01	PIPE, EMT, 3/4"	FT		AFTER:	0.04
					.040
500-02	PIPE/HOSE PLASTIC	FT		AFTER:	0.06
					.060
500-03	PIPE, STEEL, GALV.	FT		AFTER:	0.06
					.080
500-04	PIPE, EMT, 1"	FT		AFTER:	0.14
					.140
500-05	PIPE, BLACK IRON, 1"	FT		AFTER:	0.09
					.090
500-07	PIPE, BLACK IRON, 3/4"	FT		AFTER:	0.07
					.070
500-09	PIPE, BLACK IRON, 2"	FT		AFTER:	0.04
					.040
500-10	PIPE, PVC, 1"	FT		AFTER:	0.11
					.110
500-11	PIPE, PVC, 1 1/2"	FT		AFTER:	0.03
					.030
500-12	PIPE, PVC, 2"	FT		AFTER:	0.03
					.030
500-13	PIPE, PVC, 2 1/2"	FT		AFTER:	0.04
					.040
500-14	PIPE, PVC, 3"	FT		AFTER:	0.06
					.060
500-15	PIPE, PVC, 3 1/2"	FT		AFTER:	0.06
					.060
500-16	PIPE, PVC, 4"	FT		AFTER:	0.08
					.080
500-17	PIPE, PVC, 6"	FT		AFTER:	0.09
					.090
500-18	PIPE, PVC, 8"	FT		AFTER:	0.13
					.130
500-19	PIPE, PVC, 12"	FT		AFTER:	0.17
					.170
500-20	PIPE, COPPER, 1/2"	FT		AFTER:	0.27
					.270
					0.09

500-21	PIPE, COPPER, 3/4"	FT	AFTER:	.090
500-22	PIPE, COPPER, 1"	FT	AFTER:	0.1
500-23	PIPE, COPPER, 1 1/4"	FT	AFTER:	.100
500-24	PIPE, COPPER, 1 1/2"	FT	AFTER:	0.13
500-25	PIPE, COPPER, 1 3/4"	FT	AFTER:	.130
500-26	PIPE, COPPER, 2"	FT	AFTER:	0.14
500-30	SONO TUBE, 8"	FT	AFTER:	.140
500-31	SONO TUBE, 10"	FT	AFTER:	0.16
500-32	SONO TUBE, 12"	FT	AFTER:	.160
505-00	PLYWOOD	EA	AFTER:	0.17
505-01	4X8X1/4-1/2	EA	AFTER:	.170
505-02	4X8X3/4-5/8	EA	AFTER:	0.21
505-03	4X12X1/2	EA	AFTER:	.210
505-04	4X12X3/4-5/8	EA	AFTER:	0.09
505-05	4X8X1/4-3/8	EA	AFTER:	.090
505-06	4X8X1/2	EA	AFTER:	0.11
505-08	4X8X5/8-3/4	EA	AFTER:	.110
505-09	4X8X5/8-3/4	EA	AFTER:	0.13
505-10	4X12X5/8-3/4	EA	AFTER:	.130
510-00	POLES, TELEPHONE, FLAG	LF	AFTER:	1.86
500-42	PIPE, PVC 3/4"	FT	AFTER:	1.830
305-06	CEMENT STORM DRAINS	EA	AFTER:	2.8
525-00	REFRIGERATORS-LESS THAN 8 CU FEET	EA	AFTER:	1.830
525-01	REFRIGERATORS-8CUBIC-FT-LESS THAN 15 CU	EA	AFTER:	2.8
525-02	REFRIGERATORS-15/19-CUBIC-FT	EA	AFTER:	2.750
525-03	REFRIGERATORS-20CUBIC-FT	EA	AFTER:	3.200
525-04	REFRIGERATORS, WALK-IN	EA	AFTER:	4.2
			AFTER:	4.130
			AFTER:	2.8
			AFTER:	2.750
			AFTER:	4.130
			AFTER:	2.8
			AFTER:	2.750
			AFTER:	4.130
			AFTER:	0.55
			AFTER:	.540
			AFTER:	.020
			AFTER:	.020
			AFTER:	.020
			AFTER:	10.770
			AFTER:	10.590
			AFTER:	10.590
			AFTER:	8.75
			AFTER:	8.600
			AFTER:	11.2
			AFTER:	11.010
			AFTER:	24.85
			AFTER:	24.430
			AFTER:	37.21
			AFTER:	36.580
			AFTER:	50.98

525-07	ICE MACHINE WITHOUT BIN	EA	AFTER:	14.570	14.570	50.110
525-08	ICE MACHINE WITH BIN	EA	AFTER:	14.320	14.320	14.320
525-09	ICE MACHINE BIN	EA	AFTER:			24.85
525-10	MACHINE, SODA	EA	AFTER:			24.430
525-11	MACHINE, GENERATOR <10 KW	EA	AFTER:	24.850	24.850	11.63
525-12	ICE MAKER	EA	AFTER:	24.430	24.430	11.430
525-13	MACHINE, EXERCISE	EA	AFTER:	6.190	6.190	24.850
525-14	DEHUMIDIFIER	EA	AFTER:	6.080	6.080	6.190
525-15	MACHINE, GENERATOR 10-20 KW	EA	AFTER:	3.620	3.620	6.080
525-16	MACHINE, GENERATOR >20 KW	EA	AFTER:	3.560	3.560	3.620
530-02	SAFE, VAULT LESS THAN 3X3X3	EA	AFTER:	6.190	6.190	3.560
535-03	SAND, BLASTING	BAG	AFTER:	6.080	6.080	6.190
535-04	SAND, BULK PALLET, NOT IN BAGS PLT		AFTER:			5.53
545-03	STEEL I BEAM	FT	AFTER:			5.440
545-04	STEEL, SHEET, BY SQUARE FOOT	SQF	AFTER:	1.460	1.460	17.48
550-02	STOVE, WOOD, FIREPLACE	EA	AFTER:	1.440	1.440	17.180
550-03	STEREO EQUIP	EA	AFTER:			43.69
550-04	GRILL, GAS, OUTDOOR	EA	AFTER:			42.950
555-02	TANK, PROPANE EMPTY	EA	AFTER:			7.45
555-03	WATER SOFTENER/ FILTER	EA	AFTER:	1.090	1.090	7.320
555-04	TANK, PROPANE, 100LB OR GREATER	EA	AFTER:	1.070	1.070	1.460
555-05	SEPTIC SYSTEM FILTER POD	EA	AFTER:			1.480
560-02	1000 GAL OIL TANK	EA	AFTER:			1.440
560-03	TANKS; OIL OR SEPTIC 330GL	EA	AFTER:	9.100	9.100	29.26
560-04	CURBING, CEMENT	EA	AFTER:	8.950	8.950	28.760
560-05	ELJEN DRNS/ SEPTIC INFILTRATOR	EA	AFTER:	5.100	5.100	1.090
560-06	TANK; OIL, LESS THAN 275	EA	AFTER:	5.010	5.010	1.070

595-08	RANGE HOOD	EA	AFTER:	5.040	5.040	5.040
600-15	WELL MATE TANK	EA	AFTER:	2.550	2.550	2.550
600-16	PAPER GOODS	EA	AFTER:	2.510	2.510	2.510
515-00	POTATO-CHIPS	CTN	AFTER:	8.640	8.640	8.640
515-01	PORTA-JOHN	EA	AFTER:	8.490	8.490	8.490
520-00	PUMPS-IN-CTNS	EA	AFTER:	1.460	1.460	1.460
520-01	PUMP-JACKS-PER-BUNDLE	EA	AFTER:	1.440	1.440	1.440
520-02	REEL, CABLE 5FT. DIAMETER	EA	AFTER:	0.63		
520-03	REEL, CABLE >5FT. DIAMETER	EA	AFTER:	.620		
520-04	REEL, CABLE, EMPTY	EA	AFTER:	13.63		
525-05	REEL, CABLE <5FT. DIAMETER	EA	AFTER:	13.400		
525-06	RE ROD	FT	AFTER:	4.91		
530-00	ROOFING-PAPER-TAR	EA	AFTER:	4.830		
530-01	RED-ROBIN-PAPER	EA	AFTER:	1.81		
535-00	SALT-IN-BAGS	EA	AFTER:	1.780		
540-00	SIGNS-NEON-OR-ELECTRIC	EA	AFTER:	21.87		
545-00	SHINGLES-WOOD-ASPHALT	BDL	AFTER:	21.500		
550-00	STOVES-GAS-PROPANE	EA	AFTER:	43.69		
550-01	STOVES, RANGE; RESTUARANT	EA	AFTER:	42.950		
555-00	FURNACE	EA	AFTER:	12.39		
555-01	TANKS; PROPANE,GAS,OXY,ACET, D	EA	AFTER:	12.180		
560-00	IVE TANKS	EA	AFTER:	6.77		
560-01	TURF	PLT	AFTER:	6.650		
016 400-07	TANKS; OIL OR SEPTIC 275GL	EA	AFTER:	0.04		
570-03	TANKS: 500 GAL OIL	EA	AFTER:	.040		
570-04	THRESHOLD	EA	AFTER:	1.440		
575-04	TELEVISION; FLAT/LARGE SCREEN	EA	AFTER:	0.81		
	TENT, GARDEN	EA	AFTER:	.800		
	TILE, WELL	EA	AFTER:	1.46		
			AFTER:	1.440		
			AFTER:	6.19		
			AFTER:	6.080		
			AFTER:	24.85		
			AFTER:	24.430		
			AFTER:	2.46		
			AFTER:	2.420		
			AFTER:	23.65		
			AFTER:	23.250		
			AFTER:	8.19		
			AFTER:	8.050		
			AFTER:	16.1		
			AFTER:	15.830		
			AFTER:	.720	.720	.720
			AFTER:	.710	.710	.710
			AFTER:	24.85		
			AFTER:	24.430		
			AFTER:	5.100	5.100	5.100
			AFTER:	5.010	5.010	5.010
			AFTER:	5.530	5.530	5.530

575-05	24" OR LESS TILE: WELL COVER	EA	AFTER: 5.440	5.440	5.440
580-021	24" OR LESS TIRE, LARGE, TRACTOR	EA	AFTER: 3.54		3.54
580-04	TREE, SHRUB, LIVE OVER 8'	EA	AFTER: 2.550	2.550	2.550
580-06	PLANT, TRAY	EA	AFTER: 2.510	2.510	2.510
580-07	TOTE, LOBSTER, EMPTY	EA	AFTER: 6.19		6.19
585-01	TABACCO, CANDY, SMOKING ACC	EA	AFTER: 6.080		6.080
590-01	VOTING MACHINE, SMALL, TABLE	EA	AFTER: 1.46		1.46
595-09	WASHER/DRYER COMBINATION	EA	AFTER: 1.46		1.46
595-10	DRYER, COMMERCIAL, LARGE	EA	AFTER: 2.460	2.460	2.480
600-04	WINDOW; QUAD	EA	AFTER: 2.420	2.420	2.420
600-17	TANK, EXTROL, WELL SIZE	EA	AFTER: 12.88		12.88
600-18	MIX	EA	AFTER: 12.660		12.660
600-19	WINDSURFER	EA	AFTER: 12.39		12.39
600-20	SURFBOARD	EA	AFTER: 12.180	12.390	12.390
565-00	TAR: NOIBN, IN BARRELS OR DRUMS	EA	AFTER: 12.180	12.180	12.180
570-00	TELEVISION SETS; IN CARTONS	EA	AFTER: 29.800	29.800	29.800
575-00	TILE: WELL	EA	AFTER: 29.290	29.290	29.290
575-01	OVER 24"	EA	AFTER: 8.64		8.64
575-02	TILE: FLOOR, VINYL, ETC.	CTN	AFTER: 1.460	1.460	1.460
575-03	TILE: WELL COVERS	EA	AFTER: 1.440	1.440	1.440
580-00	TILE: CEILING, BOX	EA	AFTER: 7.290	7.290	7.290
580-01	TIRE: RUBBER, PASSENGER CAR	EA	AFTER: 7.170	7.170	7.170
580-02	TIRE: TRUCK	EA	AFTER: 4.530	4.530	4.530
580-03	TIRE: SHRUBS UNDER 4'	EA	AFTER: 4.450	4.450	4.450
580-04	TIRE: SHRUBS OVER 4'	EA	AFTER: 7.45		7.45
585-00	TABACCO; CHEWING, CIGARS, CIGAR CTN	EA	AFTER: 7.320		7.320
590-00	VOTING / ATM MACHINE	EA	AFTER: 12.37		12.37
595-00	WASHING MACHINES	EA	AFTER: 12.160		12.160

595-01	RANGE	EA	AFTER:	6.080
				6.19
595-02	DISHWASHER	EA	AFTER:	6.080
				6.19
595-03	DRYER	EA	AFTER:	6.080
				6.19
595-04	MICROWAVE	EA	AFTER:	6.080
				6.19
600-00	WINDOWS; SINGLE, SASHES	EA	AFTER:	6.080
				3.74
600-01	WINDOWS; DOUBLE MULLION	EA	AFTER:	3.680
				4.91
600-02	WINDOWS; PICTURE, PLATE GLASS, EA THERMOPANE OR TRIPLES		AFTER:	4.830
				24.85
600-03	WINDOWS; IN BOXES OR CARTONS	EA	AFTER:	24.430
				4.1
600-12	ENVELOPE, MISC	EA	AFTER:	4.030
				1.46
600-13	TANK, EXTROL SMALL	EA	AFTER:	1.440
				2.46
600-14	TANK, EXTROL LARGE	EA	AFTER:	2.420
				4.91
601-11	JOINT COMPOUND	EA	AFTER:	4.830
				1.46
017 285-03	FIREARMS	EA	AFTER:	1.440
				2.920 2.920 2.920
600-10	EMPTY DRUM, KERO, OIL	EA	AFTER:	2.870 2.870 2.870
	55 GAL			2.55
601-07	PALLET, PERSONAL, LARGE	EA	AFTER:	2.510
				21.89
601-12	PALLET MISC	EA	AFTER:	21.520
				10.88
601-13	DURA-ROCK, WONDERBOARD 3X5	EA	AFTER:	10.700
				2.190 2.190 2.190
601-14	RADIATOR, CAST IRON	EA	AFTER:	2.150 2.150 2.150
				3.620 3.620 3.620
601-15	MONEY BAG	EA	AFTER:	3.560 3.560 3.560
	WASHINGTON TRUST			24.74
601-16	FEDERAL EXPRESS PKG	EA	AFTER:	24.320
				2.34
601-17	DURA-ROCK, WONDERBOARD 4X8	EA	AFTER:	2.300
				4.67
601-18	DURA-ROCK, WONDERBOARD 3X6	EA	AFTER:	4.590
				2.63
601-19	DIAMOND PLATING, LATH, GALV	EA	AFTER:	2.590
	APPROX. 4X8			1.460 1.460 1.460
600-09	DRUM, 55 GAL, KERO, OIL	EA	AFTER:	1.440 1.440 1.440
				7.45
601-00	UPS PKG	EA	AFTER:	7.320
				6.22
601-01	PKG MISC	EA	AFTER:	6.110
				1.46
601-02	BAG MISC	EA	AFTER:	1.440
				1.46

601-03	JAMBS	BDL	AFTER:	1.440
				1.46
601-04	BOX, FITTING	EA	AFTER:	1.440
				1.46
601-05	TYPAR, TYVEK, ROLL	EA	AFTER:	1.440
				1.46
601-06	PALLET, PERSONAL	EA	AFTER:	1.440
				8.00
601-08	BASE BOARD	EA	AFTER:	7.860
				1.81
601-09	BASE BOARD, CAST IRON	EA	AFTER:	1.780
				2.92
601-10	BUNDLE MISC	EA	AFTER:	2.870
				1.46
601-9	CAN, MISC	EA	AFTER:	1.440
				1.46
090 165-00	CTN MISC	EA	AFTER:	1.440
				1.46
101 225-01	CLEANING FLUID, NOIBN, IN	EA	AFTER:	1.440
	BARRELS OR DRUMS, EACH		7.450 9.930	7.450
230-01	CLEANING FLUID BARRELS OR DRUM	EA.	AFTER:	7.320 9.760
	EMPTY. EACH		3.930 4.740	3.930
			AFTER:	3.860 4.660
				3.860

INTERSTATE NAVIGATION COMPANY

U.S. MAIL, PASSENGER AND FREIGHT SERVICE

Proposed New Tariffs

STATE OF RHODE ISLAND

PUBLIC UTILITIES COMMISSION

Docket No. _____

INTERSTATE NAVIGATION COMPANY

LOCAL TARIFF

Naming

PASSENGER AND VEHICLE RATES

FOR TRADITIONAL SERVICE

APPLYING BETWEEN

POINTS AND PLACES IN THE STATE OF

RHODE ISLAND

(As Indicated Herein)

EFFECTIVE: _____

ISSUED BY:

Interstate Navigation Company
Susan Linda, President
Post Office Box 482
New London, Connecticut 06320

RULE NO. 5 PETS OR ANIMALS ACCOMPANYING PASSENGERS:

Animals or pets will not be allowed to accompany passengers aboard ships unless such animals are securely under leash.

RULE NO. 10 BAGGAGE DEFINED:

- (a) Baggage may be either personal or sales sample cases defined as follows: Personal luggage or baggage consists of wearing apparel, toilet articles or similar effects in actual use, necessary and appropriate for the wear, use, comfort or convenience of the passenger for the purpose of the trip and not intended for other persons or for sale. Sample cases are those to be used by salesman containing samples or articles or merchandise for sale and for future transportation and not articles for immediate sale forthwith.
- (b) Money, jewelry, negotiable papers or like valuables should not be enclosed in baggage to be checked. This carrier will not be responsible for such articles in baggage.
- (c) All baggage must be enclosed in receptacles such as trunks, valises, suit cases, leather hat boxes or satchels provided with handles, securely locked or otherwise fastened and made of material of sufficient strength and durability and quality to withstand the rapid handling and piling incidental to its transportation.

RULE NO. 15 BAGGAGE ACCOMPANYING PASSENGERS:

Each passenger purchasing an adult or child one way ticket will be allowed to transport without charge fifty (50) pounds of luggage or baggage, which must be carried on and off the ship by the passenger at points of embarkation and debarkation.

RULE NO. 20. ARTICLES IN AUTOMOBILES:

Carrier will not be responsible for articles left in automobiles when not loaded in car trunks.

RULE NO. 25 DAMAGE TO AUTOMOBILES IN TRANSIT:

Any alleged damage to automobiles aboard ship shall be reported to ship's officers prior to leaving the dock at destination.

RULE NO. 30 RETURN TICKET:

The carrier will not be responsible to persons holding return tickets for failure to provide return carriage due to weather or mechanical failure; the carrier will honor the return ticket by providing carriage as soon as the weather and the sea are fit for navigation and the equipment is fit to operate.

RULE NO. 35a OVERSIZED VEHICLES:

Deck space in general is restricted in the vessels by height and width. Outside deck space (which can accommodate higher vehicles) is also very limited in availability. Therefore, Oversized Vehicles, (which include cars, pick-up trucks, SUVs and vans) that do not fit the standard sized description of a standard car, pick-up truck, or van, will be charged an Oversized Vehicle rate of \$4.85 per linear foot, but only if they are 7' in height or less. If they are over 7' high, see Rule 35b. A standard car is no more than 18' long, 6' wide, and 5' high. As examples, without limiting the generality of the foregoing, the following are Oversized Vehicles that will be charged the per linear foot Oversized Vehicle rate of \$4.85 per linear foot but only if they are 7' in height or less:

- Any vehicles (including but not limited to cars, vans, and pick-ups) that are over 6' in width at the widest point.
- Extended cab pick-up trucks.
- Dual-wheel vehicles (including but not limited to the F350 Ford Series).
- Small dump trucks with a pick up front, and a dump body.
- Stake body trucks.
- Vehicles where racks extend the length of the car, van or pick-up.
- Vehicles that are wider than standard. For example, the vehicle has a utility body containing tool boxes, or the body of the vehicle is not ordinary or standard open backed.
- Vehicles that have ladder racks, or racks that hold pipes or other items on their roof.
- Any trailers (including but not limited to utility trailers), that are longer or wider than a standard car or are over 6' wide at the widest.

RULE 35b VEHICLES OVER 7' HIGH OR THAT REQUIRE OUTSIDE DECK SPACE:

- Any vehicles (including but not limited to cars, vans, pick-ups, SUVs, and trailers of any type) that are over 7' in height at the highest point will be charged the \$6.55 per linear foot truck rate.
- Any vehicles that require the use of the limited outside deck space will charged the per linear foot truck rate of \$6.55 per linear foot. For example, people will often put their bikes on their car, and they often need outside deck space due to the extra height. We cannot guarantee them the outside deck space (trucks have priority) and the bikes and racks may have to come down. In such a case, if the bikes and racks come down and the car, van or pick-up is then otherwise standard size, the standard car, van or pick-up truck rate will apply, and the standard charges will also apply to the bikes, racks, or other items removed from the vehicle.

RULE NO. 40 TIME LIMIT ON SUITS:

Suits to recover on any claim for loss of life or bodily injury must be instituted within one (1) year from the day when the death or injury occurred. Suits to recover on any claim other than loss of life or bodily injury, including breach of contract, must be instituted within six (6) months of the scheduled arrival of the passenger or property at destination.

RULE NO. 45 SCREENING AND INSPECTION:

Pursuant to Homeland Security Coast Guard Regulations, entering the ferry facility is deemed valid consent to screening or inspection; and failure to consent or submit to screening or inspection will result in denial or revocation of authorization to enter.

RULE NO. 50 ARTICLES LEFT ABOARD VESSEL:

Carrier will not be responsible for articles left aboard the vessel. Such shipments shall be charged for at the minimum rates provided in the company's tariffs.

RULE NO. 55 DAMAGE TO AUTOMOBILES:

All vehicles are transported at owner's sole risk. Drivers must accompany vehicles. The company will not be responsible for any damages to vehicles while in transport or while they are being loaded and unloaded aboard the vessel. The owner or driver must drive the vehicle on and off the vessel. In the event a vessel is canceled, the car reservation is also canceled. Any alleged damage to automobiles shall be reported to vessel's officers prior to leaving dock at destination.

RULE NO. 60 CAR RESERVATION CANCELLATIONS:

Car reservations may be changed two times 7 full days in advance of departure, then only one time within 7 days of departure. Cancellations made 7 full days in advance will be assessed a \$12.55 cancellation fee for each cancellation. No refunds will be made for cancellations made within 7 days of departure.

RULE NO. 65 VEHICLE OVERHANG CHARGE:

There is a \$9.10 additional charge per each way, in addition to the vehicle fee, for items over 7' on top of cars, and the same fee will be charged for items on the front, back and side of vehicles as well as items overhanging the roof of vehicles that exceed the length or width of the vehicle.

RULE NO. 70 NON-STANDARD VEHICLE CHARGES:

Vehicles that require more than one car space (such as limousines) may be charged an increased rate based on the amount of deck space required for the vehicle as opposed to a standard car or SUV (see also Rule 35).

RULE NO. 75 BLOCK TICKET SALES CHARGE:

There is a \$24.45 block ticket sales service charge for all block sales of 25 or more tickets. The block ticket sales service charge for arrangements made for group travel that includes making luncheon reservations, bus tours, and/or other similar amenities shall be \$43.85.

RULE NO. 80 ONLINE SALES CHARGE:

For all online internet and telephone call center passenger transactions, there is a \$2.55 convenience fee per transaction, to cover postage/handling charges.

RULE NO. 85 LOST TICKET CHARGE:

There is a \$16.30 charge for all lost tickets which are replaced (each way).

RULE NO. 90 DISCOUNTS:

Carrier may from time to time apply a 15% promotional group discount rate to groups of 25 or more. Carrier may from time to time apply up to a 25% discount on Monday through Thursday, inclusive, during the months of May through September, inclusive. Carrier may also from time to time offer non-rate incentive promotions.

RULE NO. 95 ADVANCE TICKET DISCOUNT:

Carrier may sell advance tickets on a pay for 9 tickets in advance, get 10 tickets basis.

EXPLANATION OF ABBREVIATIONS

No. = Number

P.O. = Post Office

R.I. = Rhode Island

R.I.P.U.C = Rhode Island Public Utilities Commission

NA = Not Available

PLF. = Per Linear Foot

PASSENGER RATES
(Rates in Dollars and Cents Per Passenger)

ITEM:

Between Newport and Block Island Apply Column A Rates
Between Point Judith and Block Island Apply Column B Rates
Between Point Judith and Newport Apply Column C Rates

COLUMN

A	B	C					
---	---	---	--	--	--	--	--

5 ADULT PASSENGER FARES

ONE WAY ADULT	\$25.00	\$12.20	\$25.00				
ROUND TRIP ADULT	\$50.00	\$24.40	\$50.00				

**10 CHILDREN PASSENGER
FARES**

ONE WAY	\$13.00	\$6.15	\$13.00				
ROUND TRIP	\$26.00	\$12.35	\$26.00				

Senior Discount (over 65 years):

\$.50 off one way
\$1.00 off round trip

NOTE a. The passenger rates for children published in Item No. 10 will apply to children five (5) years of age up to and including children eleven (11) years of age when accompanied by an adult. For children twelve (12) years of age and older the adult passenger fares published in Item No. 5 will be charged.

NOTE b. Children under five (5) years of age when accompanied by an adult will be transported free.

FOR EXPLANATION OF ABBREVIATIONS AND REFERENCE MARKS SEE PAGE 5.

VEHICLE RATES

ITEM:

Between Block Island and Newport Apply Column A Rates

Between Block Island and Point Judith Apply Column B Rates

Between Point Judith and Newport Apply Column C Rates

RATES IN DOLLARS AND CENTS PER UNIT (one way)

		COLUMN		
		A	B	C
15	Automobiles (See Rules 20, 25, 35, 50, 55, 60, 65 and 70 herein and Rule 20 of Freight Tariff)	n/a	32.70	n/a
16	Bicycles	6.00	3.20	6.00
16a	Bicycle wagons, whether or not attached to a bicycle	6.00	3.20	6.00
16b	Tandem Bicycles, whether or not attached to a bicycle	6.00	3.20	6.00
16c	Electric Bicycles, motorized skateboards, and mini-motorcycles	8.30	8.30	8.30
17	Motorcycles	n/a	21.80	n/a
18	Pick-up trucks, vans, and SUV's (See Rules 20, 25, 35, 50, 55, 60, 65 and 70 herein and Rule 20 of Freight Tariff)	n/a	39.45	n/a
19	Trucks* (See note)	n/a	6.55/lf	n/a
20	Hazardous Trucks* (See note)	n/a	9.95/lf	n/a

* Note: Except as set forth below, trucks carrying hazardous materials or dangerous goods, as defined by 49 CFR, Subchapter C Hazardous Materials Regulations, the U.S. Coast Guard, and the International Maritime Organization, can not be transported aboard passenger vessels. Therefore, except as set forth below, when carrying these materials, the vessel must operate strictly as a cargo vessel, and the per foot rate is as set forth above for hazardous trucks. For this purpose, the Carrier will make a vessel available as a cargo vessel on a reservation only, as available basis, at the rate set forth above per same day round trip run from Point Judith to Block Island and return (maximum 4 hours). When available, the cargo vessel must be scheduled to leave Point Judith and complete the run at the discretion of the Carrier.

Trucks which carry sludge for the New Shoreham Sewer Commission will be required to travel on the hazardous truck cargo vessel, and will not be allowed to travel on a vessel with passengers, but will be allowed to travel at the regular truck rate of \$6.55 per linear foot, because the sludge is not a hazardous material or dangerous good as defined by 49 CFR, Subchapter C, but odor from the truck is a problem for ferry passengers. In addition, trucks which carry garbage for the Town of New Shoreham will also be allowed, on an as-needed basis, to travel on the hazardous truck cargo vessel, but at the standard truck rate of \$6.55 per linear foot, or they may travel on the usual passenger ferry.

Trucks which have a gross weight of 50,000 pounds or more and are not tractor trailer trucks and are not carrying property for the Town of New Shoreham will be required to pay, in addition to the per linear foot truck rate, a weight premium of \$64.90 per one way trip due to the weight limitations imposed upon the ferry vessels.

COMMODITY RATES

STATE OF RHODE ISLAND

PUBLIC UTILITIES COMMISSION

Docket No. _____

INTERSTATE NAVIGATION COMPANY

LOCAL TARIFF

Naming

CLASS AND COMMODITY RATES

FOR TRADITIONAL SERVICE

APPLYING BETWEEN

POINTS AND PLACES IN THE STATE OF

RHODE ISLAND

(As Indicated Herein)

For reference to the governing Classification and other governing publications, see Rule No. 5 herein.

EFFECTIVE: _____

ISSUED BY:

Interstate Navigation Company
Susan Linda, President
Post Office Box 482
New London, Connecticut 06320

EXPLANATION OF ABBREVIATIONS AND REFERENCE MARKS

Bbl= Barrel Co= Company Col= Column Conn= Connecticut Ctn= Carton I.C.C.= Interstate Commerce Commission KD= Knocked Down Lbs= Pounds M= Thousand MT= Empty	Min= Minimum Charge No.= Number NOIBN= Not Otherwise indexed by name in classification Pkg= Package Pt= Point R.I.= Rhode Island Department of Public Utilities SU= Set Up Viz= Namely &= And
--	---

RULES GOVERNING ALL TARIFFS

RULE NO. 5 GOVERNING CLASSIFICATION, RULES AND EXCEPTIONS TARIFF:

Governed, except as otherwise provided herein, by the Coordinated Freight Class- No. 11, The New England Motor Rate Bureau, Inc., Agent's MF-I.C.C. No. A-210, MF-R.I.D.P.U. No. A-84 and by the Rules, Regulations and Exceptions thereto, the New England Motor Rate Bureau, Inc., Agent's MF-I.C.C. No. A-202, MF-R.I.D.P.D. No A-82, supplements thereto or successive issued thereof.

RULE NO. 10 APPLICATION OF RATES:

- (a) Commodity rates named in this tariff are applicable only on shipments tendered to the carrier in exact accordance with the commodity description and packing requirements set forth herein.
- (b) Unless otherwise provided, the rates shown herein apply only on articles received on one bill of lading at one time and place from one consignor for delivery to one consignee at one place, at one destination.
- (c) The transportation obligation of the carrier under this tariff consists of the receipt of freight at its dock at the shipping point and its transportation to the dock of the carrier at destination.

RULE NO. 15 MAXIMUM CHARGES:

In no case shall the charge for a given shipment be greater than the charge for a shipment of the same commodity, of a greater weight, between the same points.

RULE NO. 20 MINIMUM CHARGES:

Except as provided in individual items herein rates named are subject to the following minimum charges per shipment.

<u>BETWEEN</u>	<u>AND</u>	<u>MINIMUM CHARGE</u>
Newport or Pt. Judith, R.I.	Block Island, R.I.	\$6.60

RULE NO. 25 LIABILITY FOR FEEDING LIVESTOCK:

The carrier will not be responsible for the feeding or watering, of livestock transported. It shall be the responsibility of the consignor to guarantee the carrier that a plentiful supply of feed and water shall be placed aboard vessel prior to the boarding of such shipments of livestock.

RULE NO. 30 HOUSEHOLD GOODS, DESCRIPTION OF:

The rates on Household Goods apply to all Household Goods, new or used, including but not limited to goods and personal effects such as furniture, clothing and residence furnishings and when shipped uncrated will only be accepted at owner's risk.

RULE NO. 35 INTEREST:

Interest will be charged on overdue accounts (past 30 days) at 1.5% per month, plus reasonable attorney's fees if collection efforts are needed.

RULE NO. 40 C.O.D. SHIPMENTS, COLLECTION AND REMITTAL CHARGES:

The following charges will apply for the collection and the remittance of C.O.D. bills collected from consignees between all points in Rhode Island:

When the amount collected is:			Charge for Collection and remittance will be:
Not over	TO	\$ 10.00	\$ 1.49
\$ 10.01	TO	20.00	1.77
20.01	TO	30.00	2.06
30.01	TO	40.00	2.36
40.01	TO	50.00	2.66
50.01	TO	75.00	2.94
75.01	TO	100.00	3.68
100.01	TO	150.00	4.70
150.01	TO	200.00	5.89
200.01	TO	300.00	7.67
300.01	TO	400.00	9.44
400.01	TO	500.00	11.20
500.01	TO	1,000.00	13.25
	OVER	1,000.00	13.25 per \$1,000

RULE NO. 45 EMPTY CONTAINERS RETURNED, RATES APPLICABLE:

The rates in cents per can, case, carton or other empty alcoholic or nonalcoholic beverage container including bottles in racks, or other containers not otherwise shown herein will apply as follows:

	Pt. Judith & B.I.
BETWEEN	
(a)	
Containers with bottles, each	.86
Containers without bottles, each	.74
Milk Cans, Each	.74
Milk Dispensers, each	.86
Beer Kegs, each	1.77

(b)
The rates in cents per empty tank shall be returned as follows:

Soda Fountain tanks, each	1.32
Pyrofax tanks, each	1.77
Propane Gas Tanks, each	1.77

RULE NO. 50 FREIGHT TRANSPORTED AT OWNER'S RISK:

Shipments of livestock, pinball machines, music machines, neon or electric signs and pianos will be accepted for transportation at owner's risk.

RULE NO. 55 TRANSPORTATION OF LIVESTOCK:

All Livestock, except household pets accompanied by an owner or handler, dogs, cats and animals of like size in portable kennels, and fowl in crates, will be carried only in animal vans or trailers. The tariff for such transportation will be the tariff for such vans or trailers.

RULE NO. 60 PERSONAL PALLETS:

Personal pallets are \$12.95 if stackable and \$16.95 if un-stackable. Pallets will be deemed un-stackable if the contents exceed the height of the personal pallet box which is 3 ½' high. Un-stackable pallets will require shrink wrapping which will be provided by the carrier as part of \$16.95 un-stackable rate. Personal pallets can be used on an as available basis in the discretion of the Carrier and are solely to be used for the transportation of personal items (such as groceries and luggage). Personal pallets will be given to customers on a "first come, first served" basis, and the boats are limited to how many pallets can be taken. The number of personal pallets which can be taken will vary trip to trip in the discretion of the Carrier based on the availability of deck space and pallets.

DATE: _____	ITEM MASTER R					
CLASS ITEM NUMBER	DESCRIPTION OF COMMODITY	UOM				
ABC ABC	ABC ITEM MASTER RECORD. THIS W EA AS The First Item Entered.					
	ITEM MASTER					
CLASS ITEM NUMBER	DESCRIPTION OF COMMODITY	UOM	Prior Rate	% Increase	Rates	
006 45-00						
45-01						
45-02	EMPTY MILK CASES, CANS RULE 45	EA	0.460	65.00%	0.760	
45-03						
45-04	EMPTY BEER KEGS RULE 45	EA	1.070	65.00%	1.770	
45-06	EMPTY BREAD TRAY, PLASTIC	EA	0.460	65.00%	0.760	
007 015-02	AREA WALL/PARTITION	EA	2.510	65.00%	4.140	
030-05	BAIT BARRELS, EMPTY	EA	1.250	65.00%	2.060	
035-05	BATHTUB, CAST IRON	EA	13.270	65.00%	21.900	
035-06	JACUZZI, WHIRLPOOL RULE #40 APPLIES	EA	New or Adjusted Rates	\$ 30.00	65.00%	49.500
035-07	SHOWER BASE, GRANITE, NOIBN	EA	5.820	65.00%	9.600	
040-00	BATTERIES, USED, CAR	EA	0.710	65.00%	1.170	
040-03	BATTERIES, USED INDUSTRIAL MARINE	EA	1.780	65.00%	2.940	
045-00						
045-08						
10-03	ANCHOR, MOORING, 200-499LB	EA	7.170	65.00%	11.830	
10-04	ANCHOR, MOORING, 500-799LB	EA	15.040	65.00%	24.820	
10-05	ANCHOR, MOORING, 800-999	EA	22.410	65.00%	36.980	
10-06	ANCHOR, SMALL		1.440	65.00%	2.380	
10-07	ANCHOR, MOORING, 100-199LB	EA	5.360	65.00%	8.840	
10-08	ANCHOR, MOORING, 1000 & ABOVE	EA	33.390	65.00%	55.090	
30-05						
30-06						
40-02	BATTERIES, ELECTRICAL, SOLAR INDUSTRIAL, MARINE	EA	3.560	65.00%	5.870	
45-05						
45-10	DISPENSER, WATER	EA	8.600	65.00%	14.190	
50-00	WATER, BOTTLE, >5GAL	EA	1.440	65.00%	2.380	
55-02	BICYCLE, UNCRATED	EA	New or Adjusted Rates	3.150	65.00%	5.200
600-21	SOLAR PANELS/MODULES APPROX 4X8	EA	New or Adjusted Rates	10.000	65.00%	16.500
005-01	ALUMINUM LOUVERS, VENTS	PC	0.800	65.00%	1.320	
NEW	ALUMINUM LOUVERS, VENTS - LARGE	PC	New or Adjusted Rates	1.600	65.00%	2.640
005-02	ANTI-FREEZE COMPOUNDS, NOIBN LIQUID, IN CASES	EA EA	1.440	65.00%	2.380	
005-03						
005-04	ANGLE IRON BY LINEAR FEET	FT	0.460	65.00%	0.760	

CLASS ITEM NUMBER	DESCRIPTION OF COMMODITY	UOM			Prior Rate	% Increase	Rates
010-01	AUTOMOBILE PARTS CARTONS: EXHAUSTS, PIPES, MUFFLERS ETC.	EA			1.440	65.00%	2.380
010-02	AUTO SEATS	EA			6.080	65.00%	10.030
015-01	AUTO TRANSMISSIONS	EA			6.800	65.00%	11.220
020-01							
025-01							
030-02							
030-03							
030-04	BAIT BARRELS	EA			5.370	65.00%	8.860
035-01	BATHTUBS, EACH	EA			8.600	65.00%	14.190
035-02	COMBINATION TUB AND SHOWER (FIBERGLASS)	EA			18.320	65.00%	30.230
035-03	SHOWER IN BOX BY PIECE	EA			3.030	65.00%	5.000
035-04	SHOWER (FIBERGLASS)	EA			12.520	65.00%	20.660
040-01	BATTERIES, ELECTRIC, STORAGE EACH	EA			1.780	65.00%	2.940
045-01							
045-02	BEER, 24 PER CASE	CAS			1.280	65.00%	2.110
045-03	BEER IN KEGS EACH	KEG			2.260	65.00%	3.730
045-04	LIQUORS, SPLITS PER CASE	CAS			2.460	65.00%	4.060
045-05	WINE, PER CASE	CAS			1.820	65.00%	3.000
045-06							
050-01	BEVERAGES, SODA, JUICE, WATER	CAS			0.980	65.00%	1.620
050-02							
050-03	BEVERAGES, NON-ALCOHOLIC: CO2 + O2 TANKS AND CYLINDERS	CYL			2.240	65.00%	3.700
055-01	BICYCLES, NOIBN, IN BOXES OR CRATES	EA	New or Adjusted Rates		3.150	65.00%	5.200
055-11	STROLLER, CARRIAGE, BABY CAR SEAT CRATED	EA	New or Adjusted Rates		2.000	65.00%	3.300
055-12	STROLLER, CARRIAGE UNCRATED	EA			2.000	65.00%	3.300
065-04	COBBLESTONE	EA			0.450	65.00%	0.740
065-05	COBBLESTONE, LESS THAN 10 INCH	EA			0.220	65.00%	0.360
65-03	BLOCK, PATIO	EA			0.540	65.00%	0.890
70-00	BUOY, CARTON, LOOSE, SMALL 2'X2' BOX	EA			2.150	65.00%	3.550
70-01	BUOY, CARTON, LOOSE, LARGE OVER 2'X2' BOX	EA			3.560	65.00%	5.870
70-02	BUOY, LOBSTER	EA			0.360	65.00%	0.590
70-04							
70-05							
060-01	BLINDS, WINDOW OR SHUTTERS	EA			0.800	65.00%	1.320
065-01	BLOCKS, CHIMNEY 9 X 13	EA			0.490	65.00%	0.810
065-02	BLOCKS, BUILDING, CEMENT OR CINDER EACH	EA			0.540	65.00%	0.890
070-00	KAYAK, CANOE, WALK ON	EA			11.150	65.00%	18.400
070-01	BOATS, PER LINEAR FOOT	FT			1.440	65.00%	2.380
075-01	BOAT TRAILERS, LESS THAN 10 FEET	EA			18.410	65.00%	30.380

CLASS ITEM NUMBER	DESCRIPTION OF COMMODITY	UOM	Prior Rate		% Increase	Rates
080-01	BOILER/FURNACE	EA			24.430	65.00% 40.310
085-01	BOOKS, BY THE CARTON	CTN			2.420	65.00% 3.990
085-02						
090-01	CRATES, STEEL OR WOODEN	EA			12.160	65.00% 20.060
090-02	COPPER/BRASS FITTINGS IN CTNS	CTN			3.680	65.00% 6.070
095-01	BREAD, BAKERY PRODUCTS, IN CARTONS EACH (1.77 MIN)	CTN			0.980	65.00% 1.620
095-03	BREAD TRAYS, FULL MINIMUM CHARGE (1.77)	EA			0.980	65.00% 1.620
100-01	BRIDGING BOX METAL	EA	New or Adjusted Rates		1.460	65.00% 2.410
100-02	BROOM, ROAD, ATTACHMENT	EA			25.590	65.00% 42.220
105-01						
110-01	DRIP EDGE	BND			3.680	65.00% 6.070
115-01						
120-01	BRICKS, BUILDING, COMMON, LESS THAN M	EA			0.090	65.00% 0.150
120-02	BRICKS, BUILDING, COMMON OVER 1,000 BRICKS	M			60.800	65.00% 100.320
125-01						
125-02	BRICKS, FACE, EACH	EA			0.100	65.00% 0.170
125-03	BRICKS, FIRE, EACH	EA			0.130	65.00% 0.210
009 130-02	WEED WHACKER, ELECTRIC	EA			3.560	65.00% 5.870
170-00	COMPUTERIZED EQUIPMENT: CPU, LAPTOP, MONITOR, ETC.	EA	New or Adjusted Rates		7.450	65.00% 12.290
170-01						
170-02	COMPUTER PRINTER, SCANNER	EA			5.440	65.00% 8.980
175-09	CABINET, FILLER	EA			1.440	65.00% 2.380
175-10	CABINET, PANEL	EA			3.200	65.00% 5.280
175-11	CABINET, FILING RULE # 40 APPLIES	EA			6.090	65.00% 10.050
175-05	CABINET, SINGLE RULE 40 APPLIES	EA			3.680	65.00% 6.070
175-06	CABINET, DOUBLE RULE 40 APPLIES	EA			6.080	65.00% 10.030
175-12	CABINET, QUAD RULE #40 APPLIES	EA			17.870	65.00% 29.490
175-13	CABINET, FILING, SMALL 2 DRWR RULE #40 APPLIES	EA			2.870	65.00% 4.740
180-05	CASKET, GRAVE, LINER	SET			18.980	65.00% 31.320
180-06	PRECAST STAIRWAY	EA			38.650	65.00% 63.770
180-07	CART, SHOPPING	EA			3.560	65.00% 5.870
185-04						
240-00	COUNTER TOP	FT			0.930	65.00% 1.530
	COUNTER TOP - GRANITE	FT	New or Adjusted Rates		1.250	65.00% 2.060
240-01	COPPER SHOWER PANS	EA			2.680	65.00% 4.420
130-01	WEED WHACKER, GAS POWERED	EA			6.800	65.00% 11.220
135-01	BULKHEAD STEEL	EA			8.690	65.00% 14.340
140-01						
145-01	BUOY FLOAT, MAST HEAD	EA			1.250	65.00% 2.060

CLASS ITEM NUMBER	DESCRIPTION OF COMMODITY	UOM			Prior Rate	% Increase	Rates
150-01	BUFFER/POLISHER AND SANDER	EA			8.490	65.00%	14.010
155-01	CALCIUM CHLORIDE PER BAG	EA			2.420	65.00%	3.990
160-01							
165-01	CANDY OR CONFECTIONERY, IN BOXES OR CARTONS	EA			2.420	65.00%	3.990
165-02							
175-01	CABINET, MEDICINE	EA			1.780	65.00%	2.940
175-03	TRASH CAN: PLASTIC, ALUMINUM EMPTY	EA			1.780	65.00%	2.940
175-04	TOYS, GAMES	CTN			2.420	65.00%	3.990
175-07	CARPETS OR LINOLEUM/ROLL	EA			7.170	65.00%	11.830
175-08	ROLL PADDING/FOAM	EA			2.240	65.00%	3.700
180-02							
180-03							
180-04	CASKETS OR VAULT, BURIAL VAULT, CEMENT	EA	New or Adjusted Rates		17.360	65.00%	28.640
185-01	CEMENT, PLASTER, MORTAR IN 50-80LB. BAGS	EA			1.440	65.00%	2.380
185-02	POWER CEMENT TROWEL	EA			6.080	65.00%	10.030
185-03	SAKRETE, MORTAR, GROUT IN 25-45LB. BAGS	BAG			0.710	65.00%	1.170
190-01							
180-10	STAIRWAY, PREFAB 8 FEET / LESS	EA			5.010	65.00%	8.270
180-11	STAIRWAY, PREFAB GREATER THAN 8 FEET	EA			9.010	65.00%	14.870
195-01	CHARCOAL	BAG			1.780	65.00%	2.940
200-01	CAULKING COMPOUND, ACCESS PER BOX	BOX			1.440	65.00%	2.380
205-01							
205-02	CHAIN, 500-799 LB BARREL	EA			15.250	65.00%	25.160
205-03	CHAIN, 200-499 LB BARREL	EA			10.100	65.00%	16.670
205-04	CHAIN, LESS THAN 200 LB	EA			5.010	65.00%	8.270
210-01	CHIMNEY FLUE LINING, CLAY 8"X8" LINEAR FOOT	EA			0.540	65.00%	0.890
210-02	CHIMNEY FLUE LINING, CLAY 8" X 12"	EA			0.620	65.00%	1.020
215-01							
220-01	CLAY THIMBLE 8"X8"	EA			0.620	65.00%	1.020
235-01	CLOTHING CLOTH, DRY GOODS, FABRIC BAGGING, GUNNY, IN BNDL OR CTN	CTN			1.250	65.00%	2.060
245-01							
245-02							
245-03	CORD WOOD: PER PALLET OR 1/2 CORD	CRD	New or Adjusted Rates		12.000	65.00%	19.800
245-04	CORD WOOD: PER CORD	CRD			17.860	65.00%	29.470
250-01	STEMWARE/CROKERY PLATES, CUPS, POTS AND PANS	CTN			3.030	65.00%	5.000
255-01	DOORS, WOODED, GLAZED	EA			3.030	65.00%	5.000
255-02	DOORS AND WINDOW, SCREEN	EA			3.030	65.00%	5.000
255-03							
255-04	DOOR, GARAGE, DOUBLE OR OVERHEAD, EACH	EA			7.320	65.00%	12.080

CLASS ITEM NUMBER	DESCRIPTION OF COMMODITY	UOM			Prior Rate	% Increase	Rates
255-05	DOOR FRAMES	EA			2.420	65.00%	3.990
255-06	DOOR, STEEL FIRE, EACH	EA			11.630	65.00%	19.190
255-07	DOOR, CELLER, EACH	EA			12.160	65.00%	20.060
255-08	DOORS, PRE-HUNG	EA			4.920	65.00%	8.120
255-09	DOOR, GLASS, SLIDING, FRENCH PATIO	EA			10.700	65.00%	17.660
255-13	DOOR, DOUBLE PRE-HUNG	EA			9.820	65.00%	16.200
255-14	DOOR, BIFOLD	EA			3.030	65.00%	5.000
255-16							
255-17							
255-18	DOOR, GLASS, SLIDING, FRENCH DOUBLE PATIO	EA			21.460	65.00%	35.410
255-19	GATE, LARGE 16' OR LESS	EA			5.510	65.00%	9.090
255-20	GATE, LARGE 17' OR GREATER	EA			9.390	65.00%	15.490
255-21	DOOR, BATH TUB	EA			6.500	65.00%	10.730
260-01	DRUGS OR MEDICINES, NOIBN IN CARTONS	CTN			3.040	65.00%	5.020
260-02	DURA-WALL 500 LINEAL FEET 8"	EA			5.800	65.00%	9.570
260-03	DURA-WALL 500 LINEAL FEET 12"	EA			6.690	65.00%	11.040
270-00	WIRE, COIL	EA			1.780	65.00%	2.940
300-08	DRESSER, CHEST DISPLAY CASE, BOOKSHELF, RACK	EA			6.080	65.00%	10.030
300-13							
602-00	DUMPSTER, 15YRD	EA			35.810	65.00%	59.090
602-01	DUMPSTER, 10-14 YRDS	EA			28.650	65.00%	47.270
602-02	DUMPSTER, 6-9 YRDS	EA			21.500	65.00%	35.480
602-03	DUMPSTER, 3-5 YRDS	EA			17.870	65.00%	29.490
602-04	DUMPSTER, LESS THAN 3 YRDS	EA			7.170	65.00%	11.830
245-00	COOKIES	BOX			0.620	65.00%	1.020
255-00	DOOR, SHOWER	EA			3.560	65.00%	5.870
255-10	DOOR, STORM ALUMINUM	EA			3.560	65.00%	5.870
255-11							
011 15-02							
15-03	ENGINE, COMPLETE	EA			10.710	65.00%	17.670
265-01							
265-03	ELECTRIC SUPPLIES PER CARTON	CTN			1.780	65.00%	2.940
265-07	TRANSFORMER, 75 KVA	EA			71.600	65.00%	118.140
265-08	TRANSFORMER, 112.5 KVA	EA			93.050	65.00%	153.530
265-09	TRANSFORMER, 5 KVA	EA			7.170	65.00%	11.830
265-10	TRANSFORMER, 37 KVA	EA			34.350	65.00%	56.680
265-11	TRANSFORMER, 45 KVA	EA			50.110	65.00%	82.680
265-12	UTILITY ENCLOSURES	EA			13.260	65.00%	21.880
270-0	WIRE, SPOOL	EA			1.780	65.00%	2.940

CLASS ITEM NUMBER	DESCRIPTION OF COMMODITY	UOM		Prior Rate	% Increase	Rates
270-01	FELT, BUILDING IN ROLLS PER ROLL	EA		1.440	65.00%	2.380
270-02	FENCE, PER ROLL: SNOW/DEER	EA		4.920	65.00%	8.120
270-03	FENCE, PER ROLL, CHICKEN WIRE	EA		1.950	65.00%	3.220
270-04	FENCE, PER ROLL, STEEL	EA		6.690	65.00%	11.040
270-08	FENCE, STOCKADE >3'X8'	SEC		4.290	65.00%	7.080
270-09	FENCE, STOCKADE < OR = 3'X8'	SEC		2.780	65.00%	4.590
270-10	FENCE, MESH SHEET 5'X10' BY PALLET	PLT		31.950	65.00%	52.720
270-11	FENCE, PER ROLL, SILT	EA		1.950	65.00%	3.220
275-00	FERTILIZER COMPOUNDS, SINGLE ONE TON BAG, NOIBN	TON		39.020	65.00%	64.380
275-01	FERTILIZER COMPOUNDS, NOIBN LIME, MANURE IN BAGS	EA		1.950	65.00%	3.220
275-02	MULCH, PEAT MOSS	EA		1.440	65.00%	2.380
275-03	SOIL	EA		1.440	65.00%	2.380
275-04	MULCH, PEAT MOSS PALLET SIZE BALE	PLT		19.870	65.00%	32.790
275-05	FERTILIZER COMPOUNDS, 1000LB BAG, NOIBN	BAG		25.650	65.00%	42.320
280-00						
280-01						
280-02	FISH, FRESH OR FROZEN, BOXES	EA	New or Adjusted Rates	3.000	65.00%	4.950
280-03	FISH, FRESH OR FROZEN, IN BAGS , EACH	EA		1.810	65.00%	2.990
280-04	LOBSTERS, IN BARRELS OR CRATES , EACH	EA		4.830	65.00%	7.970
280-045						
280-11	FISH, X-TUB	TUB		16.080	65.00%	26.530
280-12	X-TUB, EMPTY	EA		8.050	65.00%	13.280
280-13						
285-00	CRUSHED STONE (EG: FLAG STONES, BLUESTONE, SLATE, PALLET)	PLT		28.650	65.00%	47.270
285-01	FLAG STONES, BLUESTONE, SLATE	EA		1.950	65.00%	3.220
285-02	FIRE EXTINGUISHERS	EA		1.780	65.00%	2.940
290-01	FLOWERS: FRESH/ARTIFICIAL PER BOX/CTN/BNB	CTN		1.440	65.00%	2.380
290-02	FLASHING: ALUMINUM/LEAD 8"-10" ROLL	ROL		1.250	65.00%	2.060
290-03	FLASHING, ALUMINUM/LEAD 11-12" ROLL	ROL		1.610	65.00%	2.660
290-04	FLASHING, BOXED	BOX		1.440	65.00%	2.380
290-05	FLASHING; COPPER	RL		2.510	65.00%	4.140
290-06	ALUMINUM, SHEET, BY SQUARE FOOT	SQF		0.210	65.00%	0.350
295-01	FRUITS OR VEGTABLES 100 lbs	LB		2.160	65.00%	3.560
	FRUITS OR VEGTABLES 180 lbs	LB	New or Adjusted Rates	4.000	65.00%	6.600
300-06	TABLE, FOLDING RENTAL RULE #40 APPLIES	EA		2.870	65.00%	4.740
300-07	DESK RULE #40 APPLIES	EA		7.170	65.00%	11.830
300-09	TABLE, PICNIC	EA		7.170	65.00%	11.830
	BUTCHER BLOCK TABLE	EA		2.870	65.00%	4.740
300-1						

CLASS ITEM NUMBER	DESCRIPTION OF COMMODITY	UOM	Prior Rate		% Increase	Rates
300-10						
300-12	CHAIR; PATIO, SLEEVE	SLV		8.280	65.00%	13.660
300-14	CHAISE LOUNGE; PATIO, SLEEVE	SLV		14.490	65.00%	23.910
305-02						
305-03	DIST. BOXES	EA		5.820	65.00%	9.600
305-04	1,000 GAL SEPTIC TANK	EA		85.820	65.00%	141.600
	SEWER MANHOLE PIECES	EA	New or Adjusted Rates		21.000	65.00% 34.650
305-05	SHALLOW GALLEY/FLOW DIFFUSOR	EA	New or Adjusted Rates		21.000	65.00% 34.650
	LARGE BULKY ITEMS GREATER (4ft by 8 ft)	EA	New or Adjusted Rates		60.000	65.00% 99.000
305-07	BLOCK, RETAINING / BARRICADE 3X3X5	EA		13.260	65.00%	21.880
310-01	GLASS, BOX OF, CRATED, LOOSE	EA		4.830	65.00%	7.970
310-02	GLASSWARE, CARBOYS, EMPTY	EA		0.540	65.00%	0.890
310-03	GLASSWARE, IN CARTONS, INCLUDE POTTERY, ETC.	EA		2.420	65.00%	3.990
315-00	PET FOOD	PKG		1.440	65.00%	2.380
315-01	GRAIN, FEED, SEED, BAG (UNDER A TON)	EA		1.250	65.00%	2.060
315-02	GRAIN, FEED, SEED, BAG, TON AND OVER	EA		0.800	65.00%	1.320
315-03	GRAVEL IN BAGS	EA		1.250	65.00%	2.060
315-04	GRAIN, FEED, SEED, 1 TON BAG OR 2 1/2 TON BAGS	EA		25.770	65.00%	42.520
315-05	PELLETS, WOOD BY 50LB BAG	BAG		1.250	65.00%	2.060
320-01						
320-02						
325-01	GROCERIES, BAG OF: EACH	EA		0.540	65.00%	0.890
325-02						
325-03	GROCERIES, TOTE, PEAPOD ITEM	EA		2.430	65.00%	4.010
325-04						
325-05	GROCERIES AND GROCERY SUPPLIES CHARGE PER SHIPMENT	CTN		1.070	65.00%	1.770
325-06						
330-02	GUTTERS/DOWNSPOUTS/ROOF DRAINS PER LINEAR FOOT EACH, NOT CTN	LF		0.130	65.00%	0.210
330-03	GYPSOLITE, BY BAG	BAG		1.250	65.00%	2.060
265-04	TRANSFORMER, 10 KVA	EA		10.710	65.00%	17.670
265-05	TRANSFORMER, 15 KVA	EA		14.320	65.00%	23.630
265-06	TRANSFORMER, 25 KVA	EA		21.500	65.00%	35.480
270-05	FENCE, POST AND/OR RAIL	EA		0.710	65.00%	1.170
270-06	FENCE, HOLDER, POST	EA		0.360	65.00%	0.590
290-00	FORMICA	RL		6.230	65.00%	10.280
295-00	PRODUCE	LB		2.160	65.00%	3.560
300-00	CHAIRS; PATIO, FOLDING RULE 40 APPLIES	EA		1.440	65.00%	2.380
300-01	CHAIRS; LOUNGE, CTN OR LOOSE RULE 40 APPLIES	EA		2.870	65.00%	4.740
300-02	SOFA; COUCH, SLEEPER RULE 40 APPLIES	EA		8.950	65.00%	14.770

CLASS ITEM NUMBER	DESCRIPTION OF COMMODITY	UOM	Prior Rate		% Increase	Rates
300-03	TABLE; DINNING ROOM RULE 40 APPLIES	EA			7.170	65.00% 11.830
300-04	TABLE; END RULE 40 APPLIES	EA			2.870	65.00% 4.740
300-05	TABLE; COFFEE RULE 40 APPLIES	EA			4.290	65.00% 7.080
310-04						
330-01	GROUND RODS, PER LINEAR FOOT	LF			0.060	65.00% 0.100
335-01	HAMPERS, LAUNDRY EMPTY RETURN RULE 40 APPLIES	EA			2.870	65.00% 4.740
335-03	HAMPERS, LAUNDRY, CLEAN RULE 40 APPLIES	EA			4.830	65.00% 7.970
335-04	HAMPER, DIRTY LAUNDRY RULE 40 APPLIES	EA			4.290	65.00% 7.080
335-05	LAUNDRY, DIRTY RULE 40 APPLIES	EA			1.440	65.00% 2.380
340-02	SPADES, SHOVELS, BROOMS, POST HOLE DIGGERS, RAKES, PER BNDL.	BDL			1.610	65.00% 2.660
340-03	SPADES, SHOVELS, BROOMS, POST HOLE DIGGERS, ECT. EACH	EA			1.440	65.00% 2.380
340-04						
340-05	WHEEL BARROW	EA			5.010	65.00% 8.270
345-01						
345-02	HAY, BALES	EA	New or Adjusted Rates		1.250	65.00% 2.060
345-03	SHAVINGS	BAG			1.440	65.00% 2.380
350-01	HEATERS, AIR, ELECTRIC, FANS OR COMB. IN BOXES OR CTNS.	CTN			1.780	65.00% 2.940
350-02	HEATER, LARGE, CRATED	EA			5.370	65.00% 8.860
350-03	HEATER, Kerosine	EA			3.560	65.00% 5.870
355-01	HEATERS, GAS OR ELECTRIC, HOT WATER, LESS THAN 40 CAP.	EA			6.080	65.00% 10.030
355-02	HEATERS, GAS OR ELECTRIC HOT WATER, 40-79 CAP	EA			8.490	65.00% 14.010
355-03	HEATERS, GAS OR ELECTRIC HOT WATER, 80 OR GREATER CAP	EA			13.940	65.00% 23.000
360-01						
360-02						
365-00	ICE, BAG BY PALLET	EA			28.650	65.00% 47.270
365-01						
365-02	ICE, ARTIFICIAL OR NATURA PER BUSHEL BASKET OR BAG	EA			1.440	65.00% 2.380
370-01	ICE CREAM, PER CARTON	CTN			3.030	65.00% 5.000
370-02						
375-01						
375-02						
375-03	ICE CREAM, IN PALLET BOX PER UNIT/PKG.	EA			1.440	65.00% 2.380
380-01						
380-02						
380-03	INSULATION, PER ROLL	EA			0.980	65.00% 1.620
380-04	INSULATION, PER BATT	EA			1.400	65.00% 2.310
380-05	INSULATION, SHEETS 1"	EA			0.870	65.00% 1.440
380-06	INSULATION, SHEETS 2"	EA			1.250	65.00% 2.060
380-07	INSULATION, SHEETS 3"	EA			1.610	65.00% 2.660

CLASS ITEM NUMBER	DESCRIPTION OF COMMODITY	UOM		Prior Rate	% Increase	Rates
380-08	INSULATION, 4" SHEETS	EA		2.150	65.00%	3.550
380-09	INSULATION, SHEETS 5"	EA		2.500	65.00%	4.130
380-12	STYROFOAM LOGS	EA		2.870	65.00%	4.740
380-13	FLOAT DRUM, DOCK FLOATATION	EA		7.170	65.00%	11.830
280-09	LOBSTER TRAP, FENCE, ROLLS OVER 20"	EA		4.290	65.00%	7.080
280-10	LOBSTER LINE, COIL	EA		1.440	65.00%	2.380
300-11	HEADBOARD/FOOTBOARD	EA		2.870	65.00%	4.740
385-00						
385-02	LOLLY COLUMNS	EA		2.420	65.00%	3.990
390-00	SINK, TRIPLE	EA		9.820	65.00%	16.200
390-07	LAWN MOWER, WALK BEHIND	EA		10.700	65.00%	17.660
390-08	LAWNMOWERS, FLAIL, TOW MOWER	EA		6.080	65.00%	10.030
390-09	LAWN MOWERS - LARGE RIDING	EA		29.010	65.00%	47.870
395-00	LIVESTOCK, VIZ: BEES IN CRATES	CRT		3.130	65.00%	5.160
395-01						
395-02	LIVESTOCK, HENS, DUCKS, OR TURKEYS IN CRATES	CRT		4.830	65.00%	7.970
400-05	TRUSS	EA		10.710	65.00%	17.670
400-06	FLOORING, BOXED, BUNDLED	EA		1.780	65.00%	2.940
405-01	AIR CONDITIONER	EA		6.080	65.00%	10.030
405-06	POWER WASHER	EA		6.080	65.00%	10.030
405-07	GALLON JUG	EA		1.440	65.00%	2.380
405-08	ROTOTILLER, ELECTRIC	EA		5.440	65.00%	8.980
405-09	ROTOTILLER, GAS POWERED	EA		6.080	65.00%	10.030
405-10	ROTOTILLER, RIDING	EA		10.700	65.00%	17.660
405-11	VACUUM	EA		5.440	65.00%	8.980
525-17	MACHINE, WELDER	EA		7.320	65.00%	12.080
595-05	DISPOSAL	EA		5.010	65.00%	8.270
595-06	COMPACTOR	EA		6.080	65.00%	10.030
595-07	COOK TOP	EA		5.010	65.00%	8.270
280-05	LOBSTER TRAP	EA		2.150	65.00%	3.550
280-06	LOBSTER TRAP, FENCE, ROLLS UP TO 20"	RL		2.150	65.00%	3.550
280-07						
280-08	LOBSTER TRAP, MESH APPROX 3X4	EA		1.440	65.00%	2.380
385-01	STAGGING: LADDERS, ALUMINUM, STEEL, WOOD PER LINEAR FOOT	FT		0.360	65.00%	0.590
385-03	LATTICE	SH		2.300	65.00%	3.800
385-04	LAUNDRY, SMALL PKG RULE 40 APPLIES	BND		1.370	65.00%	2.260
385-05	LAUNDRY, LARGE BAG RULE 40 APPLIES	EA		1.780	65.00%	2.940
390-01	SINK	EA		4.920	65.00%	8.120
390-03	TOILET, TANK/BOWL	EA		4.920	65.00%	8.120

CLASS ITEM NUMBER	DESCRIPTION OF COMMODITY	UOM		Prior Rate	% Increase	Rates
390-06	TOILET, 1 PIECE	EA		9.820	65.00%	16.200
400-01	LUMBER-FINISH (OVER 1000 BOARD FEET)	BFT		60.990	65.00%	100.630
400-02	LUMBER-FINISH-LESS-1000-	BFT		0.100	65.00%	0.170
400-03	LUMBER-UNFINISH OVER-1000	BFT		44.700	65.00%	73.760
400-04	LUMBER-UNFINISH-LESS-1000	BFT		0.060	65.00%	0.100
405-00	MACHINES - CANDY, CIG, VENDING	EA		13.420	65.00%	22.140
405-02	MACHINES POWER TOOLS	EA		6.080	65.00%	10.030
405-03	MACHINES VIDEO GAMES, JUKE BOX PINBALL	EA		20.750	65.00%	34.240
405-04	MACHINES COMPRESSOR	EA		7.320	65.00%	12.080
405-05	MACHINES COFFEE	EA	New or Adjusted Rates	5.460	65.00%	9.010
405-12	PUMP, GAS STATION	EA		20.750	65.00%	34.240
410-00	GRAVE STONES	WT		3.030	65.00%	5.000
415-00	MATTRESSES SINGLE BED	EA		2.420	65.00%	3.990
415-01	MATTRESSES DOUBLE BED	EA		3.680	65.00%	6.070
415-02	FRAMES/FOLDING CARTS/BEDS	EA		3.030	65.00%	5.000
420-00	MILK-PER-CASE	CS		1.440	65.00%	2.380
420-01						
390-02	LAWN MOWERS - PUSH	EA		5.370	65.00%	8.860
390-04	LAWN MOWERS - RIDING	EA		10.700	65.00%	17.660
014 270-07	FENCE, HOLDER, POST BUNDLE	EA		1.440	65.00%	2.380
430-02	MOTORCYCLE CRATED	EA		21.500	65.00%	35.480
435-03	LAWN TRACTOR MOWER DECK	EA	New or Adjusted Rates	14.570	65.00%	24.040
440-04						
450-01	MEATS	LB		2.230	65.00%	3.680
450-02	DRY FOOD GOODS CTN OR BAG	EA		1.440	65.00%	2.380
455-02	PAINTS/PER-CTN	CS		1.440	65.00%	2.380
500-27	PIPE, EMT 2"	FT		0.170	65.00%	0.280
500-28	PIPE, EMT 1 1/2"	FT		0.130	65.00%	0.210
500-29	PIPE, COPPER 3"	FT		0.290	65.00%	0.480
500-33	SONO TUBE, 36"	FT		0.390	65.00%	0.640
500-34	PIPE, BLACK IRON 1/2"	FT		0.040	65.00%	0.070
500-35	PIPE; BLK IRON, 1 1/4"	FT		0.070	65.00%	0.120
500-36	PIPE; BLACK IRON 8"	FT		0.430	65.00%	0.710
500-37	SONO TUBE, 6"	FT		0.070	65.00%	0.120
500-38	PIPE; BLACK IRON 6"	FT		0.360	65.00%	0.590
500-39	SONO TUBE 24"	FT		0.270	65.00%	0.450
500-40	PIPE; BLK IRON, 1 1/2	EA		0.078	65.00%	0.130
500-41	PIPE, PVC 1/2"	FT		0.200	65.00%	0.330
500-43	PIPE, CORREGATED, 12" DIAMETER	FT		0.710	65.00%	1.170

CLASS ITEM NUMBER	DESCRIPTION OF COMMODITY	UOM			Prior Rate	% Increase	Rates
500-44	PIPE, CORRUGATED, 18" DIAMETER	FT			0.980	65.00%	1.620
500-45	SONO TUBE 18"	FT			0.210	65.00%	0.350
500-46	PIPE, EMT, 1 1/4"	FT			0.100	65.00%	0.170
500-47	SONO TUBE, 16"	FT			0.190	65.00%	0.310
500-48	PIPE; BLK IRN, 12"	LFT			0.650	65.00%	1.070
500-49	PIPE, CORRUGATED, 24" DIAMETER	FT			1.250	65.00%	2.060
500-50	PIPE, BLACK IRON, 2 1/2	FT			0.140	65.00%	0.230
500-51	PIPE, PVC, 18"	FT			0.390	65.00%	0.640
500-52	SONO TUBE BASE, FOOTING	EA			0.560	65.00%	0.920
500-53	PIPE; BLACK IRON 4"	EA			0.230	65.00%	0.380
500-54	PIPE; BLACK IRON 3"	FT			0.140	65.00%	0.230
500-55	PIPE, EMT, 4"	FT			0.320	65.00%	0.530
500-56	PIPE, CORRUGATED, 10" DIAMETER	FT			0.660	65.00%	1.090
500-57	PIPE, EMT, 3"	FT			0.270	65.00%	0.450
500-58	PIPE, CORRUGATED, 36" DIAMETER	FT			2.190	65.00%	3.610
505-07	SHEETROCK 4X8X1/4-1/2	EA			1.830	65.00%	3.020
505-13	PANEL; GLASSTEEL, PLASTIC WALL PANEL, CRINKLE CUT	EA			1.010	65.00%	1.670
505-14	PEG BOARD 4X8X1/4	EA			1.830	65.00%	3.020
510-01							
425-00	MIRRORS	EA			4.830	65.00%	7.970
430-00	MOPEDS	EA			8.530	65.00%	14.070
430-01	MOLDING-PER-100-LF	LF			1.440	65.00%	2.380
435-02							
440-01	NAILS-IN-CTN	BX			1.440	65.00%	2.380
440-02	NEWSPAPERS, MAGAZINES BY BNDL	BDL			0.620	65.00%	1.020
440-03	NEWSPAPER, MAGAZINES BY CARTON	CTN			2.420	65.00%	3.990
445-01	OIL-PER-CASE	EA			1.440	65.00%	2.380
445-02	OUTBOARD, MOTOR	EA			5.820	65.00%	9.600
455-01	5-GALLON-PAISLS	EA			1.440	65.00%	2.380
500-00	PIPE, EMT, 1/2"	FT			0.040	65.00%	0.070
500-01	PIPE, EMT, 3/4"	FT			0.060	65.00%	0.100
500-02	PIPE/HOSE PLASTIC	FT			0.060	65.00%	0.100
500-03	PIPE, STEEL, GALV.	FT			0.140	65.00%	0.230
500-04	PIPE, EMT, 1"	FT			0.090	65.00%	0.150
500-05	PIPE, BLACK IRON, 1"	FT			0.070	65.00%	0.120
500-07	PIPE; BLACK IRON, 3/4	FT			0.040	65.00%	0.070
500-09	PIPE, BLACK IRON, 2"	FT			0.110	65.00%	0.180
500-10	PIPE, PVC, 1"	FT			0.030	65.00%	0.050
500-11	PIPE, PVC, 1 1/2"	FT			0.030	65.00%	0.050

CLASS ITEM NUMBER	DESCRIPTION OF COMMODITY	UOM	Prior Rate	% Increase	Rates
500-12	PIPE, PVC, 2"	FT	0.040	65.00%	0.070
500-13	PIPE, PVC, 2 1/2"	FT	0.060	65.00%	0.100
500-14	PIPE, PVC, 3"	FT	0.060	65.00%	0.100
500-15	PIPE, PVC, 3 1/2"	FT	0.080	65.00%	0.130
500-16	PIPE, PVC, 4"	FT	0.090	65.00%	0.150
500-17	PIPE, PVC, 6"	FT	0.130	65.00%	0.210
500-18	PIPE, PVC, 8"	FT	0.170	65.00%	0.280
500-19	PIPE, PVC, 12"	FT	0.270	65.00%	0.450
500-20	PIPE, COPPER, 1/2"	FT	0.090	65.00%	0.150
500-21	PIPE, COPPER, 3/4"	FT	0.100	65.00%	0.170
500-22	PIPE, COPPER, 1"	FT	0.130	65.00%	0.210
500-23	PIPE, COPPER, 1 1/4"	FT	0.140	65.00%	0.230
500-24	PIPE, COPPER, 1 1/2"	FT	0.160	65.00%	0.260
500-25	PIPE, COPPER, 1 3/4"	FT	0.170	65.00%	0.280
500-26	PIPE, COPPER, 2"	FT	0.210	65.00%	0.350
500-30	SONO TUBE, 8"	FT	0.090	65.00%	0.150
500-31	SONO TUBE, 10"	FT	0.110	65.00%	0.180
500-32	SONO TUBE, 12"	FT	0.130	65.00%	0.210
505-00	PLYWOOD 4X8X1/4-1/2	EA	1.830	65.00%	3.020
505-01	PLYWOOD 4X8X3/4-5/8	EA	2.750	65.00%	4.540
505-02	PLYWOOD 4X12X1/2	EA	2.750	65.00%	4.540
505-03	PLYWOOD 4X12X3/4, 5/8	EA	4.130	65.00%	6.810
505-04	PLYWOOD (AC) 4X8X1/4-3/8	EA	2.750	65.00%	4.540
505-05	PLYWOOD (AC) 4X8X1/2	EA	3.200	65.00%	5.280
505-06	PLYWOOD (AC) 4X8X5/8-3/4	EA	4.130	65.00%	6.810
505-08	SHEETROCK 4X8X5/8-3/4	EA	2.750	65.00%	4.540
505-09	SHEETROCK 4X12X1/4-1/2	EA	2.750	65.00%	4.540
505-10	SHEETROCK 4X12X5/8-3/4	EA	4.130	65.00%	6.810
510-00	POLES, TELEPHONE, FLAG	LF	0.540	65.00%	0.890
500-42	PIPE, PVC 3/4"	FT	0.020	65.00%	0.030
305-06	CEMENT STORM DRAINS	EA	10.590	65.00%	17.470
525-00	REFRIGERATORS-LESS THAN 8 CU FEET	EA	8.600	65.00%	14.190
525-01	REFRIGERATORS-8\10-CUBIC-FT- LESS THAN 15 CU	EA	11.010	65.00%	18.170
525-02	REFRIGERATORS-15/19-CUBIC-FT	EA	24.430	65.00%	40.310
525-03	REFRIGERATORS-20\25-CUBIC-FT	EA	36.580	65.00%	60.360
525-04	REFRIGERATORS, WALK-IN	EA	50.110	65.00%	82.680
525-07	ICE MACHINE WITHOUT BIN	EA	14.320	65.00%	23.630
525-08	ICE MACHINE WITH BIN	EA	24.430	65.00%	40.310
525-09	ICE MACHINE BIN	EA	11.430	65.00%	18.860

CLASS ITEM NUMBER	DESCRIPTION OF COMMODITY	UOM			Prior Rate	% Increase	Rates
525-10	MACHINE, SODA	EA			24.430	65.00%	40.310
525-11	MACHINE, GENERATOR <10 KW	EA			6.080	65.00%	10.030
525-12	ICE MAKER	EA			3.560	65.00%	5.870
525-13	MACHINE, EXERCISE	EA			6.080	65.00%	10.030
525-14	DEHUMIDIFIER	EA			5.440	65.00%	8.980
525-15	MACHINE, GENERATOR 10-20 KW	EA			17.180	65.00%	28.350
525-16	MACHINE, GENERATOR >20 KW	EA			42.950	65.00%	70.870
530-02	SAFE, VAULT LESS THAN 3X3X3	EA			7.320	65.00%	12.080
535-03	SAND,BLASTING	BAG			1.440	65.00%	2.380
535-04	SAND, BULK PALLET, NOT IN BAGS	PLT			28.760	65.00%	47.450
	WOOD J BEAM	FT	New or Adjusted Rates		0.550	65.00%	0.910
545-03	STEEL I BEAM	FT			1.070	65.00%	1.770
545-04	STEEL, SHEET, BY SQUARE FOOT	SQF			0.360	65.00%	0.590
550-02	STOVE, WOOD, FIREPLACE	EA			8.950	65.00%	14.770
550-03	STEREO EQUIP	EA			5.010	65.00%	8.270
550-04	GRILL, GAS, OUTDOOR	EA			5.440	65.00%	8.980
555-02	TANK, PROPANE EMPTY	EA			1.160	65.00%	1.910
	TANK, PROPANE 1,000 GAL.	EA	New or Adjusted Rates		100.000	65.00%	165.000
555-03	WATER SOFTENER/ FILTER	EA			2.420	65.00%	3.990
555-04	TANK, PROPANE, 100LB OR GREATER	EA			4.180	65.00%	6.900
555-05	SEPTIC SYSTEM FILTER POD	EA			13.260	65.00%	21.880
560-02	1000 GAL OIL TANK	EA			32.170	65.00%	53.080
560-03	TANKS; OIL OR SEPTIC 330GL	EA			11.630	65.00%	19.190
560-04	CURBING, CEMENT	EA			5.820	65.00%	9.600
560-05	ELJEN DRNS/ SEPTIC INFILTRATOR	EA			1.440	65.00%	2.380
560-06	TANK; OIL, LESS THAN 275	EA			5.040	65.00%	8.320
595-08	RANGE HOOD	EA			2.510	65.00%	4.140
600-15	WELL MATE TANK	EA			8.490	65.00%	14.010
600-16	PAPER GOODS	EA			1.440	65.00%	2.380
515-00	POTATO-CHIPS	CTN			0.620	65.00%	1.020
515-01							
520-00	PUMPS-IN-CTNS	EA			4.830	65.00%	7.970
520-01	PUMP-JACKS-PER-BUNDLE	EA			1.780	65.00%	2.940
520-02	REEL, CABLE 5FT. DIAMETER	EA			21.500	65.00%	35.480
520-03	REEL, CABLE >5FT. DIAMETER	EA			42.950	65.00%	70.870
520-04	REEL, CABLE, EMPTY	EA			12.180	65.00%	20.100
525-05	REEL, CABLE <5FT. DIAMETER	EA			6.650	65.00%	10.970
525-06	RE ROD	FT			0.040	65.00%	0.070
530-00							

CLASS ITEM NUMBER	DESCRIPTION OF COMMODITY	UOM	Prior Rate		% Increase	Rates
530-01	RED-ROSIN-PAPER	EA			0.800	65.00% 1.320
535-00	SALT-IN-BAGS	EA			1.440	65.00% 2.380
540-00	SIGNS-NEON-OR-ELECTRIC	EA			12.160	65.00% 20.060
545-00	SHINGLES-WOOD-ASPHALT	BDL			0.980	65.00% 1.620
550-00	STOVES-GAS-PROPANE	EA			6.080	65.00% 10.030
550-01	STOVES, RANGE; RESTUARANT FURNACE	EA			24.430	65.00% 40.310
555-00	TANKS; PROPANE,GAS,OXY,ACET, DIVE TANKS	EA			2.420	65.00% 3.990
555-01	TURF	PLT			23.250	65.00% 38.360
560-00	TANKS; OIL OR SEPTIC 275GL	EA			8.050	65.00% 13.280
560-01	TANKS; 500 GAL OIL	EA			15.830	65.00% 26.120
016 400-07	THRESHOLD	EA			0.710	65.00% 1.170
	THRESHOLD - MARBLE	EA	New or Adjusted Rates		1.500	65.00% 2.480
570-03						
570-04	TENT, GARDEN	EA			5.010	65.00% 8.270
575-04	TILE, WELL 24" OR LESS	EA			5.440	65.00% 8.980
575-05	TILE; WELL COVER 24" OR LESS	EA			3.480	65.00% 5.740
580-021	TIRE, LARGE, TRACTOR	EA			2.510	65.00% 4.140
580-04	TREE, SHRUB, LIVE OVER 8'	EA	New or Adjusted Rates		20.000	65.00% 33.000
580-06	PLANT, TRAY	EA			1.440	65.00% 2.380
580-07						
585-01	TOBACCO, CANDY, SMOKING ACC	EA			2.420	65.00% 3.990
590-01	VOTING MACHINE, SMALL, TABLE SIZE	EA			12.660	65.00% 20.890
595-09	WASHER/DRYER COMBINATION	EA			12.180	65.00% 20.100
595-10	DRYER, COMMERCIAL, LARGE	EA			12.180	65.00% 20.100
600-04	WINDOW; QUAD	EA			29.290	65.00% 48.330
600-17	TANK, EXTROL, WELL SIZE	EA			8.490	65.00% 14.010
600-18						
600-19	WINDSURFER	EA			7.170	65.00% 11.830
600-20	SURFBOARD	EA			6.500	65.00% 10.730
565-00						
570-00	TELEVISION SETS; IN CARTONS COLOR	EA			12.160	65.00% 20.060
575-00	TILE; WELL OVER 24"	EA			9.090	65.00% 15.000
575-01	TILE; FLOOR, VINYL, ETC.	CTN			1.250	65.00% 2.060
575-02	TILE; WELL COVERS GREATER THAN 24"	EA			5.360	65.00% 8.840
575-03	TILE, CEILING, BOX	EA			1.440	65.00% 2.380
580-00	TIRES; RUBBER, PASSENGER CAR	EA			1.440	65.00% 2.380
580-01	TIRES; TRUCK	EA			1.950	65.00% 3.220
580-02	TREES; SHRUBS UNDER 4'	EA			1.530	65.00% 2.520
580-03	TREES; SHRUBS OVER 4'	EA			1.950	65.00% 3.220

CLASS ITEM NUMBER	DESCRIPTION OF COMMODITY	UOM	Prior Rate		% Increase	Rates
585-00	TABACCO; CHEWING, CIGARS, CIGAR ETTE,	CTN			2.420	65.00% 3.990
590-00	VOTING / ATM MACHINE	EA			24.310	65.00% 40.110
595-00	WASHING MACHINES	EA	New or Adjusted Rates		9.000	65.00% 14.850
595-01	RANGE	EA	New or Adjusted Rates		9.000	65.00% 14.850
595-02	DISHWASHER	EA	New or Adjusted Rates		9.000	65.00% 14.850
595-03	DRYER	EA	New or Adjusted Rates		9.000	65.00% 14.850
595-04	MICROWAVE	EA			6.080	65.00% 10.030
600-00	WINDOWS; SINGLE, SASHES	EA			3.680	65.00% 6.070
600-01	WINDOWS; DOUBLE MULLION	EA			4.830	65.00% 7.970
600-02	WINDOWS; PICTURE, PLATE GLASS THERMOPANE OR TRIPLES	EA			24.430	65.00% 40.310
600-03	WINDOWS; IN BOXES OR CARTONS	EA			4.030	65.00% 6.650
600-12	ENVELOPE, MISC	EA			1.440	65.00% 2.380
600-13	TANK, EXTROL SMALL	EA			2.420	65.00% 3.990
600-14	TANK, EXTROL LARGE	EA			4.830	65.00% 7.970
601-11						
017 285-03						
600-10	EMPTY DRUM, KERO, OIL 55 GAL	EA			2.510	65.00% 4.140
601-07						
601-12						
601-13	DURA-ROCK, WONDERBOARD 3X5	EA			2.150	65.00% 3.550
601-14	RADIATOR, CAST IRON	EA			3.560	65.00% 5.870
601-15						
601-16	FEDERAL EXPRESS PKG	EA			2.300	65.00% 3.800
601-17	DURA-ROCK, WONDERBOARD 4X8	EA			4.590	65.00% 7.570
601-18	DURA-ROCK, WONDERBOARD 3X6	EA			2.590	65.00% 4.270
601-19	DIAMOND PLATING, LATH, GALV APPROX. 4X8	EA			1.440	65.00% 2.380
600-09	DRUM, 55 GAL, KERO, OIL	EA			7.320	65.00% 12.080
601-00	UPS PKG	EA			6.110	65.00% 10.080
601-01	PKG MISC	EA			1.440	65.00% 2.380
601-02	BAG MISC	EA			1.440	65.00% 2.380
601-03	JAMBS	BDL			1.440	65.00% 2.380
601-04	BOX, FITTING	EA			1.440	65.00% 2.380
601-05	TYPAR, TYVEK, ROLL	EA			1.440	65.00% 2.380
601-06	PALLET, PERSONAL	EA			7.860	65.00% 12.970
601-08	BASE BOARD	EA			1.780	65.00% 2.940
601-09	BASE BOARD; CAST IRON	EA			2.870	65.00% 4.740
601-10	BUNDLE MISC	EA			1.440	65.00% 2.380
601-9	GALLON CAN, MISC	EA			1.440	65.00% 2.380
090 165-00	CTN MISC	EA			1.440	65.00% 2.380

CLASS ITEM NUMBER	DESCRIPTION OF COMMODITY	UOM	Prior Rate % Increase Rates			
101 225-01						
230-01						

INTERSTATE NAVIGATION COMPANY
U.S. MAIL, PASSENGER AND FREIGHT SERVICE

**Direct Testimony and Exhibits of
Joshua Linda**

Prefiled Direct Testimony
of
Joshua Linda, Vice President
Regarding Traditional Service Rates

Interstate Navigation Company
Docket No. _____

November 2012

INTRODUCTION

Q. Please state your name, position and business address for the record.

A. My name is Joshua Linda and I am Vice President of Interstate Navigation Company, d/b/a the Block Island Ferry. Our business mailing address is P.O. Box 482, New London, Connecticut 06320, and our administrative office is located at 14 Eugene O'Neill Drive, New London, Connecticut. Interstate also has offices in Galilee, Rhode Island and Block Island, Rhode Island.

Q. Mr. Linda, have you testified for Interstate before the Rhode Island Public Utilities Commission as a witness prior to this docket?

A. Yes.

Q. What is your educational background?

A. I have a Bachelor's Degree in Business Management from Roger Williams University.

Q. What is your background with Interstate Navigation Company (Interstate)?

A. I am a licensed Captain and the holder of a coast Guard 100-ton Master's license. I have been working with Interstate in various capacities for over 24 years. I have worked on the vessels as a deck hand, an engineer, a mate, and as a captain. I have worked with my father, Raymond Linda, the General Manager of the company, in the construction, maintenance, and repair of our vessels and docking facilities. I have also worked with my mother, Susan Linda, the President and Chief Financial Officer of the Company, in the office on the various administrative responsibilities of running the company. In addition to being Vice President of the company, I am one of three Directors of the company. I have been involved in the ferry business with Interstate for my entire working life.

Q. Are you familiar with Interstate's last rate filings Docket # 3762?

A. Yes. In Docket #3762, Interstate agreed to a five year rate plan (that was subsequently increased to six years) with the Division and the Town which was approved by this Commission.

1 Please see Mr. Edge's prefiled testimony for a brief summary of the agreed upon points in the
2 rate plan and how Interstate was compliant with all of the points.

3
4 **Q. What is the purpose of your testimony in this filing?**

5 A. I will present information regarding our general financial situation and a general overview of
6 the goals which Interstate has for the future. In addition, I will be prepared to respond to any
7 questions relating the overall operation of the Company to include scheduling, staffing and
8 management; the description, use and proposed maintenance of our vessels; the description, use
9 and maintenance of our proposed new office building/administrative headquarters in Galilee
10 planned for 2013; and the description, use and proposed maintenance of the docks, ramps and the
11 passenger and freight terminals and related equipment and facilities.

12
13 **Q. Are you familiar with the Point Judith terminal expansion project and can you provide**
14 **the Commission with an update on this project?**

15 A. Certainly. As stated in the last docket, "The Block Island Ferry terminal expansion project
16 originally involved relocating the existing terminal building and associated pedestrian/vehicular
17 operations to a different location on the site, including repaving the entire site and flood-proofing
18 the new structure in accordance with current FEMA flood regulations. Freight operations were
19 to be centralized and expanded in the small existing building along the bulkhead between the
20 ferry ramps." However, when the original bids were open January 2002 the lowest bid of \$1.1
21 million was considerably more than the budget.

22
23 After deciding not to proceed as a result of the high bids, a redesign of the project was initiated
24 in March 2002. In order to lower construction costs changes were made as follows:

- 25
26 1. The existing ferry terminal building was left in the same location.
27 2. Interstate performed interior modifications to provide a winter waiting area and bathrooms
28 as well as a pedestrian shelter addition.
29 3. The freight operations were relocated to a new freight depot building by the eastern
30 portion of the site.
31 4. To reduce truck/freight traffic on Great Island Road, the existing driveway behind the
32 Sunflower Restaurant was used to provide rear access to the freight operations and reduce
33 traffic on Great Island Road.

- 1 5. The truck/freight access change (trucks entering in the rear and exiting onto Great Island
2 Road) required modification of the existing driveway apron onto Great Island Road.
3 6. RI Coastal Resources Management Council (CRMC) permit and Water Quality Certificate
4 applications were submitted in July 2003. We receive CRMC approval. Final plans,
5 specifications and bid documents were then submitted to the State for putting the project
6 out to bid.
7

8 **Q. What happened next?**

9 A. The bidding process was completed April 8th 2005. The winning bid was \$773,000 by J. G.
10 Edwards Construction Co., Inc of Portsmouth R. I. After the State awarded the contract, the
11 building permit was issued April 18th 2005 and construction commenced shortly thereafter.
12 Construction was substantially completed May 26th 2006, at a final cost of \$943,206 including
13 change orders in the amount of \$170,206. The project has been very well received by our
14 employees and our customers.
15

16 Since the completion of this project Interstate has turned its attention at Point Judith (Galilee) to
17 the construction of a new office building which will house Interstate's corporate headquarters
18 which are currently located in New London. Adjoining property formerly occupied by the
19 Sunflower Restaurant, which was closed and out of business, was leased from the state. The
20 state authorized the demolition of the old restaurant building, and we have demolished it. Plans
21 and specifications are completed and are now being reviewed by the appropriate government
22 agencies for the issuance of the necessary permits. The project has been put out to bid and we
23 have tentatively selected a contractor, but we are awaiting permits before we sign a construction
24 contract. This project is estimated to cost about \$1,000,000 and is expected to be completed
25 before the summer of 2013. At that time we plan to relocate our administrative
26 office/headquarters from New London to Galilee.
27

28 **Q. Mr. Linda, what are the major reasons which have caused the need for rate relief at**
29 **this time?**

30 A. The major reasons are listed in Mr. Edge's prefiled testimony pages 4-6, but I would like to
31 provide additional comments from my point of view.
32

- 1 1. First, fuel costs continue to rise and increase the cost of providing service to our
2 ratepayers. Although the statutorily authorized fuel surcharge has helped greatly, the
3 surcharge at certain times can be somewhat unfair to passengers, especially to Islanders
4 in the off-season. After reviewing the situation, I agree with Mr. Edge that a more
5 reasonable base price for fuel costs should be included in our base rates so that rate
6 classes will pay their fair share of the fuel costs throughout the year. We are therefore
7 recommending that the Commission approve our requested \$1.00 increase (an increase
8 from \$2.00 to \$3.00) in fuel costs in base rates.
9
- 10 2. Mr. Edge also provides in his testimony evidence that shows that our passenger and bike
11 revenues have declined in recent years as a result of competition. I have seen first hand
12 the results of competition. I understand why we had to spend significant dollars
13 improving our vessels and terminals in order to compete in this tourist-driven market.
14 Our recent efforts have been directed toward entering the fast ferry market, which is
15 something for which our summer tourist customers have shown a clear preference. So
16 we added a fast ferry (the *MV* Athena) on the Point Judith to Block Island run and it has
17 proven to be very successful, year after year. I have been intimately involved with
18 placing the *MV* Athena into service, integrating it into Interstate's fleet, and making it a
19 successful operation. Next we will add another fast ferry (the *MV* Islander) on the
20 Newport to Block Island run in the summer of 2013 (and we will remove the old *MV*
21 Nelseco from the run). We hope to sell the *MV* Nelseco to provide the funds needed to
22 improve the new fast ferry.
23
- 24 3. In 2012, we purchased the *MV* Islander for just over \$440,000. It needed a lot of work.
25 We are currently investing another approximate \$1,000,000 to rebuild and upgrade it to
26 the condition Interstate has always strived for in its vessels. I have been directly
27 involved in the purchase, rebuilding and upgrading of the vessel from day one.
28
- 29 This new fast ferry will be docked overnight at Point Judith and will operate between
30 Newport and Block Island. Its first run of the day will be from the Point Judith to our
31 new Newport dock at Perrotti Park. Its daily schedule (for about ten weeks) will be to

1 depart Newport at 9AM, 12:05 PM, and 6:45 PM. It will depart Block Island for
2 Newport at 10:30 AM and 5:05 PM. Its last run of the day will depart Block Island at
3 8:15 PM and return to Point Judith.

4
5 Mr. Edge asked me to help him with the projected revenues and costs for this new vessel.
6 To do so I had to make certain assumptions regarding the number of passengers that I felt
7 we would carry. I used my recent experience building ridership on the fast ferry Athena
8 to make what I believe are reasonable estimates. My estimates are that from Newport to
9 BI we will carry about 60 passengers on the first run, 40 passengers on the second run
10 and 30 passengers on the last run to BI. The traffic from BI to Newport will include all
11 of the passengers returning to Newport, and additional passengers we expect to travel
12 from BI to Newport. I calculated that the *MV* Islander will carry a total of about 18,000
13 passengers (94% adults and 6% children – the Interstate averages). We expect to take
14 about 2,800 bikes per year at a rate of \$6.00 per trip.

15
16 Although I expect that this service will likely result in a loss the first few years of
17 operation, I am confident that we will eventually have the same kind of success with the
18 *MV* Islander that we have had with the *MV* Athena. I am expecting a small profit by the
19 third year of operation.

20
21 **Q. Management of Interstate has never recommended that profits that were authorized**
22 **by this Commission and earned by Interstate be paid out in dividends to stockholders.**
23 **Could you comment on why?**

24 A. Certainly. My family and especially my grandfather, John H. Wronowski, who owned and
25 operated this Company for about 60 years until his death in 1997, has always looked at Interstate
26 as a very important entity which should be nurtured, passed through the family if possible, and
27 whenever possible, improved and financially strengthened. To this end, the controlling
28 owners of the Company (currently my parents) have chosen to forgo paying dividends so that the
29 money could be reinvested into the Company. Although certain minority shareholders have been
30 asking the Company to declare dividends, the controlling shareholders have chosen to reinvest

1 the Company earnings instead of declaring dividends. This was done so that cash would be
2 available when Interstate needed money to make major capital investments.

3
4 **Q. Mr. Linda, what are Interstate's goals for the future?**

5 A. Our immediate goals are to continue to improve our vessels and service, comply with the
6 Homeland Security Coast Guard regulations, and to continue to improve the staging and terminal
7 areas at Point Judith and on Block Island. Our long term goals are as they have always been, to
8 provide the best quality year-round ferry service to Block Island at reasonable rates, now in the
9 face of increasing competition for summer tourists, while at the same time maintaining the
10 financial strength of the Company.

11
12 We are no longer a monopoly in the true sense. A summer fast ferry is available to Block Island
13 from New London (owned by a competitor). A summer ferry is available to Block Island from
14 Long Island (owned by a competitor). A brand new summer fast ferry is available from Quonset
15 Point to Martha's Vineyard (owned by a competitor). A summer fast ferry is available for
16 lighthouse tours of Narragansett Bay (owned by a competitor). The fight for summer tourist
17 dollars (which heavily subsidize the lifeline ferry service we run to Block Island year round), is a
18 tough one and we must keep up. It is imperative, now that we are in such a competitive market,
19 for us to recognize that we need to come up with creative strategies for retaining and hopefully
20 expanding our summer customer base. It is for this reason that we are expanding our fast ferry
21 service into Newport and proposing in this docket creative ways to attract summer tourists in the
22 slow Monday through Thursday times, as outlined in the testimony of Mr. Edge.

23
24 We have also recently purchased (at a very low price) the *MV Southland*, a tour boat that ran for
25 many years out of the same State Pier that we run out of in Galilee. This company went out of
26 business, despite its continued popularity with summer tourists. The vessel is in poor condition
27 due to deferred maintenance and we are in the process of rebuilding and upgrading it at our
28 Montville Shipyard. We expect to place it back into service as a tour boat from the State Pier in
29 the summer of 2014. We believe that, with proper management and marketing, it can be another
30 successful addition to our fleet. We also believe it will help us compete for summer tourist
31 dollars by providing additional option for tourists. The *MV Southland* will have narrated tours

1 of the calm waters of Point Judith Pond and the Point Judith Harbor of Refuge. We may also
2 offer evening cruises and charters. This tour boat service on calm waters will be attractive to
3 those who love the water but may not want to undertake a trip to Block Island across the open
4 ocean, such as families with young children and older customers such as senior center groups.
5 We think this new option will increase our summer customer base and make us more competitive
6 with competing options such as the Narragansett Bay lighthouse tours.

7
8 **Q. Mr. Linda, does Interstate perform maintenance on its vessels in-house?**

9 A. Yes, for the most part. The cost of general maintenance that is done on the vessels weekly
10 as things break, or the significant work that we do on the vessels from October to June at the
11 Montville shipyard is extensive. During these off season months, my father and I work with
12 five of our engineers to complete what we consider normal annual maintenance on the vessels.

13
14 The items that I consider general annual maintenance are posted to our general ledger account
15 #301027 on Mr. Edge's Schedule WEE-3. It should be noted that our general maintenance
16 account does not include the in-house labor costs that are already accounted for in our salary
17 dollars in this filing. Further, it should be noted that Mr. Edge left this account at the test year
18 level for the rate year.

19
20 **Q. How much would the labor costs be if the annual maintenance were completed at local**
21 **shipyards with their labor force?**

22 A. Local shipyards currently charge about \$75 per hour for work that they do on vessels. I
23 estimate that our crew, my father and I work about 10,000 hours on our vessels from October
24 until the last boat is returned to service in the summer. If we were to put our vessels into a
25 shipyard for general maintenance it would cost us about \$750,000 in labor costs.

26
27 We believe that there is a significant savings to the ratepayers (nearly a million dollars each year)
28 with us doing the work. My family has always tried to save money for the ratepayers and we
29 have been working on our own vessels every winter since my grandfather started the business.

1 **Q. Are you requesting expedited rate relief?**

2 Yes. Because the overwhelming majority of our revenues are generated between Memorial Day
3 and Labor Day, we respectfully request that the new rates be authorized before Memorial Day
4 weekend, 2013. We realize that this does not provide the full 9 months allowed by statute to the
5 Commission and the Division for review, and we apologize for not making the filing sooner.
6 However, we were so busy in the summer that we could not spend as much time as we wanted
7 putting together a full rate filing (especially one that includes a full cost of service study and new
8 rate design). Moreover, we have been extremely busy this year with, among other things,
9 working to plan, design, and obtain the lease, permits and approvals (including a needed zone
10 change) for the new office building, working to acquire and rebuild the new fast ferry for
11 Newport (the *MV* Islander), and working to rebuild the *MV* Southland, not to mention having to
12 recently deal with Hurricane Sandy. This all delayed the rate filing, but we will do whatever we
13 can to assist the Commission and the Division in their review so that we can hopefully have new
14 rates in place before Memorial Day.

15
16 **Q. Does that conclude your testimony?**

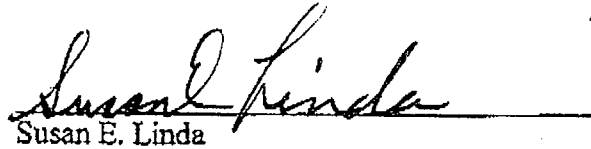
17 A. Yes. However, I wanted to point out that the attestation which is required under
18 Commission Rule 2.7 was signed by my mother Susan Linda who is President and Treasurer of
19 Interstate. She will be prepared to respond to questions that cannot be answered by Mr. Edge or
20 Mr. Bebyn relating to the financial data provided to Mr. Edge and Mr. Bebyn and presented in
21 this filing.

INTERSTATE NAVIGATION COMPANY
U.S. MAIL, PASSENGER AND FREIGHT SERVICE

Attestation of Susan E. Linda

Attestation of Financial Data pursuant to Rule 2.7:

I, Susan Linda, President and Treasurer of Interstate Navigation Company, do hereby attest to the accuracy of the test year, financial data presented in the rate base, cost of service and other financial statements; that such data purports to reflect the books of the company, and the results of operations; and that all differences between the books and the test year data, and any changes in the manner of recording an item on the Company's books during the test year, have been expressly noted.


Susan E. Linda

INTERSTATE NAVIGATION COMPANY

U.S. MAIL, PASSENGER AND FREIGHT SERVICE

Direct Testimony and Exhibits of Walter E. Edge, Jr., MBA, CPA

**Prefiled Direct Testimony
of
Walter E. Edge Jr., MBA, CPA
Regarding Traditional Service Rates**

**Interstate Navigation Company
Docket _____**

November 2012

TABLE OF CONTENTS

	<u>PAGE #</u>
TESTIMONY:	
INTRODUCTION	1
OVERVIEW	4
RATE YEAR COST OF SERVICE	8
Revenues	8
Expenses	11
RATE BASE/RATE OF RETURN	24
RATE DESIGN	27
RATEPAYER IMPACT	39
SCHEDULES:	
Rate Year Schedules:	
Rate Year Summary	WEE-1
Revenues Summary – Rate Year	WEE-2
Projected Revenue & Expenses Newport Service Only	WEE-2a
Expenses Summary – Rate Year	WEE-3
Payroll Taxes – Rate Year	WEE-4
Fringe Benefits – Rate Year	WEE-5
Analysis of Depreciation	WEE-6
Wharfage Expense – Rate Year	WEE-7
Homeland Security Summary – Rate Year	WEE-8
Advertising Expense – Rate Year	WEE-9
Fuel Expense Summary – Rate Year	WEE-10
Rate Base – Rate Year	WEE-11
Rate of Return and Federal Income Tax – Rate Year	WEE-12
Rate Allocation – Rate Year	WEE- 13
Rate Design - Calculation of Passenger Rates	WEE-14
- Calculation of Vehicle Rates	WEE-15
- Calculation of Truck Rates	WEE-16
- Calculation of Freight Rates	WEE-17
Freight Rates – Before Rate Increase	WEE-17a
Freight Rates – After Rate Increase	WEE-17b
- Calculation of Bike Rates	WEE-18
Proof of Revenues	WEE-19

INTRODUCTION

Q. Will you state your name and business address for the record?

A. Yes. My name is Walter E. Edge Jr. MBA, CPA and I am the Vice President of the firm of B&E Consulting LLC (B&E) at 21 Dryden Lane, Providence, Rhode Island 02904.

Q. Mr. Edge, have you testified before the Rhode Island Public Utilities Commission (PUC) as an expert utility accounting and rate witness prior to this docket?

A. Yes, many times. In addition, I was formerly the chief rate analyst for the Division of Public Utilities and Carriers (DPUC) for five years and while in that position I was required to testify on numerous occasions relating to all of the utilities regulated by the R.I. PUC. In addition to my testifying experience at the R.I. PUC, I have also testified before a Rhode Island Grand Jury, the Rhode Island Superior Court, Federal Courts in R.I. and Massachusetts, the Federal Communications Commission and the Power Authority of the State of New York.

Q. Since leaving the DPUC have you testified before the R. I. PUC?

A. Yes I have. During the last approximately twenty two years I have provided consulting services (expert testimony, etc.) for Interstate Navigation Company (Interstate), Block Island Power Company, Narragansett Bay Commission, Providence Water Supply Board, Newport Water, Pawtucket Water Supply Board, Stone Bridge Fire District, North Smithfield Water, Woonsocket Water, Prudence Island Ferry, and Osram Sylvania Company.

Q. What is your knowledge of Interstate?

A. I presented expert testimony for Interstate in its last four general rate filings before the Commission; Dockets #3762, #3573, #2484, and #1935. Also, I prepared and presented testimony for Interstate in dockets relating to fast ferry operations such as the Island Hi-Speed Ferry (IHSF) CPCN docket, Interstate's request for its own CPCN to provide fast ferry service, Interstate's lease of the fast ferry vessel the M.V. *Athena*, and Interstate's request for fast ferry rates. I also testified in Interstate's docket to buy the IHSF fast ferry operation.

1 **Q. Mr. Edge, do you have additional knowledge relating to Interstate Navigation?**

2 A. Yes. My staff and I have prepared Interstate's annual PUC reports for the past twenty years
3 and I have completed the final review of each report before filing.
4

5 **Q. What were the results of Docket #3762, the last full rates case?**

6 A. On December 27, 2006 the PUC approved a five year rate plan for Interstate which was the
7 result of an Amendment Settlement. This five year rate plan was extended one year, through
8 December 31, 2012. This rate filing will be the first in about seven years.
9

10 **Q. What is the purpose of your testimony in this filing?**

11 A. My testimony is in support of Interstate's traditional service rate increase request for new
12 rates which we are hopeful will be approved before Memorial Day weekend of 2013 which will
13 be approximately six months after the end of the six year rate plan. In this testimony, I will
14 address the cost of service/revenue requirement for the rate year (Fiscal Year (FY) ending May
15 31, 2014), the rate year rate base, and the appropriate rates of return (on rate base and equity).
16 Please refer to Mr. Bebyn's testimony for his evaluation of the test year (FYE May 31, 2012), his
17 five year comparative revenue and expense analysis and Mr. Bebyn's portion of our combined
18 cost allocation/rate design study.
19

20 **Q. Mr. Edge is this filing a regular traditional rate filing?**

21 A. Yes it is. Interstate will present a true-up of the traditional service revenues and rates which
22 have fallen out of balance as a result of the rate plan (a five year plan extended to 6 years).
23 Interstate intends to address the current subsidization of the traditional service rates with the
24 entire amount of Interstate's fast ferry service profits. Further, Interstate believes that the
25 traditional service rates should be calculated to generate the appropriate return on equity without
26 any subsidization from the fast ferry operation. In that way the traditional service rates can be
27 reduced to reflect a reasonable profit contribution from Interstate's fast ferry operations.
28
29

1 **Q. Has Interstate met the test year and rate year filing requirements?**

2 A. Yes we have. The test year (June 1, 2011 to May 31, 2012) is less than 9 months old (PUC
3 rule 2.6 (a)) and the rate year June 1, 2013 to May31, 2014 starts less than 6 months after the
4 proposed effective date (PUC rule 2.6 (b)).

5
6 **Q. Does that conclude your introduction section of your testimony?**

7 A. Yes.
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

OVERVIEW

Q. What traditional service rate filings has Interstate made in the past fifteen years?

A. There have been only three traditional service rate filings within the past fifteen years as follows:

DATE FILED	DOCKET #	\$ INCREASE ALLOWED
1996	2484	\$1,171,000
2003	3573	1,456,061
2006	3762	1,100,694
2012		

Q. What were the findings or stipulations as a result of Docket 3762?

A. They were as follows:

- 1) In addition to setting the increase revenue requirement at \$1,100,694 effective January 1, 2007, the stipulation established a five year rate plan.
- 2) The five year rate plan (January 1, 2007 through December 31, 2011) included 1) a two year rate freeze (CYs 2007 and 2008), 2) restrictions on rate increases for traditional ferry service in CY 2009, 2010 and 2011 (extended to 2012 by subsequent Commission Order), 3) a performance-based rate plan which included an earnings sharing mechanism, and 4) procedures to credit customers for decreases in fuel prices for traditional service below a \$2.00 per gallon floor during the term of the plan.
- 3) The CY 2007 rate increase was applied to the traditional rates as follows: 0% increase for freight, 5% increase for commuter passengers and commuter vehicles and a 15.72% increase on all other tariff services. There were also some changes in the eligibility requirements for discount commuter rates.
- 4) The settlement included an Exogenous Event provision which was never used. The settlement restricted Interstate from filing any rate increase request if its return on equity exceeded 11%.
- 5) The rate plan provided for inflation filings and earnings below floor filings. During the first five years of the rate plan Interstate filed three CPI filings and two earnings below floor filings. It should be noted that the CPI rate increases were permanent and did not apply to commuter or freight rates while the earnings below floor rate increases were for one year and applied to all rates.

- 1 6) Interstate agreed to file certain statistical and financial information which has been filed
2 timely each year.
3
- 4 7) The parties agreed to a final determination of whether Interstate exceeded its allowed rate
5 of return on equity to be done in 2012 (subsequently moved to 2013). The excess profits,
6 if any, are to be split between the company and the ratepayers as follows: The company
7 would receive all profits up to 12.5% and the company and the ratepayers would share
8 any additional profits equally (50/50).
9
- 10 8) Funding for Homeland Security in the amount of \$250,000, with the monies to be
11 maintained in a separate and restricted account. Interstate has maintained all of the
12 Homeland Security funds in a separate interest bearing restricted account.
13
- 14 9) The rate plan included an allocation of Interstate's fast ferry profits to subsidize the
15 traditional service revenues and rates. First, the fast ferry income earned by Interstate in
16 the summer of 2006 (\$365,750 earned before the rate plan period) was amortized (given)
17 to the ratepayers during the first three years of the rate plan (CY 2007, 2008, and 2009).
18
- 19 The rate plan also stated that under no circumstances could the fast ferry profit be less
20 than zero in any year of the rate plan. This means that any loss from fast ferry operations
21 would have to be 100% absorbed by Interstate owners.
22
- 23 The rate plan continued to adversely impact Interstate's owners. The annual pretax profit
24 for the fast ferry operations was then set by the rate plan at \$208,357 per year (a subsidy
25 to the traditional service) which meant that if the fast ferry operation did not make
26 \$208,357 the owners of Interstate would have to make up the difference.
27
- 28 If the fast ferry profit exceeded the projected \$208,357, Interstate would not get the
29 excess profit. Instead the settlement required Interstate to use the additional profit
30 (actual profit) from the fast ferry operations in the earnings below floor calculation and
31 the allocation of excess profits at the end of the rate plan. In short, Interstate took all of
32 the risk and the ratepayers received the reward.
33
- 34 10) There were three other items addressed in the plan: rate case expense, accumulated
35 deferred income taxes and depreciation accrual rates. These will impact the allocation of
36 excess profit calculation in 2013.
37

38 **Q. Has Interstate complied with all of the rate plan stipulations?**

39 A. Yes, with the exception of the formal Final Accumulated Earnings Report (true-up) due on
40 June 1, 2013.
41

1 **Q. Mr. Edge, what are the major reasons for this rate relief filing?**

2 A. By far the single largest issue is the fact that for the last four years Interstate's traditional
3 service has lost almost \$500,000 per year from its own operations. If it weren't for the great
4 success that Interstate has had growing the fast ferry business, the rate plan would have been a
5 miserable failure. Interstate is no longer willing to take all the risk of the fast ferry service and
6 give all of the benefits to the ratepayers. Only because Interstate was sure of its ability to run the
7 fast ferry service at a profit were the owners willing (in good faith) to show the Commission
8 what it could do. Now, Interstate intends to share in the fast ferry profits.

9
10 Always an issue in Interstate rate cases is the cost and consumption of fuel for the traditional
11 ferries. In this filing, I will address the test year and current consumption and cost of fuel, the
12 emergency fuel surcharge and projected fuel expense in the rate year for the traditional ferries.

13
14 I will also review the items included in rate base and calculate an average rate base (beginning
15 rate year rate base plus ending rate year rate base divided by 2). Since assets have changed
16 (some new and some gone) over the six year rate plan, the rate base will be much different than
17 the one used in 2006. The rate base will include deferred federal income tax and depreciation
18 impacts.

19
20 Further, I will review all of the major general ledger accounts like payroll, payroll taxes,
21 employee pension and health insurance to determine the proper rate year level of expense. Other
22 lesser accounts such as crew expense, wharfage, telephone expense, credit card administrative
23 fees, and professional services will also be reviewed but in less detail.

24
25 **Q. Are there any rate design changes?**

26 A. Yes. This filing will include a cost allocation/rate design study and provide the evidence
27 regarding any rate design changes. This will be the first full rate design testimony for Interstate
28 since Mr. Fox's testimony in Docket 1835, Commission Order #11995 dated April 1986.

1 **Q. Have there been any partial rate studies since 1986?**

2 A. Yes. There was a loose freight rate design study completed and filed in June of 1998.

4 **Q. What is the increase in revenue requirement requested by Interstate in this filing?**

5 A. Interstate is requesting an increase in revenue of \$1,302,177 or 13.19%

7 **Q. Will all rates increase by 13.19%?**

8 A. No, Interstate will be increasing its rates based upon a new cost allocation study therefore
9 some rates will be increasing while others decrease.

11 **Q. Does that conclude your overview?**

12 A. No, I think that it would be helpful for the Commission and the Division if I provide a brief
13 description of the current traditional ferry vessels owned by Interstate and the routes they travel
14 as follows:

#	Vessels	Routes	Capacity
1.	<i>M. V. Block Island</i> (Built 1997)	Runs from Point Judith to Block Island year-round	1,000 passengers, 35 cars.
2.	<i>M. V. Anna C</i> (Built 1986)	Runs from Point Judith to Block Island year-round	1,000 passengers, 35 cars.
3.	<i>M. V. Carol Jean</i> (Built 1984) (Re-powered and winterized 2005)	Runs from Point Judith to Block Island primarily in the summer.	1,300 passengers and 35 cars.
4.	<i>M. V. Nelseco</i> (Built 1981)	Runs from Newport to Block Island	839 passengers with 0 cars.

15 Interstate also owns the *MV Manitou* which is a very old, small vessel used for standby.

17 **Q. Does that conclude your overview testimony?**

18 A. Yes.

RATE YEAR COST OF SERVICE

Revenues:

Q. In general what revenues does Interstate collect?

A. Interstate received revenue from 10 sources in the test year. They include the following:

Type of Revenue	T.Y. %	D. #3762	D. #3753	D. #2484
Passenger Revenue	47.8%*	45.0%	50.8%	56.0%
Car/Truck Revenue	34.8%	36.7%	30.8%	23.8%
Bike Revenue	1.4%	1.4 %	1.8%	2.8%
Freight Revenue	8.1%	7.9 %	7.8%	8.0%
Total	92.1%	91.0%	91.2%	90.6%
Bar Revenue	5.1%	5.5%	6.2%	5.2%
Miscellaneous Charter Revenue	1.4%	3.0%	1.3%	3.0%
Mail Revenue	<1.0%	<1.0%	<1.0%	<1.0%
Landing Fee Commission	<1.0%	<1.0%	<1.0%	<1.0%
Other Income	<1.0%	<1.0%	<1.0%	<1.0%
Interest Income	<1.0%	<1.0%	<1.0%	<1.0%

* Excluded fast ferry passenger revenue of approximately \$2,000,000

The first four revenue accounts listed above (passenger, car/truck, bike and freight), make up about 92% of all of Interstate's revenue and therefore require the most time in calculating the rate year projected revenue levels. These four accounts are tariff related activities and as such they are regulated by the PUC. Bar revenue (rates are not regulated) is offset by bar supplies expense and only the net profit margin is available to lower rates. Mail revenue, landing fee commission, and other income are all minor unregulated revenue accounts (less than 1% of the total revenue) that are used in the rate making process to reduce the annual revenue requirement for the ratepayers. Miscellaneous Charter Revenue is for the most part revenue from special and hazardous charters. Interest income is the stockholder's return on its cash investment and therefore is not included in the cost of service.

1 **Q. Are there any other points about the above revenue accounts that should be**
2 **considered?**

3 A. Yes. Most of Interstate's revenue is directly affected by seasonal changes, winds,
4 temperature variances (degree days), rain and other weather. Further, Interstate is a summer
5 peaking utility that derives the overwhelming majority of its revenue in June, July and August.
6 When looking at revenue for just one year, it is imperative to consider the weather in that year.
7 When trying to project the revenue for the rate year one would like to have all normal revenue
8 years.

9
10 **Q. Mr. Edge did you review the total revenue amounts from FYE 2008 through FY 2012?**

11 A. Yes I did. I reviewed the annual total revenue amounts on page one of Mr. Bebyn's
12 schedule DGB-4 to determine if there had been overall revenue growth since FYE May 31st
13 2008. To make the years more comparable I made adjustments for the nonrecurring revenues
14 resulting from the 5.5% earnings floor filings. I added revenue FYE 2011 and reduced revenue
15 for the subsequent year FYE 2012 by the same amount.

16
17 **Q. What did you conclude from the above results?**

18 A. I conclude that Interstate's overall traditional service revenue has been essentially flat since
19 FYE May 31st 2008, and the traditional service has for the most part not covered the traditional
20 service expenses during this period. I have used the test year revenue level for the rate year for
21 all of the traditional revenue line items but made two additional line item adjustments to reflect
22 certain rate design and additional revenue changes.

23
24 **Q. What are these two revenue adjustments?**

25 A. They are as follows:

- 26
27 1. I have added a revenue amount to reflect the level of subsidy proposed by Interstate from
28 the Fast Ferry operations to the life line operations.
29

1 2. I have added an adjustment to reflect the net revenues and expenses expected for the new
2 vessel the *MV* Islander which will run between the ports of Newport and Block Island
3 (twice a day from BI and three times a day from Newport). It is currently anticipated that
4 the *MV* Islander will be docked in Point Judith overnight and make its first run of the day
5 to Newport. It will end the day traveling from Block Island back to Point Judith.
6

7 **Q. Does that conclude your revenue testimony?**

8 A. Yes.
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

1 **Expenses:**

2
3 **Q. Mr. Edge, would you explain how you projected expense balances for the rate year?**

4 A. Yes. In an effort to keep this filing as simple as possible I have left about 50 of Interstate's
5 approximately 90 expense accounts at the test year level without further analysis. However, it
6 was necessary to review the remaining approximate 40 accounts in detail to determine if they
7 should be increased/decreased or left at the test year level for the rate year.

8
9 **Payroll, Payroll Taxes and Fringe Benefits**

10
11 **Q. How was rate year payroll expense projected?**

12 A. Because Interstate primarily hires different summer help each year, it is difficult to project
13 future payroll expense based upon a detailed payroll listing. Interstate tries to control payroll
14 spending by establishing a budget 3% cap on salary expense increases from year to year.

15
16 The more recent history shows that Interstate general ledger payroll expense account has
17 increased by 0.98% from FY2008 to FY2009; -1.3% from FY2009 to FY2010 and 6.98% from
18 FY2010 to FY2011 and 2.0% from FY 2011 to FY 2012 (test year).

19
20 **Q. What have you calculated as the salary increases for the interim and rate years?**

21 A. Interstate intends to continue its policy of trying to hold payroll increases to not greater than
22 3% each year if the market permits. I have not used the four year average payroll expense
23 percentage increases shown above of 2.17% and I have not used the most recent two year average
24 of 2.99%. Instead, I used a 3% increase in payroll for the interim and rate years (which is the
25 goal set each year by Interstate).

Adjusted Test Year (TY) Salaries		<u>\$2,833,069</u>
Interim year FYE May 2013 (TY * 1.03)	(A)	<u>\$2,918,061</u>
Rate Year (RY) (A above * 1.03%)		<u>\$3,005,603</u>

1 **Q. How were payroll taxes calculated?**

2 A. Payroll taxes were calculated using the test year relationships between payroll and the payroll
3 tax. (See calculations on Schedule WEE-4).

4
5 **Q. How was fringe benefits calculated?**

6 A. I used the company standard 3% of gross payroll to project the pension contribution see
7 Schedule WEE-5.

8
9 **Q. How did you calculate the health care benefits?**

10 A. Health benefits were calculated using the most current rates (rates good through 1/31/13)
11 times the actual employees that get health insurance coverage to arrive at the interim year cost of
12 health insurance and Delta Dental. The interim year cost of health insurance was increased by
13 15% (the overall percentage increase from the test year to the interim year) to arrive at the rate
14 year cost. The interim level of Delta Dental expense was increased by 8% projected rate year
15 increase to arrive at the rate year cost. See Schedule WEE-5 for the detail calculations.

16
17 Depreciation

18
19 Depreciation is calculated by Interstate's outside accountant each year using Interstate's
20 depreciation lapse schedule. For this filing, I obtained the depreciation lapse schedule and added
21 appropriate capital items and calculated depreciation for each year to extend the lapse schedule
22 calculations through the rate year. This calculation provided the appropriate rate year
23 depreciation amount (Please see Schedule WEE-6).

24
25 Crew Expense

26
27 **Q. The next account appears to be Crew Expense, is that correct?**

28 A. Yes. Crew expense was increased by the same percentages as payroll expense.

1 Since crew expense is a payroll expense item that is reclassified to the crew expense account, I
2 simply completed the same calculation as I did for payroll. I multiplied the test year crew
3 expense (\$156,014) by 103% to extend to the end of FYE May 31st 2013. I multiplied the result
4 by 103% to extend the calculation through FYE May 31st 2014 and complete the rate year. The
5 result was a rate year crew expense of \$165,515.

6
7 Wharfage
8

9 **Q. How did you calculate wharfage?**

10 A. I reviewed all of the current wharfage contracts and calculated the wharfage expense that
11 will be paid in the rate year (See WEE-7). It is important to point out that Interstate Navigation
12 Company (Interstate), (a company controlled by Susan Linda), does not have a long term lease to
13 land its fleet in Old Harbor with Interstate Nav. (a company controlled by Ms. Linda's brother)
14 that owns the facility. Due to circumstances beyond Interstate's control, Interstate Nav. has
15 agreed to only allow a month to month lease. Nevertheless, Interstate is paying a fair market
16 lease rate. The increase for the Point Judith lease with DEM is the addition of a new small
17 piece of land on which Interstate is going to build a building.

18
19 Bar Supplies
20

21 **Q. Mr. Edge, I notice that you left bar supplies at the test year level. Why?**

22 A. Normally, I leave bar revenue and bar supplies expense at the test year level, but I like to
23 review these accounts to determine if there is any material effect of doing so. After reviewing
24 the bar revenues and expenses accounts for this filing, I realized that the effect was minor. These
25 accounts are simply too volatile and difficult to project.

Homeland Security

Q. The next account that we have to review is Homeland Security expense. How did you project this expense for the rate year?

A. It might be helpful if I provide a bit of history on this account before projecting the rate year level of expense as follows. The Federal Government through the Department of Homeland Security published "Port Security Regulations" in response to the 9/11 attacks in New York and Washington D.C. The Regulations are divided into six sections as follows:

1. Implementation of National Maritime Security Initiatives (Part 101)
2. Area Maritime Security (Part 103)
3. Vessel Security (Part 104)
4. Facility Security (Part 105)
5. Outer Continental Shelf Security (not applicable to Interstate) (Part 106)
6. Automatic Identification Systems (Part 161)

Based upon the above regulations, Interstate has been and will continue to be required to spend significant amounts of money on security.

Q. Mr. Edge, how did the Commission protect the ratepayers against the possibility that the allowance for Homeland Security set in Docket # 3573 was excessive?

A. Interstate agreed to put all of the monies collected for Homeland Security in a restricted account to be used exclusively for vessel and port security. Further, Interstate agreed to report the status of the restricted account (collections, expenditures and balance) on an annual basis to the Division and the PUC. The FYE May 31st 2012 Homeland Security report has been included with the May 31, 2012 annual report provided in this filing.

Q. Has the Homeland Security allowance and the restricted account worked?

A. Yes they have.

1 Interstate hired Block Island's former police chief, Mr. William McCombe, to be its Company's
2 Security Officer, a position mandated by the Homeland Security regulations. I have provided a
3 schedule that shows the activity in the restricted account from its inception through May 31st
4 2012. (Please see Schedule WEE-8). After discussing the current activity and the expected
5 2014 activity of the Homeland Security restricted account with Mr. McCombe, I am proposing to
6 make the allowance the same level as the test year and to keep the restricted account to protect
7 the ratepayers. This approach will result in the restricted account remaining at a deficit balance
8 of \$14,786.

9
10 Local Transfer

11
12 **Q. Mr. Edge how have you projected local transfer expense?**

13 A. Local transfer expense remained about the same each year from 2008-2011. In 2012
14 Interstate had to negotiate a new price with the individual who provides the delivery service.
15 Local transfer expense payments are made by Interstate to Lambs Package Services (LPS). LPS
16 provides a delivery service on Block Island of UPS packages sent to the island on Interstate's
17 boats. Since the test year level of transfer expense reflects recent negotiations I did not reflect
18 any increase for the rate year.

19
20 Advertising Expense

21
22 **Q. Mr. Edge, would you please proceed with your analysis of advertising expense.**

23 A. Certainly, I have projected advertising expense for the rate year on my Schedule WEE-9.
24 This schedule reflects the test year advertising plan (cost of \$431,999 reduced for the allocation
25 of cost for fast ferry advertising) and the CY 2012 budget advertising program. I have increased
26 the CY 2012 advertising expense by 5% to cover the combined projected increases for the
27 interim period (January – May 2013) and rate year (FYE May 31, 2014).

Legal and Accounting Services

Q. How did you calculate legal and accounting services for the rate year?

A. Legal services have been relatively consistent for the last three years \$113,717 in 2010; \$115,794 in 2011 and \$115,503 in 2012. The test year legal services expense was paid to Schacht & McElroy (for various legal services). This level of legal cost is far less than the legal service costs in the last rate filing of \$355,755 in 2004, \$377,736 in 2005 and \$342,259 in 2006. It appears reasonable to me that this more recent level of spending for Interstate (a regulated ferry company with no in-house legal counsel or rate department) will continue. As a result I left legal expense at the test year level.

Accounting services were provided by B&E Consulting (ratemaking and consulting services) and John J. Kanabis CPA (bookkeeping, accounting and tax). Accounting costs varied during the last three years \$76,844 in 2010; \$113,175 in 2011 and \$93,669 in 2012. B&E Consulting provides varied services from year to year although the level of effort and cost remain about the same (about \$50,000). The services provided by Mr. Kanabis are the same and recurring each year (bookkeeping, financial statements and tax returns). Mr. Kanabis' annual fees generally include an increase for inflation. In the test year, the cost of the services provided by Mr. Kanabis' firm was about \$45,000. Mr. Kanabis has recently retired but Lisa Peabody CPA (Mr. Kanabis' former employee) has taken over the Interstate account. I anticipate that the fees will remain about the same. Therefore, I have left the accounting cost line item at the test year level.

Q. Do you have any concerns that the legal and accounting cost may be greater in the rate year?

A. Yes. Interstate is in the process of building a new building in Point Judith and three of the company's five long term loans will be reaching a balloon status 2013. These types of activities tend to increase the average legal and accounting costs in a given year. Nevertheless, I left the legal and accounting line items at the test year level.

1 **Q. Mr. Edge does Interstate pay any “other professional fees”?**

2 A. Yes, Interstate pays for services such as vessel engineering and pension administration. I
3 left this account at the test year level as well.

4
5 Credit Card Administration
6

7 **Q. How did you project the rate year level of expenditure for credit card administration?**

8 A. Credit card fees have increased by approximately 6% on average per year for the last four
9 years. This trend is expected to continue as more passengers use credit cards. I have projected a
10 6% increase for the interim year (FY 2013) and a 6% increase for the rate year (FY 2014). I
11 have calculated the credit card administration expense for the rate year at \$251,363 ($\$223,712 * 1.06 * 1.06$).
12

13
14 Telephone
15

16 **Q. The next account is telephone, how did you calculate the rate year expense level for**
17 **telephone?**

18 A. Telephone expense has increased each year for the last five years at an average rate of 7%
19 per year. To be consistent I have projected a 7% increase for the interim year (FY 2013) and a
20 7% increase for the rate year (FY 2014). I have calculated the telephone expense for the rate
21 year at \$159,078 ($\$138,945 * 1.07 * 1.07$).
22

23 Insurance
24

25 **Q. The next account to review is insurance expense. How did you project the insurance**
26 **expense for the rate year?**

27 A. First, it is important to point out that Interstate pays small injury and damage claims directly
28 as a result of a large deductible on its primary insurance policy. This management decision has
29 resulted in significant savings for the ratepayers when compared to a lower deductible and higher

insurance costs for these nuisance claims. In addition to the large deductible, Interstate has made a business decision to carry a separate umbrella policy which protects the Company and the ratepayers against large claims as a result of more catastrophic events.

Q. What insurance does Interstate have?

A. Property insurance that combines Hull and Liability and excess protection and indemnity insurance are maintained by Interstate as follows:

Insurance Type	Renewal 2012	Estimated Rate Year
Commercial Property	\$12,475	\$12,634
Piers and Docks	2,655	2,655
Commercial General Liability	1,550	1,550
Hull and Machinery	82,360	74,360
Vessel Pollution Liability	7,038	7,038
Excess Marine Liabilities	22,875	22,875
Bumbershoot	24,422	24,422
Protection and Indemnity	53,375	53,375
Bus and Auto	11,719	11,719
Federal Terrorism	4,075	1,808
Workers Compensation	55,846	60,000
Total	\$278,390	\$272,436

I used the above calculated amount of \$272,436 for the rate year insurance expense which is a reduction of \$5,954 from the test year. From this amount I would have to eliminate the *MV* Athena insurance expense and add in the *MV* Islander insurance expense which should have a very minor impact on the total insurance expense in the rate year. Upon further review I would also have to eliminate the federal terrorism insurance (paid for through the Homeland Security Account) and add in the insurance cost for the new building. The net of all these adjustments combined with the calculated reduction adjustment would be immaterial and therefore I made no adjustment to the test year insurance amount.

1 Gross Receipts Tax

2
3 **Q. Mr. Edge how did you calculate the gross receipts tax amount for the rate year?**

4 A. Gross receipts tax was adjusted by Mr. Bebyn for the test year to reflect the revenue
5 adjustments he made to back out the emergency fuel surcharge revenue. Since I have made two
6 additional revenue adjustments for the rate year, I had to make an adjustment to the gross receipts
7 tax amount for the rate year revenue at current rates. I will also adjust gross receipts tax for the
8 rate year revenue requirement increase on my Schedule WEE-1.

9
10 Vessel, Terminal, Auto, and Forklift Maintenance

11
12 **Q. Have you reviewed the vessel maintenance expense accounts to project the rate year?**

13 A. Yes I have. I reviewed the activity in the vessel maintenance accounts (listed by vessel and
14 one account for general maintenance for all vessels) for the last five years (2008-2012) and found
15 that the level of expenditure ranged from approximately \$540,000 in 2009 to approximately
16 \$267,000 in 2011. There is no definitive trend for projecting the rate year level of spending for
17 these accounts so using an average level of expenditure for the five years is a reasonable
18 approach for projecting the rate year levels of expenditure. I calculated the average vessel
19 maintenance expense for the five years at \$433,000. Given that the test year total vessel
20 maintenance expense is \$435,000, I believe that the test year is representative of the average
21 vessel maintenance expense over the last five years and therefore I left the these accounts at the
22 test year level for the rate year.

23
24 **Q. Mr. Edge, did you review terminal maintenance expense for the same five years?**

25 A. Yes I did. The accounts that represent terminal maintenance are building maintenance (BI
26 and PJ), dock maintenance (BI and PJ), yard maintenance (Montville), and terminal maintenance.
27 These accounts individually and combined are immaterial to the overall rate year revenue. Any
28 adjustment to these accounts would be immaterial and therefore I left these accounts at the test
29 year level.

1 **Q. Mr. Edge, did you review the auto and forklift accounts for the same five years?**

2 A. Yes I did. The accounts are a bit more material than the terminal accounts but less material
3 than the vessel accounts. After reviewing these two accounts I concluded that the average for
4 the five years was the best option. The auto account average is \$15,435 (test year level of
5 \$20,972) and the forklift average is \$53,376 (test year level of \$47,368). The resulting
6 adjustments are a \$5,537 reduction in the auto account and a \$6,008 increase in the forklift
7 account. Given that these two adjustments nearly offset, I left the balances of both accounts at
8 the test year level.

9
10 Fuel Surcharge
11

12 **Q. Mr. Edge, would you explain the “emergency fuel surcharge” and how it impacts**
13 **Interstate and its ratepayers?**

14 A. Yes. The State legislature established an emergency fuel surcharge to protect transportation
15 utilities from significant increases in fuel costs. This legislation was very helpful for Interstate
16 to help address significant increases in fuel cost. Interstate was allowed under this legislation to
17 pass some of its excess fuel costs on to its ratepayers by way of a surcharge. The surcharge,
18 although very helpful is not perfect.

19
20 **Q. Why do you believe that the surcharge is not perfect?**

21 A. The surcharge penalizes passengers who ride the ferry in the off-season when the excess cost
22 of fuel is divided by a fewer number of passengers resulting in higher emergency fuel surcharge
23 rates for off season passengers (primarily islanders) than necessary. If a larger portion of the
24 fuel costs were included in the base rates more of the fuel costs would be collected in the summer
25 and less in the offseason helping the life line customers. Therefore, although this surcharge is
26 beneficial, in my opinion we must also effectively address the fuel cost in base rates.

1 **Q. Mr. Edge, why is reflecting the cost of fuel in base rates more appropriate?**

2 A. Freight will pay its fair share (the statutory surcharge does not apply to freight). All adult
3 passengers will be allocated the exact same portion of the fuel cost regardless of when they ride
4 the vessel and how many other passengers ride the ferry that month. All ratepayers will pay the
5 average cost of fuel and not be penalized for the high cost of fuel in the month before they ride
6 the boat. And the gross receipts tax will be calculated to reflect the total revenue collected
7 which will include the fuel surcharge revenue.

8
9 **Q. Mr. Edge, won't the inclusion of the total cost of fuel in base rates significantly increase**
10 **the rates?**

11 A. No. A one dollar increase in the fuel allowance in the base rates (from \$2.00 to \$3.00)
12 would increase base rate revenue by \$438,908 which is about a 4% increase in test year revenue.
13 However, the surcharge revenue would be reduced by the same amount of \$438,908. Given that
14 the recovery of fuel through the fuel surcharge was \$657,000 in the test year the surcharges
15 would be reduced by 67%. There would be no net change in cost to ratepayers.

16
17 **Q. What options does the Commission have, other than including the entire fuel cost in**
18 **base rates for this rate filing?**

19 A. The Commission could continue to include in Interstate's base rates fuel costs that reflect
20 Interstate's projected fuel consumption times \$2.00 (the amount included in base rates in the last
21 docket). Interstate would continue to use the surcharge to collect the excess fuel cost in the rate
22 year. This choice would reduce the base rate increase needed in this filing but it would continue
23 the weaknesses mentioned above. If the Commission chooses this approach, the gross receipts
24 tax should be calculated on the total estimated fuel revenue, not just the amount in base rates, to
25 eliminate the existing built in shortfall due to the fuel surcharge. Interstate would prefer to move
26 the trigger point at which Interstate would use the fuel surcharge to \$3.00 per gallon (somewhat
27 less than the projected cost per gallon in the rate year). In fact, fuel costs have rarely been less
28 than \$3.00 per gallon for a long time.

Moreover, ratepayers are fully protected because the Division established a fuel surcharge calculation method that establishes a reserve for the benefit of the ratepayers any time the average fuel price is lower than the per gallon rate in base rates for the month.

Q. How did you calculate the fuel cost for the rate year in your testimony?

A. I determined that the test year was a normal representative year that could be used to reflect the consumption of fuel in the rate year. Per Interstate, I determined that there will be no new traditional boats used and no additional trips (with the exception of the new fast ferry the *MV* Islander which will be used primarily on the Newport to Block Island run). This change of removing the *MV* Nelseco and adding the *MV* Islander will be addressed in a separate section of this testimony. Exclusive of the Nelseco/Islander change, consumption in the rate year should remain about the same as the test year. Further, I no longer had to worry about price variances.

Q. Why did you not have to worry about price variances?

A. Mr. Bebyn made a test year adjustment to reduce the fuel expense to \$2.00 per gallon to reflect the cost included in base rates. All I had to do was increase that cost by 50% to add another \$1.00 to base rates. The calculations are $\$3 - \$2 = \$1$ and $\$1 / \$2 = 50\%$. The fuel adjustment calculation and recovery will address all increases and decreases in the price of fuel. My calculation of fuel costs in base rates is \$1,258,014.

Rate Case Expense

Q. Mr. Edge, how did you calculate rate case expense for the rate year?

A. Rate case expense for this docket was estimated as follows:

Legal	\$ 90,000
Cost of Service (Accounting)	60,000
Rate Design	40,000
Division	60,000
Commission	30,000
	<u>\$280,000</u>

1 Interstate has agreed in the past, and will agree again in this docket, to adjust rate case expense to
2 actual at the end of the case should the Division and/or Commission desire. The above rate case
3 expense balance of \$280,000 can be amortized over three years which is \$93,333 per year
4 (previous rate case expense six years ago was \$83,333/year for 3 years). In a separate account
5 Interstate has recorded the yearly PUC administrative cost reflected in the PUC expense account
6 (left at the test year level in this docket). Please see Schedule WEE-3 for the adjustment.

7
8 **Q. Does that conclude your rate year cost of service testimony?**

9 A. Yes, I would like to now discuss rate base/rate of return.

RATE BASE AND RATE OF RETURN

Q. Mr. Edge what is rate base?

A. Rate base is a rate making term which relates to a utility's net investment in fixed assets plus working capital and adjustments for deferred debits and credits. Interstate's rate base has been historically limited to net utility plant and working capital. The largest item, by far, in rate base is net utility plant (net fixed assets) which in the past has represented over 95% of Interstate's rate base. For this Docket, I have calculated an average rate base for the rate year 6/1/2013 through 5/31/2014 (see WEE-12).

Q. What do you mean by "net" investment?

A. Net investment is original cost of utility plant "net" of (less) accumulated depreciation. My Schedule WEE-12 shows the actual net utility plant at 5/31/2012 (test year) rolled forward by adding actual and expected purchases and subtracting appropriate depreciation through 5/31/13 the interim year. All interim additions and deletions (depreciation) were made to arrive at a beginning balance for net utility plant for the rate base at 6/1/2013 (the beginning of the rate year). This calculation was followed by a calculation reflecting rate year additions and deletions to arrive at the rate year ending rate base at 5/31/2014. The average of the resulting beginning and ending rate base amounts was used for the average rate year rate base.

Q. Is the investment in rate base simply used to pay a return on stockholder investment?

A. No. Investment in rate base times the weighted cost of capital and debt is used to compensate stockholders and pay the utility's long term debt interest.

Q. Why would assets that were obtained through borrowing be in rate base?

A. Rate base is used in the rate process to determine the appropriate return on rate base (revenue above cost) for the utility. This return is used by the utility to gain profit for the stockholders and pay interest to the banks on long term debt. Therefore, it is necessary to include assets which are purchased with borrowed monies as well as assets purchased with investment capital.

1 **Q. Is that why interest expense is considered a “below the line” account and excluded**
2 **from your rate year cost of service?**

3 A. Yes. Interest expense is a "below the line" other expense for a regulated utility and as such
4 is backed out of the cost of service expense accounts. As stated above, payment of interest
5 expense is provided from the return on rate base.
6

7 **Q. Mr. Edge how did you calculate working capital?**

8 A. Given the many issues already addressed in this docket Interstate is not requesting working
9 capital (consistent with the last rate filing). However, by not requesting the allowance at this
10 time, Interstate is not agreeing that such an allowance should not be applied and Interstate
11 reserves the right to request the allowance in the future.
12

13 **Q. Mr. Edge, how did you calculate the Rate of Return on Rate Base?**

14 A. I projected the rate year debt and equity. I then calculated the weighted cost of debt and
15 equity using the appropriate interest rates for debt and my proposed return on equity (See
16 Schedule WEE-12). Please note that Interstate recently refinanced its traditional service long
17 term debt. This action substantially reduced the interest rates saving ratepayers in excess of
18 \$100,000 per year in interest.
19

20 **Q. Mr. Edge, how did you calculate the Return on Equity?**

21 A. First, I reviewed the return on equity allowed in the last rate case (about six years ago) and
22 found that it was 11.00% for the last six years (it was 10.75% the preceding years). This rate
23 was negotiated as part of the five year rate plan (subsequently extended to six years). It should
24 be noted that the rate plan allowed for the treatment of earnings in excess of 11.00% as part of
25 the “final determination”. This final determination in the amended six year rate plan was the
26 Town’s and the Division’s proposal to protect the ratepayers from the possibility of Interstate
27 earning excessive profits during the rate plan.
28
29

1 **Q. What did the final determination in the amended six year rate plan provide for profits**
2 **in excess of 11.00%?**

3 The final determination allowed Interstate to earn an additional 1.50% for a total of 12.50% per
4 year for six years with any additional profit over 12.50% to be allocated equally between the
5 shareholders and the ratepayers. In other words, the Division and the Town agreed that it was
6 appropriate for Interstate to earn 12.50% per year for six years before sharing profits with
7 ratepayers. Given these facts, I am recommending that the return on equity be set at 12.50%

8
9 **Q. Did you calculate the return on equity using one of the more traditional methodologies**
10 **such as the Discounted Cash Flow (DCF) or the Capital Pricing Model (CAMP) analysis?**

11 A. No, the discounted cash flow methodology doesn't work for Interstate because they never
12 distribute dividends and there are no regulated ferry companies that are comparative to Interstate
13 (in fact the Division's witness (a few dockets ago) used what I consider totally unrelated water
14 utilities to do her DCF analysis). The CAMP analysis has more merit but it is difficult to
15 identify an appropriate market risk premium and an appropriate Beta.

16
17 **Q. Mr. Edge, does that conclude your Rate Base and Rate of Return testimony?**

18 A. Yes.
19
20
21
22
23
24
25
26
27
28
29

1 **RATE DESIGN**

2

3 **Q. Mr. Edge, what rate design issues are in this filing?**

4 A. It has been a long time since Interstate completed a full rate design study. In April of 1983
5 Interstate provided the rate design testimonies of Mr. George Hammel and Mr. John Wronowski
6 in Docket # 1704.

7

8 **Q. What conclusions were reached by the Commission in Docket 1704?**

9 A. The Commission concluded that “no comprehensive cost of service study has been
10 performed in regard to this company.” As a result, the Commission opined that “insistence on
11 the performance of a fully allocated cost of service study by this company as a condition
12 precedent to rate design change is un-realistic.” This opinion was based upon the Division
13 witness testimony at that time which stated in part; “in principle, it would be possible to
14 undertake a detailed cost of service study of each of these rates and thereby determine, with
15 reasonable precision, the costs of providing each service. However, for a company of
16 Interstate’s size, such an effort is not appropriate. Its cost would likely be a sizeable percentage
17 of Interstate’s annual revenue requirement.”

18

19 **Q. Did the Commission make any changes to Interstate’s rate design in Docket 1704?**

20 A. Yes. The Commission ordered three changes in rate design.

- 21
- 22 1. Due to the unanimous agreement by the parties that the “one day round trip” fare from the
23 Point to Block Island was inadequate given the comparison between it and the one way
24 ticket (\$9.00 vs. \$11.50 (\$5.75 times 2)); the Commission ordered a larger than average
25 share of the rate increase to the round trip ticket. The Commission concluded that the
26 incremental cost of providing two one way passenger trips vs. one round trip passenger
27 did not justify the 21.7% discount. In fact, the Division revenue requirement witness
28 (Mr. Austin) when asked “Is there a cost basis for offering discounts on round trip
29 tickets?” responded “No. I don’t believe there is a basis”.

1 Interstate agrees with the Division's witness from Docket 1704 and will address this issue
2 in detail in its rate design testimony in this filing. Interstate will be recommending the
3 elimination of the one day round trip ticket as part of this filing.
4

- 5 2. The second change was to freight rates. The fact that freight rates had not been changed
6 since 1963 suggested that a larger than average rate increase should be given to the freight
7 rates. The Commission adopted the proposal of the Division to increase the round trip
8 ticket and the freight rates by 19.8% and all of the other rates were increased by 5%.
9

- 10 3. The third decision reached by the Commission was the rejection of the premise proposed
11 by the Town's witnesses that the commuter rate is cost justified. However, the
12 Commission concluded that the implementation of a commuter rate was worthy of future
13 consideration. Accordingly the Commission authorized the implementation of a
14 commuter rate on a **limited experimental basis**. The Commission acknowledged that
15 there was no cost data or other meaningful data available to support the rate. The
16 Commission emphasized that the commuter rate would be **"entirely experimental in**
17 **nature"**. The rate was set by the PUC at \$6.00 per round trip ticket which was a
18 discount of \$3.00 compared to the \$9.00 regular round trip ticket.
19

20 The Commission also ordered that the parties meet, confer and develop an appropriate
21 cost allocation study. The study would be made available with the company's next rate
22 filing.
23

24 **Q. What was the next rate design testimony filed?**

25 A. On July 29, 1985 (Docket 1835) Interstate filed the testimony of Mr. Leo Fox who presented
26 a cost of service rate design study. Mr. Fox's conclusions were that the vehicle rates were too
27 low and the passenger rates were too high. Since Mr. Fox's study the company and the Public
28 Utilities Commission have been increasing vehicle rates at a greater rate than customer rates.
29

1 **Q. What did the Commission order as a result of Mr. Fox's cost allocation study?**

2 A. The Commission ordered that the entire rate increase approved in Docket # 1835 be
3 allocated to vehicles and none of the increase be assigned to passenger rates. The Commission
4 also continued the experimental commuter rate and ordered the company to complete a freight
5 rate study specifically addressing pallet rates. Interstate complete the freight study and the
6 Commission accepted the study without challenge.

7
8 **Q. What has happened since the Commission ruled on Mr. Fox's study assigning all of the**
9 **rate increase to vehicles?**

10 A. Interstate filed four rate filings: Docket # 1935 (regular rate request), Docket # 2484
11 (purchase of the *M.V. Anna C* and the repowering of the *M.V. Carol Jean*), Docket # 3573
12 (purchase of the *M.V. Block Island*), and Docket # 3762 (resulted in a five year rate plan). Many
13 of the increases were spread equally across the board to all rates. However, in Docket #2484 the
14 Commission allowed the start of commuter vehicle rates of \$23.00 cars and \$28.00 large vehicles
15 which were discounts of \$2.95 and \$3.30 respectively and in Docket #3573 the rate increase was
16 larger for cars, vans and SUVs than passengers and freight. This action, combined with the
17 results of Docket #1835, resulted in vehicle rates becoming excessive which has discouraged the
18 use of the service and resulted in lost revenue.

19
20 In Docket #3762 the five year rate plan was extended to six years at the encouragement of the
21 Town and the request of Interstate. The rate plan further increased the vehicle rate issue caused
22 by previous orders because some rates were exempt from some of the increases. However
23 vehicle rates were never exempt (while commuter vehicle rates were exempt). Add to this the
24 fact that Interstate purchased a fast ferry service which has been subsidizing the traditional rates,
25 and the fact that the Town of Block Island has requested a review of the freight rates; it appears
26 that this is a great time to establish a new rate design.

1 **Q. Have you prepared a cost allocation study and a new rate design for this docket?**

2 A. Yes. Mr. Bebyn and I have completed a fully allocated cost analysis and new rate design.

4 **Q. Will you provide an overview of the steps taken to develop the new cost allocation**
5 **study and rate design?**

6 A. Yes I will. It might be helpful if I explained what Mr. Bebyn and I were thinking as we
7 developed the new cost allocation and rate design studies. First we looked at the most simplistic
8 example of a cost allocation study for a hypothetical ferry company (Easy Boat Ferry) that we
9 could imagine. We started by limiting Easy Boat to one vessel with two equal size decks. One
10 deck was exclusively for passengers while the other deck was exclusively for cars. The
11 passenger rate in the test year (set by the local PUC five years earlier) was \$10 per one way trip
12 (there were no round trip or group tickets) and the car rate was \$20 per one car trip (please note
13 that there were no trucks and no oversize cars). The total revenue in the test year was \$100,000.

14
15 The company collected the \$100,000: \$45,000 from 4,500 passengers and \$55,000 for 2,750 cars.
16 At this point we would determine what the adjustment would be for the test year rates to reflect
17 the 50% allocation of the costs (deck square foot allocation) which would result in a revenue
18 requirement for both passengers and cars of \$50,000 (50% each of the revenue requirement of
19 \$100,000 because they both used one deck). Comparing the calculated revenue requirement of
20 \$50,000 each to actual we would need a \$5,000 increase to passenger rates (\$50,000-\$45,000)
21 and a \$5,000 reduction to car rates (\$50,000-\$55,000). The new appropriate test year rates
22 would be \$11.11 ($\$50,000/4,500$) for passengers and \$18.18 ($\$50,000/2,750$) for cars.

23
24 Generally we do not make this test year adjustment to the rates but rather we make the
25 adjustment in the rate year. However, we would use these new test year rates to check our rate
26 year rate calculations. If we are correct in our rate year calculations the rate year rates will equal
27 the appropriate test year rates (\$11.11 and \$18.18) times the percentage increase. If we assume a
28 20% across the board rate increase we should calculate a \$13.33 rate for passengers and \$21.82
29 rate for cars in the rate year. See below for the check.

1 Further, in our hypothetical we assumed that there was free docking and all passengers boarded
2 the vessel themselves and cars were driven on and off the vessel by the ratepayer. This
3 assumption removes the costs of the docking facilities and loading of the vessel.

4
5 Easy Boat completed an analysis of its rate year expenses and added a minimal profit and
6 determined that Easy Boat needed a 20% rate increase. This would require increases in the
7 passenger and car rates in the rate year to generate an additional \$20,000.

8
9 Given that the rate year costs were all related to the cost of operating the vessel, the passenger
10 (\$10) rate and car (\$20) rate would have to be increased to generate \$120,000. Given that the
11 two decks of the boat were equal in size each rate would have to generate \$60,000 of revenue in
12 order for the two services to carry their appropriate percentage (50%) of the cost of operating the
13 Easy Boat vessel.

14
15 Next we assumed no change in passenger or car statistics from the test year. Therefore, 4,500
16 passengers will have to pay \$60,000 or \$13.33 per trip ($\$60,000/4,500$) which is a 33% increase
17 and cars rates will also have to generate \$60,000 and each of the 2,750 cars will be charged at a
18 rate of \$21.82 per trip ($\$60,000/2,750$) which is a 9% increase. The revenue check is as follows:
19 passenger revenue of \$59,985 ($\$13.33 * 4,500$) + car revenue of \$60,005 ($\$21.82 * 2,750$) =
20 \$119,990 (with a \$10 rounding difference). I note that these rates are the same as the
21 appropriate test year rates times 20% (see above).

22
23 **Q. Obviously Interstate's operations are not that simple, are they?**

24 A. No, but the cost allocation and rate design principles are the same. If we can determine the
25 actual square footage available for each service provided by Interstate we can determine the
26 percentage of revenue needed for each service class as we did for Easy Ferry.

1 **Q. What information is needed to implement these rate principles for Interstate?**

2 A. First we needed to get the square footage of each deck on every vessel and then allocate that
3 space to the various rate groups (passenger, trucks, cars, freight, bikes, mail etc.). We then
4 totaled the square footage from all of the boats by service provided to get the total square footage
5 by service. To properly determine the appropriate percentage for each rate group we must not
6 only identify the square footage on each boat for each rate group but we need to weight these
7 square footage amounts by the number of trips made by each vessel. We did so. The resulting
8 percentages were then used to determine what revenue had to be collected from each of the
9 services provided. In the Easy Ferry example the percentages of the total rate year revenue were
10 50% passenger and 50% cars.

11
12 **Q. Will you complete the calculations for the test year percentages and then apply them to**
13 **the rate year revenue requirement?**

14 A. Yes, we will.

15
16 **Q. Will the rate year revenue requirement come from your rate year testimony?**

17 A. Yes.

18
19 **Q. Have you completed all of the appropriate schedules to show how the cost allocation**
20 **study was completed?**

21 A. No. Mr. Bebyn is the cost allocation and rate design schedule expert on our team and he
22 prepared all of the cost allocation schedules. We worked together to determine how each line
23 item of actual expenses in the test year would be allocated to the various cost centers (salaries,
24 fringe benefits, administration, vessels expense, dock expense, freight activities, delivery costs,
25 etc.) The second level of allocation was to allocate the cost center expenses to the revenue
26 generation rate classes. For example, salaries and fringes were allocated to vessels, docking,
27 administration, etc, based upon where each of the actual employees worked and their job
28 description. For more detail on the allocations see Mr. Bebyn's testimony and schedules.

1 **Q. Did you take Mr. Bebyn's results and calculate new rates for the rate year?**

2 A. Yes, I have attached to my testimony Schedules WEE-13, 14, 15, 16, 17, 17a, and 18.

3 Schedule WEE-13 shows the revenue requirement by customer class percentages calculated by
4 Mr. Bebyn on his Schedule DGB 9. This schedule is a summary schedule for the remaining
5 Schedules WEE 14-18. Schedule WEE-14 is for passengers, Schedule WEE-15 is for large and
6 small vehicles, Schedule WEE-16 is for trucks, Schedules WEE-17 and WEE-17a are for freight
7 and Schedule WEE-18 is for bikes. The results of these schedules are the calculated rates for the
8 rate year.

9
10 **Q. Does the completion of the cost allocation study complete the rate design section of**
11 **yours and Mr. Bebyn's testimonies?**

12 A. No. Interstate is proposing a number of other changes to the rate year rates over and above
13 the results of the cost allocation study.

14
15 **Q. What rate design changes is Interstate requesting?**

16 A. I have worked with Interstate's freight manager and we reviewed every line item of the
17 freight rates. Many items were eliminated because the items listed are no longer carried; some
18 rates were changed (increased or decreased) to eliminate perceived inconsistencies within the
19 tariffs; some rates were decreased as a result of the change in the item carried relating to size,
20 value, stackability, etc.; some rates were added to reflect new items carried; and some rates were
21 increased to reflect the amount of handling or the amount of space the item occupies. Rather
22 than taking the time to go over all of the changes in this testimony I have completed a schedule
23 that shows all of the changes and the reason for the changes see Schedule WEE-17a.

24
25 **Q. Is Interstate proposing any other rate design changes?**

26 A. Yes. Interstate has reviewed ferry rates around the country and determined that many of the
27 larger ferry companies do not provide same day round trip tickets at a discount compared to the
28 cost of two one way tickets. From a cost allocation point of view there is no material difference
29 in the cost of providing a one day round trip ticket and two one way tickets.

1 The current same day round trip discount of \$4.20 (\$22.50 - \$18.30) is not supportable.
2 Elimination of this 19% discount rate will increase revenue and decrease the percentage increase
3 required in this docket for other passenger rates. Interstate is recommending that the same day
4 round trip ticket be discontinued. See Schedule WEE-14 for the impact of this change on rate
5 year rates. Without eliminating the same day round trip ticket the rate in the rate year would be
6 \$23.95 and the one way ticket would be \$14.75. Eliminating the round trip discount the round
7 trip (two one ways) would be \$25.60 and the one way would be \$12.80. These differences are
8 relatively minor in amount and much fairer. It is also important to point out that selling only one
9 way tickets results in significant choice for the ratepayer on the selection of which boat to take
10 back to the Point, or for that matter the passenger could go on to Newport.

11
12 **Q. What is Interstate's proposal for the Islanders' round trip ticket?**

13 A. The Islanders' discount round trip ticket (initially called the "commuter discount rate") was
14 initially established as an experimental rate with a \$3.00 discount even though the Division's
15 expert witness (Mr. Austin) at the time explained that there is no cost justification for this
16 discount (see Page 25 of this testimony). From a cost allocation rate setting point of view
17 Islanders should not get this discount. It costs no more or less to sell Islanders a ticket and carry
18 them on the vessel than it costs for any other passenger.

19
20 To make things worse, the treatment of the discount has caused the rate differential to grow so
21 much over the past few years, that now the same day round trip adult ticket is \$18.30 and the
22 Islanders' discount ticket (round trip) is only \$10.50. This is a \$7.80 discount from the same day
23 round trip ticket (which we are recommending be eliminated) and a \$12.00 discount from two
24 one way tickets. When the discount was established it was only a \$3.00 discount (\$9.00 vs.
25 \$6.00). Moreover, the US Census Bureau shows the per capita income for New Shoreham in
26 2010 was \$48,212, the second highest in the State and approximately \$20,000 higher than the
27 \$28,707 State average. Interstate is therefore recommending that the Islander discount ticket be
28 eliminated.

1 **Q. What is Interstate's recommendation regarding the Islanders' vehicle discount rates?**

2 A. There is no cost justification for these discounts and over time these rate differentials have
3 increased significantly. When these discount rates for small and large vehicles were established
4 the Commission set the discounts at \$2.95 for smaller vehicles (cars) and \$3.30 for larger
5 vehicles (SUVs and VANS). Please note that when the Islander passenger discount was
6 established it was \$3.00. Interstate is recommending that these discount rates be discontinued.

7
8 **Q. Have the discounts increased over time?**

9 A. Yes. Now the vehicle rate is \$49.80 (oversized is \$60.10) and the Islanders' discount rate is
10 only \$27.00 (oversized \$32.75). These rates provide a \$22.80 discount for vehicles and a \$27.35
11 discount for oversized vehicles. Interstate cannot support (and the cost allocation study does not
12 support) these huge discounted rates. In order to establish fair, reasonable and equitable rates it
13 is imperative that these Islander vehicle discount rates be eliminated.

14
15 **Q. Is Interstate requesting any other modifications to its current rate design and tariffs?**

16 A. Yes. Interstate has for years been trying to encourage the use of its vessels by passengers
17 and vehicles during the weekdays of Monday through Thursday. Interstate believes that
18 weekday discounts, if used wisely, can result in promoting more use of Interstate's services
19 during its slow times (weekdays) and increasing overall revenues. Therefore, Interstate is
20 requesting permission from the Commission to offer weekday discounts of up to 25 percent
21 during the busy months of May through September.

22
23 In addition, Interstate is requesting the flexibility to offer non-rate promotions to encourage
24 ridership, a possible example would be a free hotdog for each child with the purchase of one
25 adult and one child ticket. Interstate expects that this type of motivational targeting of
26 customers will be marginally profitable in the beginning. However, if it is not profitable
27 Interstate will absorb the loss.

1 It is impossible to determine if the discounts or promotions will be profitable until after Interstate
2 has actually done them. Interstate expects that the initial impact will be immaterial to the
3 Company's revenues but that with time Interstate and proper advertising these special items
4 would be profitable. Future profits would be recognized to the benefit of the ratepayers while
5 future losses would be absorbed by Interstate until the discounts and promotions were
6 discontinued.

7
8 **Q. Does that conclude your rate design testimony?**

9 A. No. There is one additional rate design issue that must be addressed. Interstate will be
10 replacing the *MV Nelseco* with the fast ferry vessel the *MV Islander* on the Newport to Block
11 Island run.

12
13 This change will result in the elimination of all revenue and costs related to the *MV Nelseco* (see
14 Mr. Bebyn's pre test year eliminations for the *MV Athena* and the *MV Nelseco*) and the inclusion
15 in the rate year of all revenues and costs relating to the *MV Islander*. Mr. Josh Linda, Interstate
16 Vice President, and I have prepared the estimated revenues and expenditures for the *MV Islander*.
17 (See Schedule WEE-2a) The net gain or loss from the *MV Islander*'s operations was reflected
18 in the traditional ferry cost of service revenues along with the proposed subsidization provided by
19 the Fast Ferry operations provided by the *MV Athena*.

20
21 **Q. Mr. Edge, how did you estimate the revenues and expenses for the *MV Islander* for the**
22 **rate year?**

23 A. Revenues were calculated based upon estimates of the number of passengers that will be
24 carried on each run per day times the newly developed rates. The starting point for these
25 estimates for the number of passenger was the passenger counts (about 6,000 passengers) from
26 the *MV Nelseco* operations in the test year. Interstate then increased the number of passengers
27 based upon Interstate's experience growing its Fast Ferry service from the Point to BI.

1 **Q. How were the rates for the Block Island/Newport run calculated?**

2 A. Setting the rates for a start-up ferry operation is done by analyzing the projected costs of the
3 service and dividing the total costs of service by the expected number of customers. The
4 resulting rate is then adjusted to reflect the rates of like type services provided elsewhere. The
5 goal is to set rates that are competitive, reasonable and will encourage the use of the service.
6 Setting rates to cover all costs may result in excessive rates given the number of estimated
7 customers. Setting excessive rates for a start-up operation is a bad business decision.

8
9 B&E believes that the initial rates will most likely result in a loss for this new run. As the
10 service becomes better known and the number of passengers rises these rates should result in a
11 reasonable return on investment. To make this calculation even more complex the *MV* Islander
12 will start the day in Point Judith and run to Newport carrying a few passengers and it will end the
13 day traveling from Block Island to Point Judith carrying passengers from Newport and Block
14 Island wishing to get back to the Point. These customers for the most part would have been
15 carried by Interstate's other boats. Interstate has calculated a one way rate of \$25.00.

16
17 **Q. What comparative rates did Interstate review to come up with the \$25.00 rate for the**
18 ***MV* Islander for the approximately 26 mile trip from Block Island to Newport?**

19 A. Interstate reviewed local fast ferry rates such as the rates for the *MV* Athena (\$18.50 one
20 way) and the rates for the Massachusetts Steamship Authority's (MSA) Fast Ferry from the Cape
21 to Nantucket about 29 miles \$35.00 one way. The MSA also encourages ridership on weekdays
22 with a discount rate of \$50.00 round trip Monday through Thursday. Given that the *MV* Islander
23 will be traveling (26 miles) which is further than the *MV* Athena (13 miles), the price for the
24 Block Island to Newport run should be greater than \$18.50. Given that the trip from the Cape to
25 Nantucket (29 miles) is slightly greater than the Block Island to Newport trip the *MV* Islander
26 rate should be less than the \$35.00. Therefore, the *MV* Islander rate should be between \$18.50
27 and \$35.00. Interstate thinks that the \$50.00 discount round trip rate (\$25.00 one way) charged
28 by the MSA for the weekday trip to Nantucket is a reasonable surrogate for the *MV* Islander
29 initial one way rate.

1 The major expenses were calculated using as a guide the staffing and fuel costs used for the *MV*
2 *Athena*. Depreciation was calculated using a 25 year use full life. Lube oil, crew expense,
3 wharfage, office expense and insurance expense were estimated by Josh Linda using the cost of
4 all of the other vessels in Interstate's fleet. The resulting loss of \$110,273 was posted to
5 Schedule WEE-2.

6
7 **Q. Does that conclude your rate design testimony?**

8 A. Yes.
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

RATEPAYER IMPACT

Q. What is the impact on ratepayers of this rate increase?

A. The cost allocation results in passenger and vehicle rates as follows:

Rate	Current	Cost Allocation	Proposed Rates
Adult One Way (PJ to/from BI)	\$11.25	\$14.75	\$12.20
Adult Round Trip (PJ to/from BI)	18.30	23.95	24.40
Children One Way (PJ to/from BI)	5.70	7.45	6.15
Children Round Trip (PJ to/from BI)	9.10	11.90	12.35
Bikes	3.20	3.20	3.20
Cars	49.80	33.19	32.70
Pick-up Trucks, vans and SUV's	60.10	40.05	39.45

Q. Does that conclude your testimony?

A. Yes.

Rate Year Summary
Interstate Navigation Company

Schedule WEE-1

	Adjusted Test Year	Adjustments	Rate Year Old rates	Rate Increase	Rate Year New rates	
Revenue	\$ 9,772,650	\$ 98,084	\$ 9,870,734	\$ 1,302,177	\$ 11,172,911	13.19%
Expenses	9,869,885	845,388	10,715,273	16,076	10,731,349	
Net Profit	<u>\$ (97,235)</u>	<u>\$ (747,304)</u>	<u>\$ (844,539)</u>	<u>\$ 1,286,101</u>	<u>\$ 441,562</u>	<u>(A)</u>

Rate Base	\$ 6,373,403		\$ 6,940,458	WEE-11
Return on rate base	<u>-1.53%</u>		<u>6.36%</u>	WEE-12
Test Year Profit and Interest	<u>\$ (97,235)</u>		<u>\$ 441,562</u>	(A)
Profit and Interest	\$ (97,235)			
Less test year interest	460,661			
Profit/(Loss)	<u>\$ (557,896)</u>			
Test Year equity	<u>\$ 4,125,242</u>			
Return on Equity TY	<u>-13.52%</u>			

Revenue Summary - Rate Year
Interstate Navigation Company

Schedule WEE-2

	<u>Adjusted</u>		
	<u>Test Year</u>	<u>Adjustments</u>	<u>Rate Year</u>
Revenue from Rates and Charges			
-Passengers	\$ 4,602,992	\$ -	\$ 4,602,992
-Vehicles	3,490,997	-	3,490,997
-Freight	792,113	-	792,113
-Bikes, Mopeds, etc.	142,179	-	142,179
	<u>9,028,282</u>	-	<u>9,028,282</u>
Miscellaneous Revenue			
-Bar	502,474	-	502,474
-Charter	139,510	-	139,510
-Mail	49,775	-	49,775
-Tours	-	-	-
-Other	16,442	-	16,442
Landing Fee Commissions	36,168	-	36,168
HLS Grant	-	-	-
Interest Income	0	-	0
Subsidy for Fast Ferry	-	208,357	208,357
Addition of Newport High Speed Service		(110,273)	(110,273)
Miscellaneous	-	-	-
	<u>744,368</u>	<u>98,084</u>	<u>842,452</u>
			-
Total Revenues	<u>\$ 9,772,650</u>	<u>\$ 98,084</u>	<u>\$ 9,870,734</u>

Note: After reviewing the actual revenues for the most recent five years preceding the test year and the projected test year, I determined that the test year revenue (after adjustments) levels were normal and that no rate year volume adjustment was needed. (See Testimony pages 9-11)

Projected Revenue & Expenses for
New Newport Service Only
Interstate Navigation Company

Schedule WEE-2a

	New High Speed Newport Run Rate Year
Revenue	
-Passengers	\$ 433,398
-Bikes, Mopeds, etc.	16,800
	<hr/>
Total Revenues	\$ 450,198
	<hr/>
Expense	
6100 Depreciation	\$ 57,653
7270 General Repairs and Maintenance	10,000
7350 Fuel	377,408
7350 Lube Oil	4,560
7360 Crew Expense	77,350
7390 Wharfage	12,000
8100 Office	10,000
Insurance	11,500
Total Expenses	<hr/> 560,471 <hr/>
Net Income (Loss)	\$ (110,273)
	<hr/>

	One Way Trips Counts	Revenue
Passengers		
Adults (\$25 One Way/ \$50 Round Trip)	16,779	\$ 419,475
Children (\$13 One Way/ \$26 Round Trip)	1,071	\$ 13,923
	<hr/> 17,850 <hr/>	<hr/> \$ 433,398 <hr/>
Bikes		
(\$6 One Way/ \$12 Round Trip)	<hr/> 2,800 <hr/>	<hr/> \$ 16,800 <hr/>

Expenses Summary - Rate Year
Interstate Navigation Company

Schedule WEE-3

Page 1 of 3

Account #	Account Name	Adjusted Test Year	Adjustments	Adjusted Rate Year	REF
4200	Refunds, Credits and Voids	\$ 92,798	\$ -	\$ 92,798	TY
5100	Payroll	2,833,069	172,534	3,005,603	Testimony P.11
6100	Depreciation	1,322,067	(210,222)	1,111,845	Sch. WEE - 6
6200	Amortization	-	-	-	TY
7100	Vessel Maintenance - Block Island	80,478	-	80,478	Testimony P.19
7110	Vessel Maintenance - Carol Jean	71,300	-	71,300	Testimony P.19
7120	Vessel Maintenance - Manitou	78,381	-	78,381	Testimony P.19
7130	Vessel Maintenance - Anna C	153,652	-	153,652	Testimony P.19
7140	Vessel Maintenance - Nelseco	-	-	-	Testimony P.19
7150	Vessel Maintenance - General	38,242	-	38,242	Testimony P.19
7200	Building Maintenance - BI	10,710	-	10,710	TY
7210	Building Maintenance - PJ	12,435	-	12,435	TY
7220	Dock Maintenance - BI	9,518	-	9,518	TY
7230	Dock Maintenance - PJ	12,458	-	12,458	TY
7240	Yard Maintenance - Montville	14,040	-	14,040	TY
7250	Terminal Maintenance	6,898	-	6,898	Testimony P.19
7260	Auto and Truck Maintenance	20,972	-	20,972	Testimony P.20
7270	General Repairs and Maintenance	-	-	0	TY
7280	Forklifts Maintenance	47,368	-	47,368	Testimony P.20
7290	Fuel - Building	17,542	-	17,542	TY
7300	Fuel - MV Block Island	425,369	227,928	653,297	WEE - 10
7310	Fuel - MV Carol Jean	266,209	142,645	408,854	WEE - 10
7320	Fuel - MV Manitou	6,098	3,268	9,366	WEE - 10
7325	Fuel - MV Southland	-	-	0	WEE - 10
7330	Fuel - MV Anna C	121,431	65,067	186,498	WEE - 10
7340	Fuel - MV Nelseco	-	-	0	TY
7350	Lube Oil	39,237	-	39,237	TY
7360	Crew Expense	156,014	9,501	165,515	Testimony P.13
7370	Boat Supplies	32,599	-	32,599	TY
7380	Other Vessel Expense	18,579	-	18,579	TY
7390	Wharfage	327,426	1,200	328,626	Sch. WEE - 7
7396	Charter Expense - Trad Ferry	1,504	-	1,504	TY
7397	Bus Charter	11,231	-	11,231	TY
7400	Food for Resale	136,884	-	136,884	TY
7410	Beverages for Resale	51,132	-	51,132	TY
7415	Meals - Tour Package	26,648	-	26,648	TY
7420	Bar Supplies	22,647	-	22,647	Testimony P.13
7504	Homeland Security - Grant	-	-	0	Sch. WEE - 8
7506	Homeland Security - Equipment	37,818	-	37,818	Sch. WEE - 8
7507	Homeland Security - Personnel	254,364	-	254,364	Sch. WEE - 8
7508	Homeland Security - Operations	22,986	-	22,986	Sch. WEE - 8
7509	Homeland Security - Equip Rental	19,350	-	19,350	Sch. WEE - 8
7510	Trash Removal	25,501	-	25,501	TY
7600	Local Transfer	185,979	-	185,979	Testimony P.15
7700	Auto and Truck Expense	39,280	-	39,280	TY
7710	Travel	11,456	-	11,456	TY
7800	Advertising	431,999	50,590	482,589	Sch. WEE - 9

Expenses Summary - Rate Year
Interstate Navigation Company

Schedule WEE-3

Page 2 of 3

Account #	Account Name	Adjusted Test Year	Adjustments	Adjusted Rate Year	REF
7900	Other Traffic Expense	47,000	-	47,000	TY
8100	Office	36,934	-	36,934	TY
8105	Meetings/Seminars	5,625	-	5,625	TY
8107	Entertainment	1,294	-	1,294	TY
8110	Rent	32,620	-	32,620	TY
8120	Utilities	112,057	-	112,057	TY
8130	Dues and Subscriptions	10,671	-	10,671	TY
8140	Telephone	138,945	20,133	159,078	Testimony P. 17
8150	Computer Expense	138,040	-	138,040	TY
8160	PUC Expense	35,480	-	35,480	TY
8170	Contribution	3,844	-	3,844	TY
8180	Payroll Services	8,168	-	8,168	TY
8190	Credit Card Admin Fees	223,712	27,651	251,363	Testimony P. 17
8200	Bank Charges	-	-	0	TY
8210	Finance Charges	107	-	107	TY
8220	Freight	1,340	-	1,340	TY
8230	Miscellaneous	11,716	-	11,716	TY
8140	Bad Debt Expense	3,369	-	3,369	TY
8300	Accounting	93,669	-	93,669	Testimony P.16
8310	Legal	115,503	-	115,503	Testimony P.16
8320	Other Professional Fees	9,861	-	9,861	Testimony P.16
8400	Profit Sharing	55,000	35,168	90,168	Sch. WEE - 5
8410	Employee Insurance	496,251	102,708	598,959	Sch. WEE - 5
8500	Insurance - Vessel	178,604	-	178,604	Testimony P. 18
8504	Insurance - Vesses - Southland	1,507	-	1,507	Testimony P. 18
8510	Insurance - Auto	11,787	-	11,787	Testimony P. 18
8520	Insurance - Property	2,181	-	2,181	Testimony P. 18
8530	Insurance - Other	-	-	0	Testimony P. 18
8540	Insurance - Workmens Comp	51,732	-	51,732	Testimony P. 18
8550	Damages - Auto and Freight	2,113	-	2,113	TY
8560	Injuries	759	-	759	TY
8600	FICA Expense	233,391	14,214	247,605	Sch. WEE- 4
8610	Unemployment Comp - CT	6,058	369	6,427	Sch. WEE- 4
8620	Unemployment Comp - FED	8,902	542	9,444	Sch. WEE- 4
8630	Unemployment Comp - RI	85,502	5,207	90,710	Sch. WEE- 4
8700	Gross Earnings Tax	127,635	(2,525)	125,110	Testimony P. 19
8710	Sec of State - Annual Report	200	-	200	TY
8720	Licenses	7,251	-	7,251	TY
8730	Sales and Use Tax - RI	46,094	-	46,094	TY
8740	Sales and Use Tax - CT	6,732	-	6,732	TY
8750	Federal Taxes	(0)	86,078	86,077	Sch. WEE-12
8760	CT Corporate Tax	1,692	-	1,692	TY
8770	Permits	330	-	330	TY
8780	Real Estate Tax	19,164	-	19,164	TY
8790	Personal Property Tax	2,390	-	2,390	TY
8800	Penalties	-	-	0	TY
8810	Cash Over/Short	(2,083)	-	(2,083)	TY
8900	Returned Items	(473)	-	(473)	TY

Expenses Summary - Rate Year
Interstate Navigation Company

Schedule WEE-3

Page 3 of 3

Account #	Account Name	Adjusted Test Year	Adjustments	Adjusted Rate Year	REF
8910	Chargebacks	1,139	-	1,139	TY
9100	Interest Expense	-	-	0	TY
9900	Extraordinary Items	2,400	-	2,400	TY
	Rate Case Expense	-	93,333	93,333	Testimony P. 22
	Total Expenses	9,869,885	845,388	10,715,273	
	Revenue	9,772,650	98,084	9,870,734	
	Gain/ (loss)	\$ (97,235)	\$ (747,304)	\$ (844,539)	
	P and L Increase (before return on rate base, GRT and FIT)			8.56%	

Payroll Taxes - Rate Year
Interstate Navigation Company

Schedule WEE-4

Payroll Expense for the rate year \$ 3,005,603

Payroll Tax Accounts for the rate year:

Payroll Taxes - FICA expense	<u><u>\$ 247,605</u></u>
Unemployment Comp	<u><u>\$ 6,427</u></u>
Federal Unemployment	<u><u>\$ 9,444</u></u>
RI Unemployment	<u><u>\$ 90,710</u></u>

The above was calculated using the same ratio as the test year:

Payroll Taxes - FICA expense:

<u>TY FICA</u>	equals	<u>233,391</u>	times	\$ 3,005,603	equals	<u><u>\$ 247,605</u></u>
TY Payroll		2,833,069				

Unemployment Comp:

<u>TY UC</u>	equals	<u>6,058</u>	times	\$ 3,005,603	equals	<u><u>\$ 6,427</u></u>
TY Payroll		2,833,069				

Federal Unemployment:

<u>TY FU</u>	equals	<u>8,902</u>	times	\$ 3,005,603	equals	<u><u>\$ 9,444</u></u>
TY Payroll		2,833,069				

RI Unemployment:

<u>TY RIU</u>	equals	<u>85,502</u>	times	\$ 3,005,603	equals	<u><u>\$ 90,710</u></u>
TY Payroll		2,833,069				

Fringe Benefits - Rate Year
Interstate Navigation Company

Schedule WEE-5

Pension expense:

Payroll Expense for the rate year	\$ 3,005,603
Pension Funding Rate (3%)	<u>0.03</u>
Pension expense	<u><u>\$ 90,168</u></u>

Health Insurance:

Test Year Level of expenditure:	<u><u>\$ 496,251</u></u> *
---------------------------------	----------------------------

* Health Insurance includes Blue Cross - RI, Health Ins - Conn. and Delta Dental

ANALYSIS:

Blue Cross RI (Rates are good through January 31, 2013)

Cost per year at current rates	\$ 426,309
Rate Year Increase 15%	1.1500
(A)	<u><u>\$ 490,256</u></u>

Health Ins - Conn. (Rates are good through January 31, 2013)

Cost per year at current rates	\$ 62,398
Rate Year Increase 15%	1.15
(B)	<u><u>\$ 71,757</u></u>

Delta Dental (Rates are good through January 31, 2013)

Cost per year at current rates	\$ 34,209
Rate Year Increase 8%	1.0800
(C)	<u><u>\$ 36,946</u></u>

Rate Year Level of Expense (A+B+C)	<u><u>\$ 598,959</u></u>
------------------------------------	--------------------------

Adjustment	<u><u>\$ 102,708</u></u>
------------	--------------------------

Analysis of Depreciation by Year and Asset Group
Interstate Navigation Company

Schedule WEE-6

	Fiscal Year			Rate Year
	2012	2013	2014	2014
Vessels	\$ 588,554	\$ 588,554	\$ 588,554	\$ 588,554
Vessel Improvement and Equip	411,277	382,669	321,370	321,370
Office Equipment	77,786	73,858	15,999	15,999
Buildings	7,932	7,929	52,456	52,456
Docks and Ramps	196,873	196,871	93,822	93,822
Point Judith Project	32,083	32,083	32,083	32,083
Vehicles	7,561	7,561	7,561	7,561
Dredging				-
	<u>\$ 1,322,066</u>	<u>\$ 1,289,526</u>	<u>\$ 1,111,845</u>	<u>\$ 1,111,845</u>

Wharfage Expense - Rate Year
Interstate Navigation Company

Schedule WEE-7

Wharfage:

	<u>Test Year</u>	<u>Rate Year</u>	
Point Judith Dock (State of R I)	\$ 64,014	46,125	State of Rhode Island
		19,200	State of Rhode Island *
Old Harbor:	237,504	237,500	Month to Month
Fort Adams	10,923	12,287	3% inflation.
Beach Avenue (office and supply	18,450	18,566	3% inflation.
Montville Dock	32,160	30,573	Set by PUC
	<u>\$ 363,051</u>	<u>364,251</u>	
Sub-total			
Fast Ferry Allocation	\$ (35,625)	\$ (35,625)	
Sub-total	<u>\$ 327,426</u>	<u>328,626</u>	
Test Year Wharfage		<u>327,426</u>	
Adjustment		<u>\$ 1,200</u>	

* Subject to increases by the State with new appraisal

Homeland Security Summary - Rate Year
Interstate Navigation Company

Schedule WEB-8

Account #	Account Name	May 31st 2005	May 31st 2006	May 31st 2007	May 31st 2008	May 31st 2009	May 31st 2010	May 31st 2011	May 31st 2012	Rate Year FY 2014
7504	HS Grant Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,613	\$ -	
7505	HS Start-up	7,792						-		
7506	HS - Equipment	52,297	36,044	29,013	32,773	17,272	17,648	13,774	37,818	37,818
7507	HS - Personnel MARSEC Level 2	205,486	205,512 8,867	201,386	200,044	212,365	229,347	239,488	254,364	254,364
7508	HS - Operations	26,466	15,048	20,051	29,211	24,695	22,740	21,543	22,986	22,986
7509	HS - Equipment rental	-	-	-	-	17,289	19,351	19,350	19,350	19,350
	Capital Additions	75,475	75,475			-				
	Grant Revenue							(60,000)	(48,650)	
	Contingency Reserve									-
	Total Expenditure	\$ 367,516	\$ 340,946	\$ 250,450	\$ 262,028	\$ 271,621	\$ 289,086	\$ 323,767	\$ 285,868	\$ 315,168
	Allowance	\$ 395,956	\$ 395,956	\$ 334,583	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 315,168
	Carry Forward	\$ 28,440	\$ 83,450	\$ 167,583	\$ 155,555	\$ 133,934	\$ 94,849	\$ 21,081	\$ (14,786)	\$ (14,786)

Advertising Expenses - Rate Year
Interstate Navigation Company

Schedule WEE-9

Test Year Advertising	<u>\$ 431,999</u>
-----------------------	-------------------

Calendar Year 2012 Advertising Program:

Print Media	\$ 134,603
Radio	64,000
TV	48,376
Outdoor (Billboards)	72,347
Internet	20,563
Group Publications & State Tourism Guide	67,500
Administration	<u>52,220</u>
	459,609
Increase for rate year	<u>1.05</u>
Rate Year Advertising Expense	<u>482,589</u>
Adjustment	<u>\$ 50,590</u>

Fuel Expenses Summary - Rate Year
Interstate Navigation Company

Schedule WEE-10

	Total Gallons	Fuel Floor	Total Dollars
Test Year Consumption per DGB-3	419,338	\$ 3.00	\$ 1,258,014

	Adjusted Test Year	Pro-Rata Allocation Adjustments	Adjusted Rate Year
7300 Fuel - MV Block Island	\$ 425,369	\$ 227,928	\$ 653,297
7310 Fuel - MV Carol Jean	266,209	142,645	408,854
7320 Fuel - MV Manitou	6,098	3,268	9,366
7325 Fuel - MV Southland	-	0	-
7330 Fuel - MV Anna C	121,431	65,067	186,498
	0		
	<u>\$ 819,106</u>	<u>\$ 438,908</u>	<u>\$ 1,258,014</u>

Rate Base - Rate Year
Interstate Navigation Company

Schedule WEE-11

Net Utility Plant 5/31/12 (Per Schedule DGB - 7)	\$ 6,373,403
Add Back New Newport Run - Islander Vessel	441,330
Less New Newport Run - Islander Vessel Depreciation	<u>- *</u>
Utility Plant -Beginning of the Interim Year	6,814,733
Additions 6/1/12 through 5/31/13 (Interim period):	
Islander Upgrades	1,000,000
New Office Building in Point Judith	<u>1,000,000</u>
	2,000,000
Less Depreciation 6/1/12 through 5/31/13 (Interim period):	
Conventional Service	(1,289,526)
Less New Newport Run - Islander Vessel Depreciation	<u>- *</u>
	(1,289,526)
Utility Plant -Beginning of Rate Year	\$ 7,525,207
Rate Year Additions	<u>-</u>
Rate Year Depreciation (deduction)	
Conventional Service	(1,111,845)
Less New Newport Run - Islander Vessel Depreciation	<u>(57,653)</u>
	(1,169,498)
Utility Plant - End Of Rate Year	<u>\$ 6,355,709</u>
Average Utility Plant	\$ 6,940,458
Working Capital	<u>-</u>
Average Rate Base for the Rate Year	<u>\$ 6,940,458</u>

* Not in Service as of this Date

Rate of Return and Federal Income Tax - Rate Year
Interstate Navigation Company

Schedule WEE-12

Description of Test Year Long Term Debt at Year End:

All borrowing is with Washington Trust and all assets are pledged.

Fixed rate 10 year loan (15 year Amortization) at 6.1%	\$ 1,006,016	Refinanced - Refi Loan 1
Fixed rate 10 year loan (15 year Amortization) at 5.91%	2,449,352	Refinanced - Refi Loan 1
Fixed rate 10 year loan (15 year Amortization) at 6.9%	1,329,221	Refinanced - Refi Loan 1
Fixed rate 10 year loan (15 year Amortization) at 6.88%	1,888,196	Refinanced - Refi Loan 2
Total per 5/31/12 Balance Sheet	<u>\$ 6,672,785</u>	

Proposed Capital Structure of the Rate Year

	Amount	% of Total	Rate	Weighted Return
Current Long Term Debt:				
Refi Loan 1 - Fixed rate 7 year	\$ 3,652,912	41.61%	3.44%	0.0143
Refi Loan 2 - Fixed rate 7 year	1,450,502	16.52%	3.44%	0.0057
Building Loan - Fixed rate 10/20 year (New)	954,162	10.87%	4.48%	0.0049
Equity (no gain or loss in interim year)	<u>2,722,256</u>	<u>31.01%</u>	12.50%	<u>0.0388</u>
Total Capital structure	<u>\$ 8,779,832</u>	<u>100.00%</u>		<u>0.0636</u>

Calculation of Federal Income Tax:

Rate Base	\$ 6,940,458
Return On Equity	<u>0.0388</u>
Taxable Income	\$ 268,993
Tax on the remainder (32%)	<u>86,078</u>
Total Tax	<u>\$ 86,078</u>

Rate Allocation - Rate Year
Interstate Navigation Company

Schedule WEE-13

Revenues impacted by rate increase:

Revenue from Rates and Charges at Current Rates	\$ 9,028,282
Miscellaneous Revenue	842,452
Increase in Revenue Requirement	1,302,177
Total Revenue (WEE-1)	<u>\$ 11,172,911</u>

Total Expense (WEE-1)	\$ 10,731,349
Return on Rate Base (WEE-1)	441,562
Less: Miscellaneous Revenue	(842,452)
Rate Year Revenue Requirement	<u>\$ 10,330,459</u>

COS Allocation Percentages per DGB-9		
Passenger	55.3%	\$ 5,712,744
Cars-PU-SUV	16.1%	1,663,204
Trucks	12.2%	1,260,316
Freight	14.0%	1,446,264
Bikes	2.4%	247,931
	<u>100.0%</u>	<u>\$ 10,330,459</u>

	Current Rate	Cost Allocation without Adjustments		Eliminating Round Trip Discount		<i>Proposed Rates</i> Eliminating Round Trip Discount and Commuter Discount	
		Rate	Revenue	Revenue	Check	Revenue	Proposed Rate
Adult One Way	\$ 11.25	\$ 14.75	\$ 1,948,298	\$ (257,572)	\$ 1,690,726	\$ (79,253)	\$ 1,611,474
Adult Round Trip	\$ 18.30	\$ 23.95	\$ 3,530,278	\$ 243,213	\$ 3,773,491	(176,882)	\$ 3,596,609
Child One Way	\$ 5.70	\$ 7.45	\$ 99,145	(12,643)	\$ 86,502	81,844	\$ 6.15
Child Round Trip	\$ 9.10	\$ 11.90	\$ 167,576	15,490	\$ 183,066	(9,153)	\$ 173,913
Commuter One Way	\$ -	\$ -	-	-	-	-	\$ 12.20
Commuter Round Trip	\$ 10.50	\$ 10.50	\$ 215,544	-	\$ 215,544	285,339	\$ 500,883
			\$ 5,960,840	\$ (11,511)	\$ 5,949,330	\$ 15,393	\$ 5,964,723

Calculation of Rates with the elimination the of Round Trip and Commuter Discount - PROPOSED RATES

Rate Year Revenue Requirement Allocation to Passenger	\$ 5,712,744	WEE-13
Freight Increase covered by Passenger Rates	\$ 140,000	WEE-17
Bike Increase covered by Passenger Rates	\$ 105,752	WEE-18
Revenue Generated for Commuter at Current Rates	-	
Net amount required from all Passengers	\$ 5,958,496	

Calculation of all equivalent Passengers

	FY 2012 Counts	Equivalency Ratio	Equivalent Passenger	Current Rate	Current Equivalency Ratio
Adult One Way	132,088	1.00	132,088	\$ 11.25	1.00
Adult Round Trip	147,402	2.00	294,804	\$ 18.30	1.63
Child One Way	13,308	0.51	6,743	\$ 5.70	0.51
Child Round Trip	14,082	1.01	14,270	\$ 9.10	0.81
Commuter Round Trip	20,528	2.00	41,056		
			<u>488,960</u>		

Calculation of Rate per Equivalent Passenger

Net amount required from All Passengers	\$ 5,958,496
Equivalency Passenger	488,960
Rate per Equivalent Passenger	\$ 12.19

Calculation of Rates

	Equivalency Ratio	Proposed Rate
Adult One Way	1.00	\$ 12.20
Adult Round Trip	2.00	\$ 24.40
Child One Way	0.51	\$ 6.15
Child Round Trip	1.01	\$ 12.35
Commuter Round Trip	2.00	\$ 24.40

Rate Impact

	FY 2012 Counts	Current Rate	Proposed Rate	Revenue Check	\$ Increase	% Increase
Adult One Way	132,088	11.25	12.20	\$ 1,611,474	\$ 0.95	8%
Adult Round Trip	147,402	18.30	24.40	\$ 3,596,609	\$ 6.10	33%
Child One Way	13,308	5.70	6.15	\$ 81,844	\$ 0.45	8%
Child Round Trip	14,082	9.10	12.35	\$ 173,913	\$ 3.25	36%
Commuter One Way	-	-	12.20	\$ -	\$ 12.20	0%
Commuter Round Trip	20,528	10.50	24.40	\$ 500,883	\$ 13.90	132%
				<u>\$ 5,964,723</u>		

Rate Design - Calculation of Vehicle Rates
Interstate Navigation Company

Schedule WEE-15

Calculation of Ratio between Cars and SUVs

	Current Rate	Equivalency Ratio
Cars	\$ 49.80	1.00
Pick-ups & SUVs	\$ 60.10	1.21

	Current Rate	Cost Allocation without Adjustments		Proposed Rates Eliminating Commuter Discount	
		Rate	Revenue Check	Revenue Check	Proposed Rate
Cars	49.80	33.19	\$ 1,168,523	\$ (17,189)	\$ 32.70
Pick-ups & SUVs	60.10	40.05	347,174	(5,222)	39.45
Commuter Cars	27.00	27.00	105,327	22,236	32.70
Commuter Pick-ups & SUVs	32.75	32.75	35,337	7,229	39.45
			<u>\$ 1,656,361</u>	<u>\$ 7,055</u>	<u>\$ 1,663,416</u>

Calculation of Rates with the elimination the of the Commuter Discount - PROPOSED RATES

Rate Year Revenue Requirement Allocation to Vehicles \$ 1,663,204 WEE-13

Calculation of equivalent Vehicles

	FY 2012 Counts	Equivalency Ratio	Equivalency Vehicle
Cars	35209	1.00	35,209
Pick-ups & SUVs	8668	1.21	10,461
Commuter Cars	3901	1.00	3,901
Commuter Pick-ups & SUVs	1079	1.21	1,302
			<u>50,873</u>

Rate Year Revenue Requirement Allocation to Vehicles \$ 1,663,204
Equivalency Vehicle 50,873
Rate per Equivalent Vehicle \$ 32.69

Calculation of Rates

	Equivalency Ratio	Proposed Rate
Cars	1.00	\$ 32.70
Pick-ups & SUVs	1.21	\$ 39.45
Commuter Cars	1.00	\$ 32.70
Commuter Pick-ups & SUVs	1.21	\$ 39.45

Rate Impact

	FY 2012 Counts	Current Rate	Proposed Rate	Revenue Check	\$ Increase	% Increase
Cars	35209	49.80	32.70	\$ 1,151,334	\$ (17.10)	-34%
Pick-ups & SUVs	8668	60.10	39.45	\$ 341,953	\$ (20.65)	-34%
Commuter Cars	3901	27.00	32.70	\$ 127,563	\$ 5.70	21%
Commuter Pick-ups & SUVs	1079	32.75	39.45	\$ 42,567	\$ 6.70	20%
				<u>\$ 1,663,416</u>		

Rate Design - Calculation of Truck Rates
Interstate Navigation Company

Schedule WEE-16

Calculation of Rates

Rate Year Revenue Requirement Allocation to Trucks	\$ 1,260,316 WEE-13
Truck Revenue Generated at Current Rates	\$ 1,075,979 *
Revenue Increase required from Trucks	\$ 184,337
Percentage Increase required from Trucks	17%

Rate Year Revenue at Current Rates

Cars	\$ 1,753,408
Pick-ups & SUVs	520,946
Commuter Cars	105,327
Commuter Pick-ups & SUVs	35,337
Trucks & Oversize Trucks	1,075,979 *
Total Vehicles	<u>\$ 3,490,997</u> WEE-2

		Percentage Increase	
Trucks	5.60	17.13%	6.55
Hazardous Trucks	8.50	17.13%	9.95
Oversized Vehicles	4.15	17.13%	4.85
Vehicles over 7' High	5.60	17.13%	6.55
Vehicle Overhang Charge	7.75	17.13%	9.10
Weight Premium	55.40	17.13%	64.90

Rate Design - Calculation of Freight Rates

Schedule WEE-17

Interstate Navigation Company

Calculation of Rates

Rate Year Revenue Requirement Allocation to Freight	\$ 1,446,264	WEE-13
Freight Increase covered by Passenger Rates	(140,000)	
Modified Rate Year Revenue Requirement Allocation to Freight	<u>\$ 1,306,264</u>	
Freight Revenue Generated at Current Rates	\$ 792,113	WEE-2
Revenue Increase required from Freight	\$ 514,151	
Percentage Increase required from Freight	65%	

Freight Rates Before Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17a

Pages 1 of 14

CLASS	ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	Columns A & B Deleted *----- COLUMN -----*			Rate	
				A	B			
006	45-00	EMPTY CONTAINER WITH BOTTLES RULE 45	EA				-	Item Deleted
			Last Rate				0.540	
45-01		EMPTY CONTAINER W/O BOTTLES RULE 45	EA				-	Item Deleted
			Last Rate				0.460	
45-02		EMPTY MILK CASES, CANS RULE 45	EA				0.460	
45-03		EMPTY MILK DISPENSERS RULE 45	EA				-	Item Deleted
			Last Rate				0.540	
45-04		EMPTY BEER KEGS RULE 45	EA				1.070	
45-06		EMPTY BREAD TRAY, PLASTIC	EA				0.460	
007	015-02	AREA WALL/PARTITION	EA				2.510	
030-05		BAIT BARRELS, EMPTY	EA				1.250	
035-05		BATHTUB, CAST IRON	EA				13.270	
035-06		JACUZZI, WHIRLPOOL RULE #40 APPLIES	EA				\$ 30.00	New or Adjusted Rates
			Last Rate	19.280				
035-07		SHOWER BASE, GRANITE, NOIBN	EA				5.820	
			Last Rate	5.820	5.820			
040-00		BATTERIES, USED, CAR	EA				0.710	
040-03		BATTERIES, USED INDUSTRIAL MARINE	EA				1.780	
045-00		KEG; WINE 1/4	EA				-	Item Deleted
			Last Rate				2.240	
045-08		COLD PLATE W/COOLER	EA				-	Item Deleted
			Last Rate				2.870	
10-03		ANCHOR, MOORING, 200-499LB	EA				7.170	
10-04		ANCHOR, MOORING, 500-799LB	EA				15.040	
10-05		ANCHOR, MOORING, 800-999	EA				22.410	
			Last Rate	22.410	22.410			
10-06		ANCHOR, SMALL					1.440	
			Last Rate	1.440	1.440			
10-07		ANCHOR, MOORING, 100-199LB	EA				5.360	
			Last Rate	5.360	5.360			
10-08		ANCHOR, MOORING, 1000 & ABOVE	EA				33.390	
30-05		BARREL, 15 GAL	EA				-	Item Deleted
			Last Rate	3.560	3.560		3.560	
30-06		BARREL, 30 GAL	EA				-	Item Deleted
			Last Rate	5.370	5.370		5.370	
40-02		BATTERIES, ELECTRICAL, SOLAR INDUSTRIAL, MARINE	EA				3.560	
45-05		KEG; WINE 1/2	EA				-	Item Deleted
			Last Rate				3.210	
45-10		DISPENSER, WATER	EA				8.600	
			Last Rate	8.600	8.600			
50-00		WATER, BOTTLE, >5GAL	EA				1.440	
55-02		BICYCLE, UNCRATED	EA				3.150	New or Adjusted Rates
			Last Rate	2.870				
600-21		SOLAR PANELS/MODULES APPROX 4X8	EA				10.000	New or Adjusted Rates
			Last Rate	24.430				
005-01		ALUMINUM LOUVERS, VENTS	PC				0.800	
NEW		ALUMINUM LOUVERS, VENTS - LARGE	PC				1.600	New or Adjusted Rates
005-02		ANTI-FREEZE COMPOUNDS, NOIBN LIQUID, IN CASES	EA				1.440	
			EA					
005-03		ANTI-FREEZE COMPOUNDS, NOIBN LIQUID IN BARRELS OR DRUMS	EA				-	Item Deleted
			EA				7.320	
005-04		ANGLE IRON BY LINEAR FEET	FT				0.460	
010-01		AUTOMOBILE PARTS CARTONS: EXHAUSTS, PIPES, MUFFLERS ETC.	EA				1.440	
010-02		AUTO SEATS	EA				6.080	
015-01		AUTO TRANSMISSIONS	EA				6.800	
020-01		BAGS, BURLAP, GUNNY OR JUTE NOIBN	EA				-	Item Deleted
			Last Rate				5.370	
025-01		BARRELS(NOT OIL OR TAR), DRUMS PAIS, TUBS, WOOD/IRON/STEEL	EA				-	Item Deleted
			Last Rate				0.540	
030-02		BARRELS, TAR, EMPTY, EACH	EA				-	Item Deleted
			Last Rate				1.250	
030-03		BARRELS, TAR, FULL, EACH	EA				-	Item Deleted
			Last Rate				7.320	
030-04		BAIT BARRELS	EA				5.370	
035-01		BATHTUBS, EACH	EA				8.600	
035-02		COMBINATION TUB AND SHOWER	EA				18.320	

Freight Rates Before Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17a

Pages 2 of 14

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	Columns A & B Deleted *----- COLUMN -----*		
			A	B	Rate
035-03	(FIBERGLASS) SHOWER IN BOX BY PIECE	EA			3.030
035-04	SHOWER (FIBERGLASS)	EA			12.520
040-01	BATTERIES, ELECTRIC, STORAGE EACH	EA			1.780
045-01	BEVERAGES, ALCOHOLIC, VIZ. M.T. KEGS	KEG			-
		Last Rate			1.070
045-02	BEER, 24 PER CASE	CAS			1.280
045-03	BEER IN KEGS EACH	KEG			2.260
045-04	LIQUORS, SPLITS PER CASE	CAS			2.460
045-05	WINE, PER CASE	CAS			1.820
045-06	BEER 48 BOTTLES PER CASE	CAS			-
		Last Rate			1.780
050-01	BEVERAGES, SODA, JUICE, WATER	CAS			0.980
050-02	BEVERAGES, NON-ALCOHOLIC: SODA PRE-MIXED CANS	CAS			-
		Last Rate			1.250
050-03	BEVERAGES, NON-ALCOHOLIC: CO2 + O2 TANKS AND CYLINDERS	CYL			2.240
055-01	BICYCLES, NOIBN, IN BOXES OR CRATES	EA	3.680		3.150
055-11	STROLLER, CARRIAGE, BABY CAR SEAT CRATED	EA	2.200		2.000
055-12	STROLLER, CARRIAGE UNCRATED	EA			2.000
065-04	COBBLESTONE	EA			0.450
		Last Rate	0.450	0.450	
065-05	COBBLESTONE, LESS THAN 10 INCH	EA			0.220
		Last Rate	0.220	0.220	
65-03	BLOCK, PATIO	EA			0.540
		Last Rate	0.540	0.540	
70-00	BUOY, CARTON, LOOSE, SMALL 2'X2' BOX	EA			2.150
70-01	BUOY, CARTON, LOOSE, LARGE OVER 2'X2' BOX	EA			3.560
70-02	BUOY, LOBSTER	EA			0.360
		Last Rate	0.360	0.360	
70-04	BOBCAT TRACTOR	EA			-
		Last Rate	29.100	29.010	29.010
70-05	BOBCAT TRACTOR WITH BACK ATTACHMENTS	EA			-
		Last Rate	38.330	38.330	38.330
060-01	BLINDS, WINDOW OR SHUTTERS	EA			0.800
065-01	BLOCKS, CHIMNEY 9 X 13	EA			0.490
065-02	BLOCKS, BUILDING, CEMENT OR CINDER EACH	EA			0.540
070-00	KAYAK, CANOE, WALK ON	EA			11.150
070-01	BOATS, PER LINEAR FOOT	FT			1.440
075-01	BOAT TRAILERS, LESS THAN 10 FEET	EA			18.410
080-01	BOILER/FURNACE	EA			24.430
085-01	BOOKS, BY THE CARTON	CTN			2.420
085-02	BOOTS OR SHOES, IN CARTONS EACH	CTN			-
		Last Rate			2.420
090-01	CRATES, STEEL OR WOODEN	EA			12.160
090-02	COPPER/BRASS FITTINGS IN CTNS	CTN			3.680
095-01	BREAD, BAKERY PRODUCTS, IN CARTONS EACH (1.77 MIN)	CTN			0.980
095-03	BREAD TRAYS, FULL MINIMUM CHARGE (1.77)	EA			0.980
100-01	BRIDGING BOX METAL	EA			1.460
		Last Rate	0.270		
100-02	BROOM, ROAD, ATTACHMENT	EA			25.590
105-01	BOTTLES, CARBOYS, DEMIJOHNS, JAR NOIBN, GLASS OTHER CUT, EMPTY RT	EA			-
		Last Rate			0.870
110-01	DRIP EDGE	BND			3.680
115-01	BOXES, FISH, EMPTY	EA			-
		Last Rate			0.270
120-01	BRICKS, BUILDING, COMMON, LESS THAN M	EA			0.090
120-02	BRICKS, BUILDING, COMMON OVER 1,000 BRICKS	M			60.800

Item Deleted

Item Deleted

Item Deleted

New or Adjusted Rates

New or Adjusted Rates

Item Deleted

Item Deleted

Item Deleted

New or Adjusted Rates

Item Deleted

Item Deleted

Freight Rates Before Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17a

Pages 3 of 14

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	Columns A & B Deleted *----- COLUMN -----*				Rate	
			A	B				
125-01	BRIDGING METAL, BOX	EA					-	Item Deleted
		Last Rate	1.440	1.780			1.440	
125-02	BRICKS, FACE, EACH	EA					0.100	
125-03	BRICKS, FIRE, EACH	EA					0.130	
009 130-02	WEED WHACKER, ELECTRIC	EA					3.560	
		Last Rate	3.560	3.560			3.560	
170-00	COMPUTERIZED EQUIPMENT: CPU, LAPTOP, MONITOR, ETC.	EA					7.450	New description
170-01	CASH REGISTERS, BOOKKEEPING, FAX COPY, TYPING OR STENOGRAPH MACH.	EA					-	Item Deleted
		Last Rate	7.320	9.760			7.320	
170-02	COMPUTER PRINTER, SCANNER	EA					5.440	
		Last Rate	5.440	5.440			5.440	
175-09	CABINET, FILLER	EA					1.440	
		Last Rate	1.440	1.440			1.440	
175-10	CABINET, PANEL	EA					3.200	
		Last Rate	3.200	3.200			3.200	
175-11	CABINET, FILING RULE # 40 APPLIES	EA					6.090	
		Last Rate	6.090	6.090			6.090	
175-05	CABINET, SINGLE RULE 40 APPLIES	EA					3.680	
		Last Rate	3.680	4.560			3.680	
175-06	CABINET, DOUBLE RULE 40 APPLIES	EA					6.080	
		Last Rate	6.080	7.620			6.080	
175-12	CABINET, QUAD RULE #40 APPLIES	EA					17.870	
		Last Rate	17.870	17.870			17.870	
175-13	CABINET, FILING, SMALL 2 DRWR RULE #40 APPLIES	EA					2.870	
		Last Rate	2.870	2.870			2.870	
180-05	CASKET, GRAVE, LINER	SET					18.980	
		Last Rate	18.980	18.980			18.980	
180-06	PRECAST STAIRWAY	EA					38.650	
180-07	CART, SHOPPING	EA					3.560	
		Last Rate	3.560	3.560			3.560	
185-04	EXPANSION JOINT	EA					-	Item Deleted
		Last Rate	0.140	0.140			0.140	
240-00	COUNTER TOP	FT					0.930	
		Last Rate	0.930	0.930			0.930	
	COUNTER TOP - GRANITE	FT					1.250	New or Adjusted Rates
240-01	COPPER SHOWER PANS	EA					2.680	
		Last Rate	2.680	3.390			2.680	
130-01	WEED WHACKER, GAS POWERED	EA					6.800	
		Last Rate	6.800	7.620			6.800	
135-01	BULKHEAD STEEL	EA					8.690	
		Last Rate	8.690	10.700			8.690	
140-01	BURLAP, ROLL OR BALE	EA					-	Item Deleted
		Last Rate	7.320	9.090			7.320	
145-01	BUOY FLOAT, MAST HEAD	EA					1.250	
		Last Rate	1.250	1.530			1.250	
150-01	BUFFER/POLISHER AND SANDER	EA					8.490	
		Last Rate	8.490	10.640			8.490	
155-01	CALCIUM CHLORIDE PER BAG	EA					2.420	
		Last Rate	2.420	3.030			2.420	
160-01	BUILDING-SHED, HOUSE, FABR EA STEEL PER CWT.	EA					-	Item Deleted
		Last Rate	4.030	5.100			4.030	
165-01	CANDY OR CONFECTIONERY, IN BOXES OR CARTONS	EA					2.420	
		Last Rate	2.420	3.030			2.420	
165-02	CANDY OR CONFECTIONERY MINIMUM CHARGE PER SHIPMENT	EA					3.030	Item Deleted
		Last Rate	3.030	3.680			3.030	
175-01	CABINET, MEDICINE	EA					1.780	
		Last Rate	1.780	2.320			1.780	
175-03	TRASH CAN: PLASTIC, ALUMINUM EMPTY	EA					1.780	
		Last Rate	1.780	2.320			1.780	
175-04	TOYS, GAMES	CTN					2.420	
		Last Rate	2.420	2.680			2.420	
175-07	CARPETS OR LINOLEUM/ROLL	EA					7.170	
		Last Rate	7.170	7.170			7.170	
175-08	ROLL PADDING/FOAM	EA					2.240	
		Last Rate	2.240	2.400			2.240	
180-02	CASKETS OR VAULT, BURIAL CASKET, WOODEN	EA					-	Item Deleted
		Last Rate	12.160	15.830			12.160	
180-03	CASKETS OR VAULTS, BURIAL CASKET, STEEL	EA					-	Item Deleted
		Last Rate	17.060	20.750			17.060	
180-04	CASKETS OR VAULT, BURIAL VAULT, CEMENT	EA					17.360	New or Adjusted Rates
		Last Rate	29.250	29.250			17.360	
185-01	CEMENT, PLASTER, MORTAR IN 50-80LB. BAGS	EA					1.440	
		Last Rate	1.440	2.060			1.440	
185-02	POWER CEMENT TROWEL	EA					6.080	
		Last Rate	6.080	7.620			6.080	
185-03	SAKRETE, MORTAR, GROUT IN 25-45LB. BAGS	BAG					0.710	
		Last Rate	0.710	0.710			0.710	
190-01	CESSPOOLS, COMPLETE, EACH	EA					-	Item Deleted
		Last Rate	54.890	60.990			54.890	
180-10	STAIRWAY, PREFAB 8 FEET / LESS	EA					5.010	
		Last Rate	5.010	5.010			5.010	
180-11	STAIRWAY, PREFAB GREATER THAN	EA					9.010	

Freight Rates Before Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17a

Pages 4 of 14

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	Columns A & B Deleted *----- COLUMN -----*		
			A	B	Rate
195-01	8 FEET CHARCOAL	BAG			1.780
		Last Rate	1.780	2.420	
200-01	CAULKING COMPOUND, ACCESS PER BOX	BOX			1.440
		Last Rate	1.440	1.780	
205-01	CHEMICALS, NOIBN, IN CARBOYS EACH	CRB			-
		Last Rate	2.420	3.680	2.420
205-02	CHAIN, 500-799 LB BARREL	EA			15.250
		Last Rate	15.250	15.250	
205-03	CHAIN, 200-499 LB BARREL	EA			10.100
		Last Rate	10.100	10.100	
205-04	CHAIN, LESS THAN 200 LB	EA			5.010
		Last Rate	5.010	5.010	
210-01	CHIMNEY FLUE LINING, CLAY 8"X8" LINEAR FOOT	EA			0.540
		Last Rate	0.540	0.620	
210-02	CHIMNEY FLUE LINING, CLAY 8" X 12 "	EA			0.620
		Last Rate	0.620	0.710	
215-01	CIGARETTE VENDING MACHINE	EA			-
		Last Rate	13.420	17.060	13.420
220-01	CLAY THIMBLE 8"X8"	EA			0.620
		Last Rate	0.620	0.800	
235-01	CLOTHING CLOTH, DRY GOODS, FABRIC BAGGING, GUNNY, IN BNDL OR CTN	CTN			1.250
		Last Rate	1.250	1.780	
245-01	COAL OR COKE IN CLOSED BAGS PER TON (2000 LBS)	TON			-
		Last Rate	13.420	15.830	13.420
245-02	COAL OR COKE IN CLOSED BAGS PER 50 LBS BAG	BAG			0.460
		Last Rate			12.000
245-03	CORD WOOD: PER PALLET OR 1/2 CORD	CRD	8.950		
		Last Rate			17.860
245-04	CORD WOOD: PER CORD	CRD			
250-01	STEMWARE/CROKERY PLATES, CUPS, POTS AND PANS	CTN			3.030
		Last Rate	3.030	3.680	
255-01	DOORS, WOODEN, GLAZED	EA			3.030
		Last Rate	3.030	3.680	
255-02	DOORS AND WINDOW, SCREEN	EA			3.030
		Last Rate			-
255-03	DOOR,	EA			3.030
		Last Rate	3.030	4.470	
255-04	DOOR, GARAGE, DOUBLE OR OVERHEAD, EACH	EA			7.320
		Last Rate	7.320	9.760	
255-05	DOOR FRAMES	EA			2.420
		Last Rate	2.420	3.030	
255-06	DOOR, STEEL FIRE, EACH	EA			11.630
		Last Rate	11.630	15.210	
255-07	DOOR, CELLER, EACH	EA			12.160
		Last Rate	12.160	15.210	
255-08	DOORS, PRE-HUNG	EA			4.920
		Last Rate			10.700
255-09	DOOR, GLASS, SLIDING, FRENCH PATIO	EA			
255-13	DOOR, DOUBLE PRE-HUNG	EA			9.820
		Last Rate	9.820	9.820	
255-14	DOOR, BIFOLD	EA			3.030
		Last Rate	3.030	3.030	
255-16	DOOR, WOOD, W/WINDOW	EA			-
		Last Rate	3.560	3.560	3.560
255-17	DOOR, COMBO	EA			-
		Last Rate	4.470	4.470	4.470
255-18	DOOR, GLASS, SLIDING, FRENCH DOUBLE PATIO	EA			21.460
		Last Rate	21.460	21.460	
255-19	GATE, LARGE 16" OR LESS	EA			5.510
		Last Rate	5.510	5.510	
255-20	GATE, LARGE 17" OR GREATER	EA			9.390
		Last Rate	9.390	9.390	
255-21	DOOR, BATH TUB	EA			6.500
		Last Rate			3.040
260-01	DRUGS OR MEDICINES, NOIBN IN CARTONS	CTN			
		Last Rate	3.030	3.680	
260-02	DURA-WALL 500 LINEAL FEET 8"	EA			5.800
		Last Rate			6.690
260-03	DURA-WALL 500 LINEAL FEET 12"	EA			
270-00	WIRE, COIL	EA			1.780
		Last Rate	1.780	1.780	
300-08	DRESSER, CHEST	EA			6.080
		Last Rate	6.090	6.080	
300-13	DISPLAY CASE, BOOKSHELF, RACK	EA			-
		Last Rate			6.080
602-00	DUMPSTER, 15YRD	EA			35.810
		Last Rate			28.650
602-01	DUMPSTER, 10-14 YRDS	EA			
		Last Rate			21.500
602-02	DUMPSTER, 6-9 YRDS	EA			
		Last Rate			17.870
602-03	DUMPSTER, 3-5 YRDS	EA			

Item Deleted

Item Deleted

Item Deleted

Item Deleted

New or Adjusted Rates

Item Deleted

Item Deleted

Item Deleted

Item Deleted

Freight Rates Before Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17a

Pages 5 of 14

CLASS	ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	Columns A & B Deleted COLUMN			Rate	
				A	B			
	602-04	DUMPSTER, LESS THAN 3 YRDS	EA				7.170	
			Last Rate	7.170	7.170			
	245-00	COOKIES	BOX				0.620	
	255-00	DOOR, SHOWER	EA				3.560	
	255-10	DOOR, STORM ALUMINUM	EA				3.560	
	255-11	SCREEN, SLIDING	EA				-	Item Deleted
			Last Rate				2.720	
	011 15-02	ENGINE BLOCK	EA				-	Item Deleted
			Last Rate	5.370	5.370		5.370	
	15-03	ENGINE, COMPLETE	EA				10.710	
			Last Rate	10.710	10.710			
	265-01	EGGS, NOIBN, IN CASES EACH	CS				-	Item Deleted
			Last Rate	3.030	3.680		3.030	
	265-03	ELECTRIC SUPPLIES PER CARTON	CTN				1.780	
	265-07	TRANSFORMER, 75 KVA	EA				71.600	
			Last Rate	71.600	71.600			
	265-08	TRANSFORMER, 112.5 KVA	EA				93.050	
	265-09	TRANSFORMER, 5 KVA	EA				7.170	
			Last Rate	7.170	7.170			
	265-10	TRANSFORMER, 37 KVA	EA				34.350	
			Last Rate	34.350	34.350			
	265-11	TRANSFORMER, 45 KVA	EA				50.110	
			Last Rate	50.110	50.110			
	265-12	UTILITY ENCLOSURES	EA				13.260	
			Last Rate	13.260	13.260			
	270-0	WIRE, SPOOL	EA				1.780	
			Last Rate	1.780	1.780			
	270-01	FELT, BUILDING IN ROLLS PER ROLL	EA				0.880	
			Last Rate	0.880	0.980			
	270-02	FENCE, PER ROLL: SNOW/DEER	EA				4.920	
	270-03	FENCE, PER ROLL, CHICKEN WIRE	EA				1.950	
	270-04	FENCE, PER ROLL, STEEL	EA				6.690	
	270-08	FENCE, STOCKADE >3'X8'	SEC				4.290	
	270-09	FENCE, STOCKADE < OR = 3'X8'	SEC				2.780	
	270-10	FENCE, MESH SHEET 5'X10' BY PALLET	PLT				31.950	
			Last Rate	31.950	31.950			
	270-11	FENCE, PER ROLL, SILT	EA				1.950	
			Last Rate	1.950	1.950			
	275-00	FERTILIZER COMPOUNDS, SINGLE O NE TON BAG, NOIBN	TON				39.020	
	275-01	FERTILIZER COMPOUNDS, NOIBN LIME, MANURE IN BAGS	EA				1.950	
			Last Rate	1.950	2.420			
	275-02	MULCH, PEAT MOSS	EA				1.440	
			Last Rate	1.440	1.440			
	275-03	SOIL	EA				1.440	
			Last Rate	1.440	1.440			
	275-04	MULCH, PEAT MOSS PALLET SIZE BALE	PLT				19.870	
			Last Rate	19.870	19.870			
	275-05	FERTILIZER COMPOUNDS, 1000LB B AG, NOIBN	BAG				25.650	
	280-00	FISH, LARGE, FRESH, BOXED	EA				-	Item Deleted
			Last Rate	5.730	5.730		5.730	
	280-01	FISH, FRESH OR FROZEN, IN BARRELS, EACH	EA				-	Item Deleted
			Last Rate	3.680	4.800		3.680	
	280-02	FISH, FRESH OR FROZEN, BOXES	EA				3.000	
			Last Rate	2.420	2.420	3.030		New or Adjusted Rates
	280-03	FISH, FRESH OR FROZEN, IN BAGS EACH	EA				1.810	
	280-04	LOBSTERS, IN BARRELS OR CRATES EACH	EA				4.830	
			Last Rate	4.830	7.320			
	280-045	LOBSTER, IN LARGE BBL OR CRATE	EA				-	Item Deleted
			Last Rate				11.430	
	280-11	FISH, X-TUB	TUB				16.080	
	280-12	X-TUB, EMPTY	EA				8.050	
			Last Rate	8.050	8.050			
	280-13	FISH, X-TUB, SMALL	TUB				-	Item Deleted
			Last Rate				8.490	
	285-00	CRUSHED STONE (EG: FLAG STONES, BLUESTONE, SLATE, PALLET)	PLT				28.650	
	285-01	FLAG STONES, BLUESTONE, SLATE	EA				1.950	
	285-02	FIRE EXTINGUISHERS	EA				1.780	
	290-01	FLOWERS: FRESH/ARTIFICIAL PER BOX/CTN/BND	CTN				1.440	
	290-02	FLASHING: ALUMINUM/LEAD 8"-10"	ROL				1.250	

Freight Rates Before Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17a

Pages 6 of 14

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	Columns A & B Deleted *----- COLUMN -----*			Rate	
			A	B			
	ROLL						
290-03	FLASHING, ALUMINUM/LEAD 11-12"	ROL				1.610	
	ROLL						
290-04	FLASHING, BOXED	BOX				1.440	
		Last Rate	1.440	1.440			
290-05	FLASHING; COPPER	RL				2.510	
		Last Rate	2.510	2.510			
290-06	ALUMINUM, SHEET,BY SQUARE FOOT	SQF				0.210	
295-01	FRUITS OR VEGTABLES 100 lbs	LB	100.00000			2.160	
	FRUITS OR VEGTABLES 180 lbs	LB				4.000	New or Adjusted Rates
300-06	TABLE, FOLDING RENTAL	EA				2.870	
	RULE #40 APPLIES	Last Rate	2.870	2.870			
300-07	DESK	EA				7.170	
	RULE #40 APPLIES						
300-09	TABLE, PICNIC	EA				7.170	
		Last Rate	7.170	7.170			
	BUTCHER BLOCK TABLE	EA				2.870	
		Last Rate	2.870	2.870			
300-1	CHAIR, FOLDING IN RACK	RAK				-	Item Deleted
300-10	ENTERTAINMENT CENTER/ ARMOIRE	EA				-	Item Deleted
		Last Rate	7.170	7.170		7.170	
300-12	CHAIR; PATIO, SLEEVE	SLV				8.280	
		Last Rate	8.280	8.280			
300-14	CHAISE LOUNGE; PATIO, SLEEVE	SLV				14.490	
305-02	GALLEY	EA				-	Item Deleted
		Last Rate	24.430	30.470		24.430	
305-03	DIST. BOXES	EA				5.820	
305-04	1,000 GAL SEPTIC TANK	EA				85.820	
	SEWER MANHOLE PIECES	EA				21.000	New or Adjusted Rates
305-05	SHALLOW GALLEY/FLOW DIFFUSOR	EA				21.000	New or Adjusted Rates
		Last Rate	13.260	13.260	13.260		New or Adjusted Rates
	LARGE BULKY ITEMS GREATER (4ft by 8 ft)	EA				60.000	New or Adjusted Rates
305-07	BLOCK, RETAINING / BARRICADE	EA				13.260	
	3X3X5	Last Rate	13.260	13.260			
310-01	GLASS, BOX OF, CRATED, LOOSE	EA				4.830	
		Last Rate	4.830	6.080			
310-02	GLASSWARE, CARBOYS, EMPTY	EA				0.540	
		Last Rate	0.540	0.710			
310-03	GLASSWARE, IN CARTONS, INCLUDE	EA				2.420	
	POTTERY, ETC.						
315-00	PET FOOD	PKG				1.440	
		Last Rate	1.440	1.440			
315-01	GRAIN, FEED, SEED, BAG	EA				1.250	
	(UNDER A TON)	Last Rate	1.250	1.440			
315-02	GRAIN, FEED, SEED, BAG, TON AN	EA				0.800	
	D OVER						
315-03	GRAVEL IN BAGS	EA				1.250	
		Last Rate	1.250	1.440			
315-04	GRAIN, FEED, SEED, 1 TON BAG	EA				25.770	
	OR 2 1/2 TON BAGS						
315-05	PELLETS, WOOD BY 50LB BAG	BAG				1.250	
320-01	GREASE DRUM, 120#	EA				-	Item Deleted
		Last Rate	2.240	2.770		2.280	
320-02	GREASE, ENGINE OR MOTOR, IN	EA				-	Item Deleted
	BOXES, OR BARRELS	Last Rate	1.950	2.420		1.980	
325-01	GROCERIES, BAG OF: EACH	EA				0.540	
			0.540	0.620		0.540	
325-02	GROCERIES, BY CWT	CWT	100.00000			-	Item Deleted
		Last Rate	2.150	2.680		2.150	
325-03	GROCERIES, TOTE, PEAPOD ITEM	EA				2.430	
325-04	GROC. SUPPLIES ARE DESCRIBED					-	Item Deleted
	IN COMMODITY LIST #1 P.18 & 19	Last Rate	1.950	2.150		1.950	
325-05	GROCERIES AND GROCERY	CTN				1.070	
	SUPPLIES CHARGE PER SHIPMENT						
325-06	GROCERIES, MINIMUM CHARGE	LBS	10.00000			-	Item Deleted
	PER SHIPMENT	Last Rate				1.530	
330-02	GUTTERS/DOWNSPOUTS/ROOF DRAINS	LF				0.130	
	PER LINEAR FOOT EACH, NOT CTN	Last Rate	0.130	0.160			
330-03	GYPSOLITE, BY BAG	BAG				1.250	
		Last Rate	1.250	1.530			
265-04	TRANSFORMER, 10 KVA	EA				10.710	
265-05	TRANSFORMER, 15 KVA	EA				14.320	
265-06	TRANSFORMER, 25 KVA	EA				21.500	

Freight Rates Before Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17a

Pages 7 of 14

CLASS	ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	Columns A & B Deleted COLUMN		Rate	
				A	B		
	270-05	FENCE, POST AND/OR RAIL	EA			0.710	
	270-06	FENCE, HOLDER, POST	EA			0.360	
	290-00	FORMICA	RL			6.230	
	295-00	PRODUCE	LB	100.00000		2.160	
	300-00	CHAIRS; PATIO, FOLDING RULE 40 APPLIES	EA			1.440	
	300-01	CHAIRS; LOUNGE, CTN OR LOOSE RULE 40 APPLIES	EA			2.870	
	300-02	SOFA; COUCH, SLEEPER RULE 40 APPLIES	EA			8.950	
	300-03	TABLE; DINNING ROOM RULE 40 APPLIES	EA			7.170	
	300-04	TABLE; END RULE 40 APPLIES	EA			2.870	
	300-05	TABLE; COFFEE RULE 40 APPLIES	EA			4.290	
	310-04	POTTERY BY PALLET	PLT			-	
		Last Rate		24.170	24.170	24.170	Item Deleted
	330-01	GROUND RODS, PER LINEAR FOOT	LF			0.060	
		Last Rate		0.600	0.090		
	335-01	HAMPERS, LAUNDRY EMPTY RETURN RULE 40 APPLIES	EA			2.870	
	335-03	HAMPERS, LAUNDRY, CLEAN RULE 40 APPLIES	EA			4.830	
		Last Rate		4.830	6.080		
	335-04	HAMPER, DIRTY LAUNDRY RULE 40 APPLIES	EA			4.290	
	335-05	LAUNDRY, DIRTY RULE 40 APPLIES	EA			1.440	
	340-02	SPADES, SHOVELS, BROOMS, POST HOLE DIGGERS, RAKES, PER BNDL.	BDL			1.610	
	340-03	SPADES, SHOVELS, BROOMS, POST HOLE DIGGERS, ECT. EACH	EA			1.440	
	340-04	HARROW	EA			-	
		Last Rate		25.590	32.000	25.590	Item Deleted
	340-05	WHEEL BARROW	EA			5.010	
		Last Rate		5.010	5.010		
	345-01	HAY, IN BALES, PER TON	TON			-	
		Last Rate		18.320	24.430	18.320	Item Deleted
	345-02	HAY, BALES	EA			1.250	
		Last Rate	0.980	0.980	0.980		New or Adjusted Rates
	345-03	SHAVINGS	BAG			1.440	
		Last Rate		1.440	1.440		
	350-01	HEATERS, AIR, ELECTRIC, FANS OR COMB. IN BOXES OR CTNS.	CTN			1.780	
		Last Rate		1.780	2.420		
	350-02	HEATER, LARGE, CRATED	EA			5.370	
		Last Rate		5.370	5.370		
	350-03	HEATER, KEROSENE	EA			3.560	
		Last Rate		3.560	3.560		
	355-01	HEATERS, GAS OR ELECTRIC, HOT WATER LESS THAN 40 CAP.	EA			6.080	
		Last Rate		6.080	8.490		
	355-02	HEATERS, GAS OR ELECTRIC HOT WATER, 40-79 CAP	EA			8.490	
		Last Rate		8.490	11.010		
	355-03	HEATERS, GAS OR ELECTRIC HOT WATER, 80 OR GREATER CAP	EA			13.940	
	360-01	HOUSES, PREFABRICATED: BUNGALOW OR RANCH PER SQ.FOOT	PSF			-	
		Last Rate		0.620	0.800	0.620	Item Deleted
	360-02	HOUSES, PREFABRICATED: TWO STORY, PER SQUARE FOOT	PSF			-	
		Last Rate		0.980	1.250	0.980	Item Deleted
	365-00	ICE, BAG BY PALLET	EA			28.650	
	365-01	ICE, ARTIFICIAL OR NATURAL PER BLOCK	BLK			-	
		Last Rate		2.420	3.030	2.420	Item Deleted
	365-02	ICE, ARTIFICIAL OR NATURA PER BUSHEL BASKET OR BAG	EA			1.440	
		Last Rate		1.440	1.780		
	370-01	ICE CREAM, PER CARTON	CTN			3.030	
		Last Rate		3.030	3.680		
	370-02	ICE CREAM JACKET, OVER TWO GALLONS CAPACITY (ALWAYS)	EA			-	
		Last Rate				4.920	Item Deleted
	375-01	ICE CREAM JACKETS, EMPTY RETN PER ONE OR TWO GALLON JACKETS	EA			-	
		Last Rate		0.980	1.250	0.980	Item Deleted
	375-02	ICE CREAM JACKETS EMPTY RETN OVER TWO GALLON CAPACITY	EA			-	
		Last Rate		1.440	1.780	1.440	Item Deleted
	375-03	ICE CREAM, IN PALLET BOX PER UNIT/PKG.	EA			1.440	
	380-01	IRON OR STEEL, BUILDING PREFABRICATED NOIBN PER TON	TON			-	
		Last Rate		45.050	60.990	45.050	Item Deleted
	380-02	IRON OR STEEL, JUNK OR SCRAP PER TON	TON			-	
		Last Rate		45.050	60.990	45.050	Item Deleted
	380-03	INSULATION, PER ROLL	EA			0.980	
		Last Rate		0.980	1.250		
	380-04	INSULATION, PER BATT	EA			1.400	
	380-05	INSULATION, SHEETS 1"	EA			0.870	

Freight Rates Before Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17a

Pages 8 of 14

CLASS	ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	Columns A & B Deleted *----- COLUMN -----*			
				A	B	Rate	
380-06		INSULATION, SHEETS 2"	EA			1.250	Item Deleted
380-07		INSULATION, SHEETS 3"	EA			1.610	
380-08		INSULATION, 4" SHEETS	EA			2.150	
380-09		INSULATION, SHEETS 5"	EA			2.500	
380-12		STYROFOAM LOGS	EA			2.870	
			Last Rate	2.870	2.870		
380-13		FLOAT DRUM, DOCK FLOATATION	EA			7.170	
280-09		LOBSTER TRAP, FENCE, ROLLS OVER 20"	EA			4.290	
			Last Rate	4.290	4.290		
280-10		LOBSTER LINE, COIL	EA			1.440	
			Last Rate	1.440	1.440		
300-11		HEADBOARD/FOOTBOARD	EA			2.870	Item Deleted
			Last Rate	2.870	2.870		
385-00		COLUMN, WOOD	EA			-	
			Last Rate	3.940	3.940	3.940	
385-02		LOLLY COLUMNS	EA			2.420	
390-00		SINK, TRIPLE	EA			9.820	
			Last Rate	9.820	9.820		
390-07		LAWN MOWER, WALK BEHIND	EA			10.700	
			Last Rate	10.700	10.700		
390-08		LAWNMOWERS, FLAIL, TOW MOWER	EA			6.080	
			Last Rate	6.080	6.080		
390-09		LAWN MOWERS - LARGE RIDING	EA			29.010	Item Deleted
395-00		LIVESTOCK, VIZ: BEES IN CRATES	CRT			3.130	
395-01		LIVESTOCK, DOGS, CATS IN PORTABLE KENNELS	EA			-	
			Last Rate			3.680	
395-02		LIVESTOCK, HENS, DUCKS, OR TURKEYS IN CRATES	CRT			4.830	
400-05		TRUSS	EA			10.710	
			Last Rate	10.710	10.710		
400-06		FLOORING, BOXED, BUNDLED	EA			1.780	
			Last Rate	1.780	1.780		
405-01		AIR CONDITIONER	EA			6.080	
			Last Rate	6.080	6.080		
405-06		POWER WASHER	EA			6.080	
			Last Rate	6.080	6.080		
405-07		GALLON JUG	EA			1.440	
			Last Rate	1.440	1.440		
405-08		ROTOTILLER, ELECTRIC	EA			5.440	Item Deleted
405-09		ROTOTILLER, GAS POWERED	EA			6.080	
405-10		ROTOTILLER, RIDING	EA			10.700	
405-11		VACUUM	EA			5.440	
			Last Rate	5.440	5.440		
525-17		MACHINE, WELDER	EA			7.320	
595-05		DISPOSAL	EA			5.010	
			Last Rate	5.010	5.010		
595-06		COMPACTOR	EA			6.080	
			Last Rate	6.080	6.080		
595-07		COOK TOP	EA			5.010	
			Last Rate	5.010	5.010		
280-05		LOBSTER TRAP	EA			2.150	
			Last Rate	2.150	2.150		
280-06		LOBSTER TRAP, FENCE, ROLLS UP TO 20"	RL			2.150	Item Deleted
280-07		LOBSTER TRAP, MESH APPROX 3X4 BY PALLET	PLT			-	
			Last Rate			28.650	
280-08		LOBSTER TRAP, MESH APPROX 3X4	EA			1.440	
385-01		STAGGING: LADDERS, ALUMINUM, STEEL, WOOD PER LINEAR FOOT	FT			0.360	
385-03		LATTICE	SH			2.300	
385-04		LAUNDRY, SMALL PKG	BND			1.370	
		RULE 40 APPLIES					
385-05		LAUNDRY, LARGE BAG	EA			1.780	
		RULE 40 APPLIES					
390-01		SINK	EA			4.920	Item Deleted
390-03		TOILET, TANK/BOWL	EA			4.920	
390-06		TOILET, 1 PIECE	EA			9.820	
400-01		LUMBER-FINISH (OVER 1000 BOARD FEET)	BFT	1,000.00000		60.990	

Freight Rates Before Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17a

Pages 9 of 14

CLASS	ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	Columns A & B Deleted COLUMN			Rate
				A	B		
	400-02	LUMBER-FINISH-LESS-1000-	BFT				0.100
	400-03	LUMBER-UNFINISH OVER-1000	BFT	1,000.00000			44.700
	400-04	LUMBER-UNFINISH-LESS-1000	BFT				0.060
	405-00	MACHINES - CANDY, CIG, VENDING	EA				13.420
	405-02	MACHINES POWER TOOLS	EA				6.080
	405-03	MACHINES VIDEO GAMES, JUKE BOX PINBALL	EA				20.750
	405-04	MACHINES COMPRESSOR	EA				7.320
	405-05	MACHINES COFFEE	EA	Last Rate 4.870			5.460
	405-12	PUMP, GAS STATION	EA				20.750
	410-00	GRAVE STONES	WT	100.00000			3.030
	415-00	MATTRESSES SINGLE BED	EA				2.420
	415-01	MATTRESSES DOUBLE BED	EA				3.680
	415-02	FRAMES/FOLDING CARTS/BEDS	EA				3.030
	420-00	MILK-PER-CASE	CS				1.440
	420-01	MILK-DISPENSERS	EA	Last Rate			-
	390-02	LAWN MOWERS - PUSH	EA				1.780
	390-04	LAWN MOWERS - RIDING	EA				5.370
	014 270-07	FENCE, HOLDER, POST BUNDLE	EA	Last Rate	1.440	1.440	10.700
	430-02	MOTORCYCLE CRATED	EA				1.440
	435-03	LAWN TRACTOR MOWER DECK	EA	Last Rate 7.640		15.610	21.500
	440-04	NEWSPAPER, PALLET	EA	Last Rate	10.710	10.710	14.570
	450-01	MEATS	LB	100.00000			-
	450-02	DRY FOOD GOODS CTN OR BAG	EA	Last Rate	1.440	1.440	2.230
	455-02	PAINTS/PER-CTN	CS				1.440
	500-27	PIPE, EMT 2"	FT	Last Rate	0.170	0.170	1.440
	500-28	PIPE, EMT 1 1/2"	FT	Last Rate	0.130	0.130	0.170
	500-29	PIPE, COPPER 3"	FT				0.130
	500-33	SONO TUBE, 36"	FT	Last Rate	0.390	0.390	0.290
	500-34	PIPE, BLACK IRON 1/2"	FT	Last Rate	0.040	0.040	0.390
	500-35	PIPE; BLK IRON, 1 1/4"	FT				0.040
	500-36	PIPE; BLACK IRON 8"	FT	Last Rate	0.430	0.430	0.070
	500-37	SONO TUBE, 6"	FT	Last Rate	0.070	0.070	0.430
	500-38	PIPE; BLACK IRON 6"	FT	Last Rate	0.360	0.360	0.270
	500-39	SONO TUBE 24"	FT	Last Rate	0.270	0.270	0.078
	500-40	PIPE; BLK IRON, 1 1/2	EA	Last Rate	0.078	0.780	0.200
	500-41	PIPE, PVC 1/2"	FT				0.710
	500-43	PIPE, CORRUGATED, 12" DIAMETER	FT				0.980
	500-44	PIPE, CORRUGATED, 18" DIAMETER	FT				0.210
	500-45	SONO TUBE 18"	FT	Last Rate	0.210	0.210	0.100
	500-46	PIPE, EMT, 1 1/4"	FT	Last Rate	0.100	0.100	0.190
	500-47	SONO TUBE, 16"	FT	Last Rate	0.190	0.190	0.650
	500-48	PIPE; BLK IRN, 12"	LFT	Last Rate	0.650	0.650	1.250
	500-49	PIPE, CORRUGATED, 24" DIAMETER	FT	Last Rate	1.250	1.250	0.140
	500-50	PIPE, BLACK IRON, 2 1/2	FT				

New or Adjusted Rates

Item Deleted

New or Adjusted Rates

Item Deleted

Freight Rates Before Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17a

Pages 10 of 14

CLASS	ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	Columns A & B Deleted *----- COLUMN -----*		
				A	B	Rate
			Last Rate	0.140	0.140	0.390
500-51		PIPE, PVC, 18"	FT			
			Last Rate	0.390	0.390	0.560
500-52		SONO TUBE BASE, FOOTING	EA			
			Last Rate	0.560	0.560	0.230
500-53		PIPE; BLACK IRON 4"	EA			
			Last Rate	0.140	0.140	0.320
500-54		PIPE; BLACK IRON 3"	FT			
			Last Rate	0.320	0.320	0.660
500-55		PIPE, EMT, 4"	FT			
			Last Rate	0.660	0.660	0.270
500-56		PIPE, CORRUGATED, 10" DIAMETER	FT			
			Last Rate	0.270	0.270	2.190
500-57		PIPE, EMT, 3"	FT			
			Last Rate			1.830
500-58		PIPE, CORRUGATED, 36" DIAMETER	FT			
505-07		SHEETROCK 4X8X1/4-1/2	EA			
			Last Rate	1.010	1.010	1.010
505-13		PANEL: GLASSTEEL, PLASTIC WALL PANEL, CRINKLE CUT	EA			
			Last Rate			1.830
505-14		PEG BOARD 4X8X1/4	EA			
510-01		FILON	EA			
			Last Rate	2.750	2.750	2.750
425-00		MIRRORS	EA			4.830
430-00		MOPEDS	EA			8.530
430-01		MOLDING-PER-100-LF	LF	100.00000		1.440
435-02		TRACTOR MOWER DECK	EA			
			Last Rate			14.320
440-01		NAILS-IN-CTN	BX			1.440
440-02		NEWSPAPERS, MAGAZINES BY BNDL	BDL			0.620
440-03		NEWSPAPER, MAGAZINES BY CARTON	CTN			2.420
445-01		OIL-PER-CASE	EA			1.440
445-02		OUTBOARD, MOTOR	EA			5.820
455-01		5-GALLON-PAIS	EA			1.440
			Last Rate	1.440	1.440	
500-00		PIPE, EMT, 1/2"	FT			0.040
500-01		PIPE, EMT, 3/4"	FT			0.060
500-02		PIPE/HOSE PLASTIC	FT			0.060
500-03		PIPE, STEEL, GALV.	FT			0.140
500-04		PIPE, EMT, 1"	FT			0.090
500-05		PIPE, BLACK IRON, 1"	FT			0.070
500-07		PIPE; BLACK IRON, 3/4	FT			0.040
500-09		PIPE, BLACK IRON, 2"	FT			0.110
500-10		PIPE, PVC, 1"	FT			0.030
500-11		PIPE, PVC, 1 1/2"	FT			0.030
500-12		PIPE, PVC, 2"	FT			0.040
500-13		PIPE, PVC, 2 1/2"	FT			0.060
500-14		PIPE, PVC, 3"	FT			0.060
500-15		PIPE, PVC, 3 1/2"	FT			0.080
500-16		PIPE, PVC, 4"	FT			0.090
500-17		PIPE, PVC, 6"	FT			0.130
500-18		PIPE, PVC, 8"	FT			0.170
500-19		PIPE, PVC, 12"	FT			0.270
500-20		PIPE, COPPER, 1/2"	FT			0.090
500-21		PIPE, COPPER, 3/4"	FT			0.100
500-22		PIPE, COPPER, 1"	FT			0.130

Item Deleted

Item Deleted

Freight Rates Before Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17a

Pages 11 of 14

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	Columns A & B Deleted *----- COLUMN -----*		Rate
			A	B	
500-23	PIPE, COPPER, 1 1/4"	FT			0.140
500-24	PIPE, COPPER, 1 1/2"	FT			0.160
500-25	PIPE, COPPER, 1 3/4"	FT			0.170
500-26	PIPE, COPPER, 2"	FT			0.210
500-30	SONO TUBE, 8"	FT			0.090
500-31	SONO TUBE, 10"	FT			0.110
500-32	SONO TUBE, 12"	FT			0.130
505-00	PLYWOOD	EA			1.830
	4X8X1/4-1/2				
505-01	PLYWOOD	EA			2.750
	4X8X3/4-5/8				
505-02	PLYWOOD	EA			2.750
	4X12X1/2				
505-03	PLYWOOD	EA			4.130
	4X12X3/4,5/8				
505-04	PLYWOOD (AC)	EA			2.750
	4X8X1/4-3/8				
505-05	PLYWOOD (AC)	EA			3.200
	4X8X1/2				
505-06	PLYWOOD (AC)	EA			4.130
	4X8X5/8-3/4				
505-08	SHEETROCK	EA			2.750
	4X8X5/8-3/4				
505-09	SHEETROCK	EA			2.750
	4X12X1/4-1/2				
505-10	SHEETROCK	EA			4.130
	4X12X5/8-3/4				
510-00	POLES, TELEPHONE, FLAG	LF			0.540
500-42	PIPE, PVC 3/4"	FT			0.020
		Last Rate	0.020	0.020	
305-06	CEMENT STORM DRAINS	EA			10.590
		Last Rate	10.590	10.590	
525-00	REFRIGERATORS-LESS THAN 8 CU FEET	EA			8.600
525-01	REFRIGERATORS-8\CUBIC-FT- LESS THAN 15 CU	EA			11.010
525-02	REFRIGERATORS-15\19-CUBIC-FT	EA			24.430
525-03	REFRIGERATORS-20\CUBIC-FT	EA			36.580
525-04	REFRIGERATORS, WALK-IN	EA			50.110
525-07	ICE MACHINE WITHOUT BIN	EA			14.320
		Last Rate	14.320	14.320	
525-08	ICE MACHINE WITH BIN	EA			24.430
525-09	ICE MACHINE BIN	EA			11.430
525-10	MACHINE, SODA	EA			24.430
		Last Rate	24.430	24.430	
525-11	MACHINE, GENERATOR <10 KW	EA			6.080
		Last Rate	6.080	6.080	
525-12	ICE MAKER	EA			3.560
		Last Rate	3.560	3.560	
525-13	MACHINE, EXERCISE	EA			6.080
		Last Rate	6.080	6.080	
525-14	DEHUMIDIFIER	EA			5.440
525-15	MACHINE, GENERATOR 10-20 KW	EA			17.180
525-16	MACHINE, GENERATOR >20 KW	EA			42.950
530-02	SAFE, VAULT LESS THAN 3X3X3	EA			7.320
535-03	SAND,BLASTING	BAG			1.440
		Last Rate	1.440	1.440	
535-04	SAND, BULK PALLET, NOT IN BAGS	PLT			28.760
	WOOD J BEAM	FT			0.550
545-03	STEEL I BEAM	FT			1.070
		Last Rate	1.070	1.070	
545-04	STEEL, SHEET, BY SQUARE FOOT	SQF			0.360
550-02	STOVE, WOOD, FIREPLACE	EA			8.950
		Last Rate	8.950	8.950	
550-03	STEREO EQUIP	EA			5.010
		Last Rate	5.010	5.010	
550-04	GRILL, GAS, OUTDOOR	EA			5.440

New or Adjusted Rates

Schedule WEE-17a

CLASS	ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	Columns A & B Deleted *----- COLUMN -----*		
				A	B	Rate
				Last Rate		
555-02	TANK, PROPANE EMPTY	EA	5.440	5.440	1.160	
	TANK, PROPANE 1,000 GAL.	EA	1.160	1.160	100.000	
555-03	WATER SOFTENER/ FILTER	EA			2.420	
555-04	TANK, PROPANE, 100LB OR GREATER	EA			4.180	
555-05	SEPTIC SYSTEM FILTER POD	EA			13.260	
560-02	1000 GAL OIL TANK	EA			32.170	
560-03	TANKS; OIL OR SEPTIC 330GL	EA	32.170	32.170	11.630	
560-04	CURBING, CEMENT	EA	11.630	11.630	5.820	
560-05	ELJEN DRNS/ SEPTIC INFILTRATOR	EA			1.440	
560-06	TANK; OIL, LESS THAN 275	EA	1.440	1.440	5.040	
595-08	RANGE HOOD	EA	5.040	5.040	2.510	
600-15	WELL MATE TANK	EA	2.510	2.510	8.490	
600-16	PAPER GOODS	EA	8.490	8.490	1.440	
515-00	POTATO-CHIPS	CTN	1.440	1.440	0.620	
515-01	PORTA-JOHN	EA			-	
520-00	PUMPS-IN-CTNS	EA			13.400	
520-01	PUMP-JACKS-PER-BUNDLE	EA			4.830	
520-02	REEL, CABLE 5FT. DIAMETER	EA			1.780	
520-03	REEL, CABLE >5FT. DIAMETER	EA			21.500	
520-04	REEL, CABLE, EMPTY	EA			42.950	
525-05	REEL, CABLE <5FT. DIAMETER	EA			12.180	
525-06	RE ROD	FT			6.650	
530-00	ROOFING-PAPER-TAR	EA			0.040	
530-01	RED-ROSIN-PAPER	EA			-	
535-00	SALT-IN-BAGS	EA			1.440	
540-00	SIGNS-NEON-OR-ELECTRIC	EA			1.440	
545-00	SHINGLES-WOOD-ASPHALT	BDL			0.800	
550-00	STOVES-GAS-PROPANE	EA			1.440	
550-01	STOVES, RANGE; RESTUARANT FURNACE	EA			12.160	
555-00	TANKS; PROPANE,GAS,OXY,ACET, DIVE TANKS	EA			0.980	
555-01	TURF	PLT			6.080	
560-00	TANKS; OIL OR SEPTIC 275GL	EA			23.250	
560-01	TANKS; 500 GAL OIL	EA			8.050	
016 400-07	THRESHOLD	EA			15.830	
	THRESHOLD - MARBLE	EA	0.710	0.710	0.710	
570-03	TELEVISION; FLAT/LARGE SCREEN	EA			1.500	
570-04	TENT, GARDEN	EA			-	
575-04	TILE, WELL 24" OR LESS	EA			24.430	
575-05	TILE; WELL COVER 24" OR LESS	EA	5.010	5.010	5.010	
580-021	TIRE, LARGE, TRACTOR	EA	5.440	5.440	5.440	
580-04	TREE, SHRUB, LIVE OVER 8'	EA			3.480	
580-06	PLANT, TRAY	EA	2.510	2.510	2.510	
580-07	TOTE, LOBSTER, EMPTY	EA	20.000		20.000	
			6.080			
					1.440	
					-	
					1.440	

Freight Rates Before Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17a

Pages 13 of 14

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	Columns A & B Deleted *----- COLUMN -----*			Rate
			A	B		
585-01	TOBACCO, CANDY, SMOKING ACC	EA				2.420
		Last Rate	2.420	2.420		
590-01	VOTING MACHINE, SMALL, TABLE SIZE	EA				12.660
595-09	WASHER/DRYER COMBINATION	EA				12.180
595-10	DRYER, COMMERCIAL, LARGE	EA				12.180
		Last Rate	12.180	12.180		
600-04	WINDOW; QUAD	EA				29.290
		Last Rate	29.290	29.290		
600-17	TANK, EXTROL, WELL SIZE	EA				8.490
600-18	MIX	EA				-
		Last Rate	1.440	1.440		1.440
600-19	WINDSURFER	EA				7.170
		Last Rate	7.170	7.170		
600-20	SURFBOARD	EA				6.500
565-00	TAR;NOIBN, IN BARRELS OR DRUMS	EA				-
		Last Rate				7.320
570-00	TELEVISION SETS; IN CARTONS COLOR	EA				12.160
575-00	TILE; WELL OVER 24"	EA				9.090
575-01	TILE; FLOOR, VINYL, ETC.	CTN				1.250
575-02	TILE; WELL COVERS GREATER THAN 24"	EA				5.360
575-03	TILE, CEILING, BOX	EA				1.440
580-00	TIRES; RUBBER, PASSENGER CAR	EA				1.440
580-01	TIRES; TRUCK	EA				1.950
580-02	TREES; SHRUBS UNDER 4'	EA				1.530
		Last Rate	1.530			
580-03	TREES; SHRUBS OVER 4'	EA				1.950
		Last Rate	1.950			
585-00	TABACCO; CHEWING,CIGARS, CIGAR ETTE,	CTN				2.420
590-00	VOTING / ATM MACHINE	EA				24.310
595-00	WASHING MACHINES	EA	6.080			9.000
595-01	RANGE	EA	6.080			9.000
595-02	DISHWASHER	EA	6.080			9.000
595-03	DRYER	EA	6.080			9.000
595-04	MICROWAVE	EA	-			6.080
600-00	WINDOWS; SINGLE, SASHES	EA				3.680
600-01	WINDOWS; DOUBLE MULLION	EA				4.830
600-02	WINDOWS; PICTURE, PLATE GLASS THERMOPANE OR TRIPLES	EA				24.430
600-03	WINDOWS; IN BOXES OR CARTONS	EA				4.030
600-12	ENVELOPE, MISC	EA				1.440
600-13	TANK, EXTROL SMALL	EA				2.420
600-14	TANK, EXTROL LARGE	EA				4.830
601-11	JOINT COMPOUND	EA				-
		Last Rate				1.440
017 285-03	FIREARMS	EA				-
		Last Rate	2.870	2.870		2.870
600-10	EMPTY DRUM, KERO, OIL 55 GAL	EA				2.510
601-07	PALLET, PERSONAL,LARGE	EA				-
		Last Rate				21.520
601-12	PALLET MISC	EA				-
		Last Rate				10.700
601-13	DURA-ROCK, WONDERBOARD 3X5	EA				2.150
		Last Rate	2.150	2.150		
601-14	RADIATOR, CAST IRON	EA				3.560
		Last Rate	3.560	3.560		
601-15	MONEY BAG WASHINGTON TRUST	EA				-
		Last Rate				24.320
601-16	FEDERAL EXPRESS PKG	EA				2.300
601-17	DURA-ROCK, WONDERBOARD 4X8	EA				4.590
601-18	DURA-ROCK, WONDERBOARD 3X6	EA				2.590

Item Deleted

Item Deleted

New or Adjusted Rates

New or Adjusted Rates

New or Adjusted Rates

New or Adjusted Rates

Item Deleted

Item Deleted

Item Deleted

Item Deleted

Item Deleted

Freight Rates Before Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17a

Pages 14 of 14

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	Columns A & B Deleted *----- COLUMN -----*		
			A	B	Rate
601-19	DIAMOND PLATING, LATH, GALV APPROX. 4X8	EA			1.440
		Last Rate	1.440	1.440	
600-09	DRUM, 55 GAL, KERO, OIL	EA			7.320
601-00	UPS PKG	EA			6.110
601-01	PKG MISC	EA			1.440
601-02	BAG MISC	EA			1.440
601-03	JAMBS	BDL			1.440
601-04	BOX, FITTING	EA			1.440
601-05	TYPAR, TYVEK, ROLL	EA			1.440
601-06	PALLET, PERSONAL	EA			7.860
601-08	BASE BOARD	EA			1.780
601-09	BASE BOARD; CAST IRON	EA			2.870
601-10	BUNDLE MISC	EA			1.440
601-9	GALLON CAN, MISC	EA			1.440
090 165-00	CTN MISC	EA			1.440
101 225-01	CLEANING FLUID, NOIBN, IN BARRELS OR DRUMS, EACH	EA			-
		Last Rate	7.320	9.760	7.320
230-01	CLEANING FLUID BARRELS OR DRUM EMPTY	EA			-
		Last Rate	3.860	4.660	3.860

Item Deleted

Item Deleted

Freight Rates After Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17b

Pages 1 of 18

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	WEE-17a Current & Adjusted Rate	WEE-17 Percentage Increase	Proposed Rates
006 45-00				0.65	
45-01					
45-02	EMPTY MILK CASES, CANS RULE 45	EA	0.460	65.00%	0.760
45-03					
45-04	EMPTY BEER KEGS RULE 45	EA	1.070	65.00%	1.770
45-06	EMPTY BREAD TRAY, PLASTIC	EA	0.460	65.00%	0.760
007 015-02	AREA WALL/PARTITION	EA	2.510	65.00%	4.140
030-05	BAIT BARRELS, EMPTY	EA	1.250	65.00%	2.060
035-05	BATHTUB, CAST IRON	EA	13.270	65.00%	21.900
035-06	JACUZZI, WHIRLPOOL RULE #40 APPLIES	EA	New or Adjusted Rates \$ 30.00	65.00%	49.500
035-07	SHOWER BASE, GRANITE, NOIBN EA		5.820	65.00%	9.600
040-00	BATTERIES, USED, CAR	EA	0.710	65.00%	1.170
040-03	BATTERIES, USED INDUSTRIAL MARINE	EA	1.780	65.00%	2.940
045-00					
045-08					
10-03	ANCHOR, MOORING, 200-499LB	EA	7.170	65.00%	11.830
10-04	ANCHOR, MOORING, 500-799LB	EA	15.040	65.00%	24.820
10-05	ANCHOR, MOORING, 800-999	EA	22.410	65.00%	36.980
10-06	ANCHOR, SMALL		1.440	65.00%	2.380
10-07	ANCHOR, MOORING, 100-199LB	EA	5.360	65.00%	8.840
10-08	ANCHOR, MOORING, 1000 & ABOVE	EA	33.390	65.00%	55.090
30-05					
30-06					
40-02	BATTERIES, ELECTRICAL, SOLAR INDUSTRIAL, MARINE	EA	3.560	65.00%	5.870
45-05					
45-10	DISPENSER, WATER	EA	8.600	65.00%	14.190
50-00	WATER, BOTTLE, >5GAL	EA	1.440	65.00%	2.380
55-02	BICYCLE, UNCRATED	EA	New or Adjusted Rates 3.150	65.00%	5.200
600-21	SOLAR PANELS/MODULES APPROX 4X8	EA	New or Adjusted Rates 10.000	65.00%	16.500
005-01	ALUMINUM LOUVERS, VENTS	PC	0.800	65.00%	1.320
NEW	ALUMINUM LOUVERS, VENTS - LARGE	PC	New or Adjusted Rates 1.600	65.00%	2.640
005-02	ANTI-FREEZE COMPOUNDS, NOIBN LIQUID, IN CASES	EA EA	1.440	65.00%	2.380
005-03					
005-04	ANGLE IRON BY LINEAR FEET	FT	0.460	65.00%	0.760

Freight Rates After Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17b

Pages 2 of 18

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	WEE-17a Current & Adjusted Rate	WEE-17 Percentage Increase	Proposed Rates
010-01	AUTOMOBILE PARTS CARTONS: EXHAUSTS, PIPES, MUFFLERS ETC.	EA	1.440	65.00%	2.380
010-02	AUTO SEATS	EA	6.080	65.00%	10.030
015-01	AUTO TRANSMISSIONS	EA	6.800	65.00%	11.220
020-01					
025-01					
030-02					
030-03					
030-04	BAIT BARRELS	EA	5.370	65.00%	8.860
035-01	BATHTUBS, EACH	EA	8.600	65.00%	14.190
035-02	COMBINATION TUB AND SHOWER (FIBERGLASS)	EA	18.320	65.00%	30.230
035-03	SHOWER IN BOX BY PIECE	EA	3.030	65.00%	5.000
035-04	SHOWER (FIBERGLASS)	EA	12.520	65.00%	20.660
040-01	BATTERIES, ELECTRIC, STORAGE EACH	EA	1.780	65.00%	2.940
045-01					
045-02	BEER, 24 PER CASE	CAS	1.280	65.00%	2.110
045-03	BEER IN KEGS EACH	KEG	2.260	65.00%	3.730
045-04	LIQUORS, SPLITS PER CASE	CAS	2.460	65.00%	4.060
045-05	WINE, PER CASE	CAS	1.820	65.00%	3.000
045-06					
050-01	BEVERAGES, SODA, JUICE, WATER	CAS	0.980	65.00%	1.620
050-02					
050-03	BEVERAGES, NON-ALCOHOLIC: CO2 + O2 TANKS AND CYLINDERS	CYL	2.240	65.00%	3.700
055-01	BICYCLES, NOIBN, IN BOXES OR CRATES	EA	New or Adjusted Rates 3.150	65.00%	5.200
055-11	STROLLER, CARRIAGE, BABY CAR SEAT CRATED	EA	New or Adjusted Rates 2.000	65.00%	3.300
055-12	STROLLER, CARRIAGE UNCRATED	EA	2.000	65.00%	3.300
065-04	COBBLESTONE	EA	0.450	65.00%	0.740
065-05	COBBLESTONE, LESS THAN 10 INCH	EA	0.220	65.00%	0.360
65-03	BLOCK, PATIO	EA	0.540	65.00%	0.890
70-00	BUOY, CARTON, LOOSE, SMALL 2'X2' BOX	EA	2.150	65.00%	3.550
70-01	BUOY, CARTON, LOOSE, LARGE OVER 2'X2' BOX	EA	3.560	65.00%	5.870
70-02	BUOY, LOBSTER	EA	0.360	65.00%	0.590
70-04					
70-05					
060-01	BLINDS, WINDOW OR SHUTTERS	EA	0.800	65.00%	1.320

Freight Rates After Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17b

Pages 3 of 18

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	WEE-17a Current & Adjusted Rate	WEE-17 Percentage Increase	Proposed Rates
065-01	BLOCKS, CHIMNEY 9 X 13	EA	0.490	65.00%	0.810
065-02	BLOCKS, BUILDING, CEMENT OR CINDER EACH	EA	0.540	65.00%	0.890
070-00	KAYAK, CANOE, WALK ON	EA	11.150	65.00%	18.400
070-01	BOATS, PER LINEAR FOOT	FT	1.440	65.00%	2.380
075-01	BOAT TRAILERS, LESS THAN 10 FEET	EA	18.410	65.00%	30.380
080-01	BOILER/FURNACE	EA	24.430	65.00%	40.310
085-01	BOOKS, BY THE CARTON	CTN	2.420	65.00%	3.990
085-02					
090-01	CRATES, STEEL OR WOODEN	EA	12.160	65.00%	20.060
090-02	COPPER/BRASS FITTINGS IN CTNS	CTN	3.680	65.00%	6.070
095-01	BREAD, BAKERY PRODUCTS, IN CARTONS EACH (1.77 MIN)	CTN	0.980	65.00%	1.620
095-03	BREAD TRAYS, FULL MINIMUM CHARGE (1.77)	EA	0.980	65.00%	1.620
100-01	BRIDGING BOX METAL	EA	New or Adjusted Rates 1.460	65.00%	2.410
100-02	BROOM, ROAD, ATTACHMENT	EA	25.590	65.00%	42.220
105-01					
110-01	DRIP EDGE	BND	3.680	65.00%	6.070
115-01					
120-01	BRICKS, BUILDING, COMMON, LESS THAN M	EA	0.090	65.00%	0.150
120-02	BRICKS, BUILDING, COMMON OVER 1,000 BRICKS	M	60.800	65.00%	100.320
125-01					
125-02	BRICKS, FACE, EACH	EA	0.100	65.00%	0.170
125-03	BRICKS, FIRE, EACH	EA	0.130	65.00%	0.210
009 130-02	WEED WHACKER, ELECTRIC	EA	3.560	65.00%	5.870
170-00	COMPUTERIZED EQUIPMENT: CPU, LAPTOP, MONITOR, ETC.	EA	New or Adjusted Rates 7.450	65.00%	12.290
170-01					
170-02	COMPUTER PRINTER, SCANNER	EA	5.440	65.00%	8.980
175-09	CABINET, FILLER	EA	1.440	65.00%	2.380
175-10	CABINET, PANEL	EA	3.200	65.00%	5.280
175-11	CABINET, FILING RULE # 40 APPLIES	EA	6.090	65.00%	10.050
175-05	CABINET, SINGLE RULE 40 APPLIES	EA	3.680	65.00%	6.070
175-06	CABINET, DOUBLE RULE 40 APPLIES	EA	6.080	65.00%	10.030
175-12	CABINET, QUAD RULE #40 APPLIES	EA	17.870	65.00%	29.490
175-13	CABINET, FILING, SMALL 2 DRWR RULE #40 APPLIES	EA	2.870	65.00%	4.740
180-05	CASKET, GRAVE, LINER	SET	18.980	65.00%	31.320

Freight Rates After Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17b

Pages 4 of 18

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	WEE-17a Current & Adjusted Rate	WEE-17 Percentage Increase	Proposed Rates
180-06	PRECAST STAIRWAY	EA	38.650	65.00%	63.770
180-07	CART, SHOPPING	EA	3.560	65.00%	5.870
185-04					
240-00	COUNTER TOP	FT	0.930	65.00%	1.530
	COUNTER TOP - GRANITE	FT	New or Adjusted Rates 1.250	65.00%	2.060
240-01	COPPER SHOWER PANS	EA	2.680	65.00%	4.420
130-01	WEED WHACKER, GAS POWERED	EA	6.800	65.00%	11.220
135-01	BULKHEAD STEEL	EA	8.690	65.00%	14.340
140-01					
145-01	BUOY FLOAT, MAST HEAD	EA	1.250	65.00%	2.060
150-01	BUFFER/POLISHER AND SANDER	EA	8.490	65.00%	14.010
155-01	CALCIUM CHLORIDE PER BAG	EA	2.420	65.00%	3.990
160-01					
165-01	CANDY OR CONFECTIONERY, IN BOXES OR CARTONS	EA	2.420	65.00%	3.990
165-02					
175-01	CABINET, MEDICINE	EA	1.780	65.00%	2.940
175-03	TRASH CAN: PLASTIC, ALUMINUM EMPTY	EA	1.780	65.00%	2.940
175-04	TOYS, GAMES	CTN	2.420	65.00%	3.990
175-07	CARPETS OR LINOLEUM/ROLL	EA	7.170	65.00%	11.830
175-08	ROLL PADDING/FOAM	EA	2.240	65.00%	3.700
180-02					
180-03					
180-04	CASKETS OR VAULT, BURIAL VAULT, CEMENT	EA	New or Adjusted Rates 17.360	65.00%	28.640
185-01	CEMENT, PLASTER, MORTAR IN 50-80LB. BAGS	EA	1.440	65.00%	2.380
185-02	POWER CEMENT TROWEL	EA	6.080	65.00%	10.030
185-03	SAKRETE, MORTAR, GROUT IN 25-45LB. BAGS	BAG	0.710	65.00%	1.170
190-01					
180-10	STAIRWAY, PREFAB 8 FEET / LESS	EA	5.010	65.00%	8.270
180-11	STAIRWAY, PREFAB GREATER THAN 8 FEET	EA	9.010	65.00%	14.870
195-01	CHARCOAL	BAG	1.780	65.00%	2.940
200-01	CAULKING COMPOUND, ACCESS PER BOX	BOX	1.440	65.00%	2.380
205-01					
205-02	CHAIN, 500-799 LB BARREL	EA	15.250	65.00%	25.160
205-03	CHAIN, 200-499 LB BARREL	EA	10.100	65.00%	16.670

Freight Rates After Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17b

Pages 5 of 18

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	WEE-17a Current & Adjusted Rate	WEE-17 Percentage Increase	Proposed Rates
205-04	CHAIN, LESS THAN 200 LB	EA	5.010	65.00%	8.270
210-01	CHIMNEY FLUE LINING, CLAY 8"X8" LINEAR FOOT	EA	0.540	65.00%	0.890
210-02	CHIMNEY FLUE LINING, CLAY 8" X 12 "	EA	0.620	65.00%	1.020
215-01					
220-01	CLAY THIMBLE 8"X8"	EA	0.620	65.00%	1.020
235-01	CLOTHING CLOTH, DRY GOODS, FABRIC BAGGING, GUNNY, IN BNDL OR CTN	CTN	1.250	65.00%	2.060
245-01					
245-02					
245-03	CORD WOOD: PER PALLET OR 1/2 CORD	CRD	New or Adjusted Rates 12.000	65.00%	19.800
245-04	CORD WOOD: PER CORD	CRD	17.860	65.00%	29.470
250-01	STEMWARE/CROKERY PLATES, CUPS, POTS AND PANS	CTN	3.030	65.00%	5.000
255-01	DOORS, WOODEN, GLAZED	EA	3.030	65.00%	5.000
255-02	DOORS AND WINDOW, SCREEN	EA	3.030	65.00%	5.000
255-03					
255-04	DOOR, GARAGE, DOUBLE OR OVERHEAD, EACH	EA	7.320	65.00%	12.080
255-05	DOOR FRAMES	EA	2.420	65.00%	3.990
255-06	DOOR, STEEL FIRE, EACH	EA	11.630	65.00%	19.190
255-07	DOOR, CELLER, EACH	EA	12.160	65.00%	20.060
255-08	DOORS, PRE-HUNG	EA	4.920	65.00%	8.120
255-09	DOOR, GLASS, SLIDING, FRENCH PATIO	EA	10.700	65.00%	17.660
255-13	DOOR, DOUBLE PRE-HUNG	EA	9.820	65.00%	16.200
255-14	DOOR, BIFOLD	EA	3.030	65.00%	5.000
255-16					
255-17					
255-18	DOOR, GLASS, SLIDING, FRENCH DOUBLE PATIO	EA	21.460	65.00%	35.410
255-19	GATE, LARGE 16' OR LESS	EA	5.510	65.00%	9.090
255-20	GATE, LARGE 17' OR GREATER	EA	9.390	65.00%	15.490
255-21	DOOR, BATH TUB	EA	6.500	65.00%	10.730
260-01	DRUGS OR MEDICINES, NOIBN IN CARTONS	CTN	3.040	65.00%	5.020
260-02	DURA-WALL 500 LINEAL FEET 8"	EA	5.800	65.00%	9.570
260-03	DURA-WALL 500 LINEAL FEET 12"	EA	6.690	65.00%	11.040
270-00	WIRE, COIL	EA	1.780	65.00%	2.940
300-08	DRESSER, CHEST	EA	6.080	65.00%	10.030
300-13	DISPLAY CASE, BOOKSHELF, RACK				

Freight Rates After Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17b

Pages 6 of 18

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	WEE-17a Current & Adjusted Rate	WEE-17 Percentage Increase	Proposed Rates
602-00	DUMPSTER, 15YRD	EA	35.810	65.00%	59.090
602-01	DUMPSTER, 10-14 YRDS	EA	28.650	65.00%	47.270
602-02	DUMPSTER, 6-9 YRDS	EA	21.500	65.00%	35.480
602-03	DUMPSTER, 3-5 YRDS	EA	17.870	65.00%	29.490
602-04	DUMPSTER, LESS THAN 3 YRDS	EA	7.170	65.00%	11.830
245-00	COOKIES	BOX	0.620	65.00%	1.020
255-00	DOOR, SHOWER	EA	3.560	65.00%	5.870
255-10	DOOR, STORM ALUMINUM	EA	3.560	65.00%	5.870
255-11					
011 15-02					
15-03	ENGINE, COMPLETE	EA	10.710	65.00%	17.670
265-01					
265-03	ELECTRIC SUPPLIES PER CARTON	CTN	1.780	65.00%	2.940
265-07	TRANSFORMER, 75 KVA	EA	71.600	65.00%	118.140
265-08	TRANSFORMER, 112.5 KVA	EA	93.050	65.00%	153.530
265-09	TRANSFORMER, 5 KVA	EA	7.170	65.00%	11.830
265-10	TRANSFORMER, 37 KVA	EA	34.350	65.00%	56.680
265-11	TRANSFORMER, 45 KVA	EA	50.110	65.00%	82.680
265-12	UTILITY ENCLOSURES	EA	13.260	65.00%	21.880
270-0	WIRE, SPOOL	EA	1.780	65.00%	2.940
270-01	FELT, BUILDING IN ROLLS PER ROLL	EA	1.440	65.00%	2.380
270-02	FENCE, PER ROLL: SNOW/DEER	EA	4.920	65.00%	8.120
270-03	FENCE, PER ROLL, CHICKEN WIRE	EA	1.950	65.00%	3.220
270-04	FENCE, PER ROLL, STEEL	EA	6.690	65.00%	11.040
270-08	FENCE, STOCKADE >3'X8'	SEC	4.290	65.00%	7.080
270-09	FENCE, STOCKADE < OR = 3'X8'	SEC	2.780	65.00%	4.590
270-10	FENCE, MESH SHEET 5'X10' BY PALLET	PLT	31.950	65.00%	52.720
270-11	FENCE, PER ROLL, SILT	EA	1.950	65.00%	3.220
275-00	FERTILIZER COMPOUNDS, SINGLE O NE TON BAG, NOIBN	TON	39.020	65.00%	64.380
275-01	FERTILIZER COMPOUNDS, NOIBN LIME, MANURE IN BAGS	EA	1.950	65.00%	3.220
275-02	MULCH, PEAT MOSS	EA	1.440	65.00%	2.380
275-03	SOIL	EA	1.440	65.00%	2.380
275-04	MULCH, PEAT MOSS PALLET SIZE BALE	PLT	19.870	65.00%	32.790
275-05	FERTILIZER COMPOUNDS, 1000LB B	BAG	25.650	65.00%	42.320

Freight Rates After Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17b

Pages 7 of 18

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	WEE-17a Current & Adjusted Rate	WEE-17 Percentage Increase	Proposed Rates
	AG, NOIBN				
280-00					
280-01					
280-02	FISH, FRESH OR FROZEN, BOXES	EA New or Adjusted Rates	3.000	65.00%	4.950
280-03	FISH, FRESH OR FROZEN, IN BAGS , EACH	EA	1.810	65.00%	2.990
280-04	LOBSTERS, IN BARRELS OR CRATES , EACH	EA	4.830	65.00%	7.970
280-045					
280-11	FISH, X-TUB	TUB	16.080	65.00%	26.530
280-12	X-TUB, EMPTY	EA	8.050	65.00%	13.280
280-13					
285-00	CRUSHED STONE (EG: FLAG STONES, BLUESTONE, SLATE, PALLET)	PLT	28.650	65.00%	47.270
285-01	FLAG STONES, BLUESTONE, SLATE	EA	1.950	65.00%	3.220
285-02	FIRE EXTINGUISHERS	EA	1.780	65.00%	2.940
290-01	FLOWERS: FRESH/ARTIFICIAL PER BOX/CTN/BNB	CTN	1.440	65.00%	2.380
290-02	FLASHING: ALUMINUM/LEAD 8"-10" ROLL	ROL	1.250	65.00%	2.060
290-03	FLASHING, ALUMINUM/LEAD 11-12" ROLL	ROL	1.610	65.00%	2.660
290-04	FLASHING, BOXED	BOX	1.440	65.00%	2.380
290-05	FLASHING; COPPER	RL	2.510	65.00%	4.140
290-06	ALUMINUM, SHEET, BY SQUARE FOOT	SQF	0.210	65.00%	0.350
295-01	FRUITS OR VEGETABLES 100 lbs	LB	2.160	65.00%	3.560
	FRUITS OR VEGETABLES 180 lbs	LB New or Adjusted Rates	4.000	65.00%	6.600
300-06	TABLE, FOLDING RENTAL RULE #40 APPLIES	EA	2.870	65.00%	4.740
300-07	DESK RULE #40 APPLIES	EA	7.170	65.00%	11.830
300-09	TABLE, PICNIC	EA	7.170	65.00%	11.830
	BUTCHER BLOCK TABLE	EA	2.870	65.00%	4.740
300-1					
300-10					
300-12	CHAIR; PATIO, SLEEVE	SLV	8.280	65.00%	13.660
300-14	CHAISE LOUNGE; PATIO, SLEEVE	SLV	14.490	65.00%	23.910
305-02					
305-03	DIST. BOXES	EA	5.820	65.00%	9.600
305-04	1,000 GAL SEPTIC TANK	EA	85.820	65.00%	141.600
	SEWER MANHOLE PIECES	EA New or Adjusted Rates	21.000	65.00%	34.650
305-05	SHALLOW GALLEY/FLOW DIFFUSOR	EA New or Adjusted Rates	21.000	65.00%	34.650
	LARGE BULKY ITEMS GREATER (4ft by 8 ft)	EA New or Adjusted Rates	60.000	65.00%	99.000

Freight Rates After Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17b

Pages 8 of 18

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	WEE-17a Current & Adjusted Rate	WEE-17 Percentage Increase	Proposed Rates
305-07	BLOCK, RETAINING / BARRICADE 3X3X5	EA	13.260	65.00%	21.880
310-01	GLASS, BOX OF, CRATED, LOOSE	EA	4.830	65.00%	7.970
310-02	GLASSWARE, CARBOYS, EMPTY	EA	0.540	65.00%	0.890
310-03	GLASSWARE, IN CARTONS, INCLUDE POTTERY, ETC.	EA	2.420	65.00%	3.990
315-00	PET FOOD	PKG	1.440	65.00%	2.380
315-01	GRAIN, FEED, SEED, BAG (UNDER A TON)	EA	1.250	65.00%	2.060
315-02	GRAIN, FEED, SEED, BAG, TON AN D OVER	EA	0.800	65.00%	1.320
315-03	GRAVEL IN BAGS	EA	1.250	65.00%	2.060
315-04	GRAIN, FEED, SEED, 1 TON BAG OR 2 1/2 TON BAGS	EA	25.770	65.00%	42.520
315-05	PELLETS, WOOD BY 50LB BAG	BAG	1.250	65.00%	2.060
320-01					
320-02					
325-01	GROCERIES, BAG OF: EACH	EA	0.540	65.00%	0.890
325-02					
325-03	GROCERIES, TOTE, PEAPOD ITEM	EA	2.430	65.00%	4.010
325-04					
325-05	GROCERIES AND GROCERY SUPPLIES CHARGE PER SHIPMENT	CTN	1.070	65.00%	1.770
325-06					
330-02	GUTTERS/DOWNSPOUTS/ROOF DRAINS PER LINEAR FOOT EACH, NOT CTN	LF	0.130	65.00%	0.210
330-03	GYPSONITE, BY BAG	BAG	1.250	65.00%	2.060
265-04	TRANSFORMER, 10 KVA	EA	10.710	65.00%	17.670
265-05	TRANSFORMER, 15 KVA	EA	14.320	65.00%	23.630
265-06	TRANSFORMER, 25 KVA	EA	21.500	65.00%	35.480
270-05	FENCE, POST AND/OR RAIL	EA	0.710	65.00%	1.170
270-06	FENCE, HOLDER, POST	EA	0.360	65.00%	0.590
290-00	FORMICA	RL	6.230	65.00%	10.280
295-00	PRODUCE	LB	2.160	65.00%	3.560
300-00	CHAIRS; PATIO, FOLDING RULE 40 APPLIES	EA	1.440	65.00%	2.380
300-01	CHAIRS; LOUNGE, CTN OR LOOSE RULE 40 APPLIES	EA	2.870	65.00%	4.740
300-02	SOFA; COUCH, SLEEPER RULE 40 APPLIES	EA	8.950	65.00%	14.770
300-03	TABLE; DINNING ROOM RULE 40 APPLIES	EA	7.170	65.00%	11.830
300-04	TABLE; END RULE 40 APPLIES	EA	2.870	65.00%	4.740
300-05	TABLE; COFFEE RULE 40 APPLIES	EA	4.290	65.00%	7.080
310-04					

Freight Rates After Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17b

Pages 9 of 18

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	WEE-17a Current & Adjusted Rate	WEE-17 Percentage Increase	Proposed Rates
330-01	GROUND RODS, PER LINEAR FOOT	LF	0.060	65.00%	0.100
335-01	HAMPERS, LAUNDRY EMPTY RETURN RULE 40 APPLIES	EA	2.870	65.00%	4.740
335-03	HAMPERS, LAUNDRY, CLEAN RULE 40 APPLIES	EA	4.830	65.00%	7.970
335-04	HAMPER, DIRTY LAUNDRY RULE 40 APPLIES	EA	4.290	65.00%	7.080
335-05	LAUNDRY, DIRTY RULE 40 APPLIES	EA	1.440	65.00%	2.380
340-02	SPADES, SHOVELS, BROOMS, POST HOLE DIGGERS, RAKES, PER BNDL.	BDL	1.610	65.00%	2.660
340-03	SPADES, SHOVELS, BROOMS, POST HOLE DIGGERS, ECT. EACH	EA	1.440	65.00%	2.380
340-04					
340-05	WHEEL BARROW	EA	5.010	65.00%	8.270
345-01					
345-02	HAY, BALES	EA	New or Adjusted Rates 1.250	65.00%	2.060
345-03	SHAVINGS	BAG	1.440	65.00%	2.380
350-01	HEATERS, AIR, ELECTRIC, FANS OR COMB. IN BOXES OR CTNS.	CTN	1.780	65.00%	2.940
350-02	HEATER, LARGE, CRATED	EA	5.370	65.00%	8.860
350-03	HEATER, KEROSENE	EA	3.560	65.00%	5.870
355-01	HEATERS, GAS OR ELECTRIC, HOT WATER, LESS THAN 40 CAP.	EA	6.080	65.00%	10.030
355-02	HEATERS, GAS OR ELECTRIC HOT WATER, 40-79 CAP	EA	8.490	65.00%	14.010
355-03	HEATERS, GAS OR ELECTRIC HOT WATER, 80 OR GREATER CAP	EA	13.940	65.00%	23.000
360-01					
360-02					
365-00	ICE, BAG BY PALLET	EA	28.650	65.00%	47.270
365-01					
365-02	ICE, ARTIFICIAL OR NATURA PER BUSHEL BASKET OR BAG	EA	1.440	65.00%	2.380
370-01	ICE CREAM, PER CARTON	CTN	3.030	65.00%	5.000
370-02					
375-01					
375-02					
375-03	ICE CREAM, IN PALLET BOX PER UNIT/PKG.	EA	1.440	65.00%	2.380
380-01					
380-02					
380-03	INSULATION, PER ROLL	EA	0.980	65.00%	1.620
380-04	INSULATION, PER BATT	EA	1.400	65.00%	2.310
380-05	INSULATION, SHEETS 1"	EA	0.870	65.00%	1.440
380-06	INSULATION, SHEETS 2"	EA	1.250	65.00%	2.060

Freight Rates After Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17b

Pages 10 of 18

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	WEE-17a Current & Adjusted Rate	WEE-17 Percentage Increase	Proposed Rates
380-07	INSULATION, SHEETS 3"	EA	1.610	65.00%	2.660
380-08	INSULATION, 4" SHEETS	EA	2.150	65.00%	3.550
380-09	INSULATION, SHEETS 5"	EA	2.500	65.00%	4.130
380-12	STYROFOAM LOGS	EA	2.870	65.00%	4.740
380-13	FLOAT DRUM, DOCK FLOATATION	EA	7.170	65.00%	11.830
280-09	LOBSTER TRAP, FENCE, ROLLS OVER 20"	EA	4.290	65.00%	7.080
280-10	LOBSTER LINE, COIL	EA	1.440	65.00%	2.380
300-11	HEADBOARD/FOOTBOARD	EA	2.870	65.00%	4.740
385-00					
385-02	LOLLY COLUMNS	EA	2.420	65.00%	3.990
390-00	SINK, TRIPLE	EA	9.820	65.00%	16.200
390-07	LAWN MOWER, WALK BEHIND	EA	10.700	65.00%	17.660
390-08	LAWNMOWERS, FLAIL, TOW MOWER	EA	6.080	65.00%	10.030
390-09	LAWN MOWERS - LARGE RIDING	EA	29.010	65.00%	47.870
395-00	LIVESTOCK, VIZ: BEES IN CRATES	CRT	3.130	65.00%	5.160
395-01					
395-02	LIVESTOCK, HENS, DUCKS, OR TURKEYS IN CRATES	CRT	4.830	65.00%	7.970
400-05	TRUSS	EA	10.710	65.00%	17.670
400-06	FLOORING, BOXED, BUNDLED	EA	1.780	65.00%	2.940
405-01	AIR CONDITIONER	EA	6.080	65.00%	10.030
405-06	POWER WASHER	EA	6.080	65.00%	10.030
405-07	GALLON JUG	EA	1.440	65.00%	2.380
405-08	ROTOTILLER, ELECTRIC	EA	5.440	65.00%	8.980
405-09	ROTOTILLER, GAS POWERED	EA	6.080	65.00%	10.030
405-10	ROTOTILLER, RIDING	EA	10.700	65.00%	17.660
405-11	VACUUM	EA	5.440	65.00%	8.980
525-17	MACHINE, WELDER	EA	7.320	65.00%	12.080
595-05	DISPOSAL	EA	5.010	65.00%	8.270
595-06	COMPACTOR	EA	6.080	65.00%	10.030
595-07	COOK TOP	EA	5.010	65.00%	8.270
280-05	LOBSTER TRAP	EA	2.150	65.00%	3.550
280-06	LOBSTER TRAP, FENCE, ROLLS UP TO 20"	RL	2.150	65.00%	3.550
280-07					
280-08	LOBSTER TRAP, MESH APPROX 3X4	EA	1.440	65.00%	2.380

Freight Rates After Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17b

Pages 11 of 18

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	WEE-17a Current & Adjusted Rate	WEE-17 Percentage Increase	Proposed Rates
385-01	STAGGING: LADDERS, ALUMINUM, STEEL, WOOD PER LINEAR FOOT	FT	0.360	65.00%	0.590
385-03	LATTICE	SH	2.300	65.00%	3.800
385-04	LAUNDRY, SMALL PKG RULE 40 APPLIES	BND	1.370	65.00%	2.260
385-05	LAUNDRY, LARGE BAG RULE 40 APPLIES	EA	1.780	65.00%	2.940
390-01	SINK	EA	4.920	65.00%	8.120
390-03	TOILET, TANK/BOWL	EA	4.920	65.00%	8.120
390-06	TOILET, 1 PIECE	EA	9.820	65.00%	16.200
400-01	LUMBER-FINISH (OVER 1000 BOARD FEET)	BFT	60.990	65.00%	100.630
400-02	LUMBER-FINISH-LESS-1000-	BFT	0.100	65.00%	0.170
400-03	LUMBER-UNFINISH OVER-1000	BFT	44.700	65.00%	73.760
400-04	LUMBER-UNFINISH-LESS-1000	BFT	0.060	65.00%	0.100
405-00	MACHINES - CANDY, CIG, VENDING	EA	13.420	65.00%	22.140
405-02	MACHINES POWER TOOLS	EA	6.080	65.00%	10.030
405-03	MACHINES VIDEO GAMES, JUKE BOX PINBALL	EA	20.750	65.00%	34.240
405-04	MACHINES COMPRESSOR	EA	7.320	65.00%	12.080
405-05	MACHINES COFFEE	EA	New or Adjusted Rates 5.460	65.00%	9.010
405-12	PUMP, GAS STATION	EA	20.750	65.00%	34.240
410-00	GRAVE STONES	WT	3.030	65.00%	5.000
415-00	MATTRESSES SINGLE BED	EA	2.420	65.00%	3.990
415-01	MATTRESSES DOUBLE BED	EA	3.680	65.00%	6.070
415-02	FRAMES/FOLDING CARTS/BEDS	EA	3.030	65.00%	5.000
420-00	MILK-PER-CASE	CS	1.440	65.00%	2.380
420-01					
390-02	LAWN MOWERS - PUSH	EA	5.370	65.00%	8.860
390-04	LAWN MOWERS - RIDING	EA	10.700	65.00%	17.660
014 270-07	FENCE, HOLDER, POST BUNDLE	EA	1.440	65.00%	2.380
430-02	MOTORCYCLE CRATED	EA	21.500	65.00%	35.480
435-03	LAWN TRACTOR MOWER DECK	EA	New or Adjusted Rates 14.570	65.00%	24.040
440-04					
450-01	MEATS	LB	2.230	65.00%	3.680
450-02	DRY FOOD GOODS CTN OR BAG	EA	1.440	65.00%	2.380
455-02	PAINTS/PER-CTN	CS	1.440	65.00%	2.380
500-27	PIPE, EMT 2"	FT	0.170	65.00%	0.280
500-28	PIPE, EMT 1 1/2"	FT	0.130	65.00%	0.210

Freight Rates After Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17b

Pages 12 of 18

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	WEE-17a Current & Adjusted Rate	WEE-17 Percentage Increase	Proposed Rates
500-29	PIPE, COPPER 3"	FT	0.290	65.00%	0.480
500-33	SONO TUBE, 36"	FT	0.390	65.00%	0.640
500-34	PIPE, BLACK IRON 1/2"	FT	0.040	65.00%	0.070
500-35	PIPE; BLK IRON, 1 1/4"	FT	0.070	65.00%	0.120
500-36	PIPE; BLACK IRON 8"	FT	0.430	65.00%	0.710
500-37	SONO TUBE, 6"	FT	0.070	65.00%	0.120
500-38	PIPE; BLACK IRON 6"	FT	0.360	65.00%	0.590
500-39	SONO TUBE 24"	FT	0.270	65.00%	0.450
500-40	PIPE; BLK IRON, 1 1/2	EA	0.078	65.00%	0.130
500-41	PIPE, PVC 1/2"	FT	0.200	65.00%	0.330
500-43	PIPE, CORREGATED, 12" DIAMETER	FT	0.710	65.00%	1.170
500-44	PIPE, CORREGATED, 18" DIAMETER	FT	0.980	65.00%	1.620
500-45	SONO TUBE 18"	FT	0.210	65.00%	0.350
500-46	PIPE, EMT, 1 1/4"	FT	0.100	65.00%	0.170
500-47	SONO TUBE, 16"	FT	0.190	65.00%	0.310
500-48	PIPE; BLK IRN, 12"	LFT	0.650	65.00%	1.070
500-49	PIPE, CORREGATED, 24" DIAMETER	FT	1.250	65.00%	2.060
500-50	PIPE, BLACK IRON, 2 1/2	FT	0.140	65.00%	0.230
500-51	PIPE, PVC, 18"	FT	0.390	65.00%	0.640
500-52	SONO TUBE BASE, FOOTING	EA	0.560	65.00%	0.920
500-53	PIPE; BLACK IRON 4"	EA	0.230	65.00%	0.380
500-54	PIPE; BLACK IRON 3"	FT	0.140	65.00%	0.230
500-55	PIPE, EMT, 4"	FT	0.320	65.00%	0.530
500-56	PIPE, CORREGATED, 10" DIAMETER	FT	0.660	65.00%	1.090
500-57	PIPE, EMT, 3"	FT	0.270	65.00%	0.450
500-58	PIPE, CORREGATED, 36" DIAMETER	FT	2.190	65.00%	3.610
505-07	SHEETROCK 4X8X1/4-1/2	EA	1.830	65.00%	3.020
505-13	PANEL; GLASSTEEL, PLASTIC WALL PANEL, CRINKLE CUT	EA	1.010	65.00%	1.670
505-14	PEG BOARD 4X8X1/4	EA	1.830	65.00%	3.020
510-01					
425-00	MIRRORS	EA	4.830	65.00%	7.970
430-00	MOPEDS	EA	8.530	65.00%	14.070
430-01	MOLDING-PER-100-LF	LF	1.440	65.00%	2.380
435-02					

Freight Rates After Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17b

Pages 13 of 18

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	WEE-17a Current & Adjusted Rate	WEE-17 Percentage Increase	Proposed Rates
440-01	NAILS-IN-CTN	BX	1.440	65.00%	2.380
440-02	NEWSPAPERS, MAGAZINES BY BNDL	BDL	0.620	65.00%	1.020
440-03	NEWSPAPER, MAGAZINES BY CARTON	CTN	2.420	65.00%	3.990
445-01	OIL-PER-CASE	EA	1.440	65.00%	2.380
445-02	OUTBOARD, MOTOR	EA	5.820	65.00%	9.600
455-01	5-GALLON-PAIS	EA	1.440	65.00%	2.380
500-00	PIPE, EMT, 1/2"	FT	0.040	65.00%	0.070
500-01	PIPE, EMT, 3/4"	FT	0.060	65.00%	0.100
500-02	PIPE/HOSE PLASTIC	FT	0.060	65.00%	0.100
500-03	PIPE, STEEL, GALV.	FT	0.140	65.00%	0.230
500-04	PIPE, EMT, 1"	FT	0.090	65.00%	0.150
500-05	PIPE, BLACK IRON, 1"	FT	0.070	65.00%	0.120
500-07	PIPE, BLACK IRON, 3/4"	FT	0.040	65.00%	0.070
500-09	PIPE, BLACK IRON, 2"	FT	0.110	65.00%	0.180
500-10	PIPE, PVC, 1"	FT	0.030	65.00%	0.050
500-11	PIPE, PVC, 1 1/2"	FT	0.030	65.00%	0.050
500-12	PIPE, PVC, 2"	FT	0.040	65.00%	0.070
500-13	PIPE, PVC, 2 1/2"	FT	0.060	65.00%	0.100
500-14	PIPE, PVC, 3"	FT	0.060	65.00%	0.100
500-15	PIPE, PVC, 3 1/2"	FT	0.080	65.00%	0.130
500-16	PIPE, PVC, 4"	FT	0.090	65.00%	0.150
500-17	PIPE, PVC, 6"	FT	0.130	65.00%	0.210
500-18	PIPE, PVC, 8"	FT	0.170	65.00%	0.280
500-19	PIPE, PVC, 12"	FT	0.270	65.00%	0.450
500-20	PIPE, COPPER, 1/2"	FT	0.090	65.00%	0.150
500-21	PIPE, COPPER, 3/4"	FT	0.100	65.00%	0.170
500-22	PIPE, COPPER, 1"	FT	0.130	65.00%	0.210
500-23	PIPE, COPPER, 1 1/4"	FT	0.140	65.00%	0.230
500-24	PIPE, COPPER, 1 1/2"	FT	0.160	65.00%	0.260
500-25	PIPE, COPPER, 1 3/4"	FT	0.170	65.00%	0.280
500-26	PIPE, COPPER, 2"	FT	0.210	65.00%	0.350
500-30	SONO TUBE, 8"	FT	0.090	65.00%	0.150
500-31	SONO TUBE, 10"	FT	0.110	65.00%	0.180
500-32	SONO TUBE, 12"	FT	0.130	65.00%	0.210

Freight Rates After Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17b

Pages 14 of 18

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	WEE-17a Current & Adjusted Rate	WEE-17 Percentage Increase	Proposed Rates
505-00	PLYWOOD 4X8X1/4-1/2	EA	1.830	65.00%	3.020
505-01	PLYWOOD 4X8X3/4-5/8	EA	2.750	65.00%	4.540
505-02	PLYWOOD 4X12X1/2	EA	2.750	65.00%	4.540
505-03	PLYWOOD 4X12X3/4,5/8	EA	4.130	65.00%	6.810
505-04	PLYWOOD (AC) 4X8X1/4-3/8	EA	2.750	65.00%	4.540
505-05	PLYWOOD (AC) 4X8X1/2	EA	3.200	65.00%	5.280
505-06	PLYWOOD (AC) 4X8X5/8-3/4	EA	4.130	65.00%	6.810
505-08	SHEETROCK 4X8X5/8-3/4	EA	2.750	65.00%	4.540
505-09	SHEETROCK 4X12X1/4-1/2	EA	2.750	65.00%	4.540
505-10	SHEETROCK 4X12X5/8-3/4	EA	4.130	65.00%	6.810
510-00	POLES, TELEPHONE, FLAG	LF	0.540	65.00%	0.890
500-42	PIPE, PVC 3/4"	FT	0.020	65.00%	0.030
305-06	CEMENT STORM DRAINS	EA	10.590	65.00%	17.470
525-00	REFRIGERATORS-LESS THAN 8 CU FEET	EA	8.600	65.00%	14.190
525-01	REFRIGERATORS-8\CUBIC-FT- LESS THAN 15 CU	EA	11.010	65.00%	18.170
525-02	REFRIGERATORS-15/19-CUBIC-FT	EA	24.430	65.00%	40.310
525-03	REFRIGERATORS-20\CUBIC-FT	EA	36.580	65.00%	60.360
525-04	REFRIGERATORS, WALK-IN	EA	50.110	65.00%	82.680
525-07	ICE MACHINE WITHOUT BIN	EA	14.320	65.00%	23.630
525-08	ICE MACHINE WITH BIN	EA	24.430	65.00%	40.310
525-09	ICE MACHINE BIN	EA	11.430	65.00%	18.860
525-10	MACHINE, SODA	EA	24.430	65.00%	40.310
525-11	MACHINE, GENERATOR <10 KW	EA	6.080	65.00%	10.030
525-12	ICE MAKER	EA	3.560	65.00%	5.870
525-13	MACHINE, EXERCISE	EA	6.080	65.00%	10.030
525-14	DEHUMIDIFIER	EA	5.440	65.00%	8.980
525-15	MACHINE, GENERATOR 10-20 KW	EA	17.180	65.00%	28.350
525-16	MACHINE, GENERATOR >20 KW	EA	42.950	65.00%	70.870
530-02	SAFE, VAULT LESS THAN 3X3X3	EA	7.320	65.00%	12.080
535-03	SAND,BLASTING	BAG	1.440	65.00%	2.380
535-04	SAND, BULK PALLET, NOT IN BAGS	PLT	28.760	65.00%	47.450
	WOOD J BEAM	FT	New or Adjusted Rates 0.550	65.00%	0.910
545-03	STEEL I BEAM	FT	1.070	65.00%	1.770
545-04	STEEL, SHEET, BY SQUARE FOOT	SQF	0.360	65.00%	0.590

Freight Rates After Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17b

Pages 15 of 18

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	WEE-17a Current & Adjusted Rate	WEE-17 Percentage Increase	Proposed Rates
550-02	STOVE, WOOD, FIREPLACE	EA	8.950	65.00%	14.770
550-03	STEREO EQUIP	EA	5.010	65.00%	8.270
550-04	GRILL, GAS, OUTDOOR	EA	5.440	65.00%	8.980
555-02	TANK, PROPANE EMPTY	EA	1.160	65.00%	1.910
	TANK, PROPANE 1,000 GAL.	EA	New or Adjusted Rates 100.000	65.00%	165.000
555-03	WATER SOFTENER/ FILTER	EA	2.420	65.00%	3.990
555-04	TANK, PROPANE, 100LB OR GREATER	EA	4.180	65.00%	6.900
555-05	SEPTIC SYSTEM FILTER POD	EA	13.260	65.00%	21.880
560-02	1000 GAL OIL TANK	EA	32.170	65.00%	53.080
560-03	TANKS; OIL OR SEPTIC 330GL	EA	11.630	65.00%	19.190
560-04	CURBING, CEMENT	EA	5.820	65.00%	9.600
560-05	ELJEN DRNS/ SEPTIC INFILTRATOR	EA	1.440	65.00%	2.380
560-06	TANK; OIL, LESS THAN 275	EA	5.040	65.00%	8.320
595-08	RANGE HOOD	EA	2.510	65.00%	4.140
600-15	WELL MATE TANK	EA	8.490	65.00%	14.010
600-16	PAPER GOODS	EA	1.440	65.00%	2.380
515-00	POTATO-CHIPS	CTN	0.620	65.00%	1.020
515-01					
520-00	PUMPS-IN-CTNS	EA	4.830	65.00%	7.970
520-01	PUMP-JACKS-PER-BUNDLE	EA	1.780	65.00%	2.940
520-02	REEL, CABLE 5FT. DIAMETER	EA	21.500	65.00%	35.480
520-03	REEL, CABLE >5FT. DIAMETER	EA	42.950	65.00%	70.870
520-04	REEL, CABLE, EMPTY	EA	12.180	65.00%	20.100
525-05	REEL, CABLE <5FT. DIAMETER	EA	6.650	65.00%	10.970
525-06	RE ROD	FT	0.040	65.00%	0.070
530-00					
530-01	RED-ROSIN-PAPER	EA	0.800	65.00%	1.320
535-00	SALT-IN-BAGS	EA	1.440	65.00%	2.380
540-00	SIGNS-NEON-OR-ELECTRIC	EA	12.160	65.00%	20.060
545-00	SHINGLES-WOOD-ASPHALT	BDL	0.980	65.00%	1.620
550-00	STOVES-GAS-PROPANE	EA	6.080	65.00%	10.030
550-01	STOVES, RANGE; RESTUARANT FURNACE	EA	24.430	65.00%	40.310
555-00	TANKS; PROPANE,GAS,OXY,ACET, D IVE TANKS	EA	2.420	65.00%	3.990
555-01	TURF	PLT	23.250	65.00%	38.360

Freight Rates After Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17b

Pages 16 of 18

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	WEE-17a Current & Adjusted Rate	WEE-17 Percentage Increase	Proposed Rates
560-00	TANKS; OIL OR SEPTIC 275GL	EA	8.050	65.00%	13.280
560-01	TANKS; 500 GAL OIL	EA	15.830	65.00%	26.120
016 400-07	THRESHOLD	EA	0.710	65.00%	1.170
	THRESHOLD - MARBLE	EA New or Adjusted Rates	1.500	65.00%	2.480
570-03					
570-04	TENT, GARDEN	EA	5.010	65.00%	8.270
575-04	TILE, WELL 24" OR LESS	EA	5.440	65.00%	8.980
575-05	TILE; WELL COVER 24" OR LESS	EA	3.480	65.00%	5.740
580-021	TIRE, LARGE, TRACTOR	EA	2.510	65.00%	4.140
580-04	TREE, SHRUB, LIVE OVER 8'	EA New or Adjusted Rates	20.000	65.00%	33.000
580-06	PLANT, TRAY	EA	1.440	65.00%	2.380
580-07					
585-01	TOBACCO, CANDY, SMOKING ACC	EA	2.420	65.00%	3.990
590-01	VOTING MACHINE, SMALL, TABLE SIZE	EA	12.660	65.00%	20.890
595-09	WASHER/DRYER COMBINATION	EA	12.180	65.00%	20.100
595-10	DRYER, COMMERCIAL, LARGE	EA	12.180	65.00%	20.100
600-04	WINDOW; QUAD	EA	29.290	65.00%	48.330
600-17	TANK, EXTROL, WELL SIZE	EA	8.490	65.00%	14.010
600-18					
600-19	WINDSURFER	EA	7.170	65.00%	11.830
600-20	SURFBOARD	EA	6.500	65.00%	10.730
565-00					
570-00	TELEVISION SETS; IN CARTONS COLOR	EA	12.160	65.00%	20.060
575-00	TILE; WELL OVER 24"	EA	9.090	65.00%	15.000
575-01	TILE; FLOOR, VINYL, ETC.	CTN	1.250	65.00%	2.060
575-02	TILE; WELL COVERS GREATER THAN 24"	EA	5.360	65.00%	8.840
575-03	TILE, CEILING, BOX	EA	1.440	65.00%	2.380
580-00	TIRES; RUBBER, PASSENGER CAR	EA	1.440	65.00%	2.380
580-01	TIRES; TRUCK	EA	1.950	65.00%	3.220
580-02	TREES; SHRUBS UNDER 4'	EA	1.530	65.00%	2.520
580-03	TREES; SHRUBS OVER 4'	EA	1.950	65.00%	3.220
585-00	TABACCO; CHEWING, CIGARS, CIGAR ETTE,	CTN	2.420	65.00%	3.990
590-00	VOTING / ATM MACHINE	EA	24.310	65.00%	40.110
595-00	WASHING MACHINES	EA New or Adjusted Rates	9.000	65.00%	14.850

Freight Rates After Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17b

Pages 17 of 18

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM		WEE-17a Current & Adjusted Rate	WEE-17 Percentage Increase	Proposed Rates
595-01	RANGE	EA	New or Adjusted Rates	9.000	65.00%	14.850
595-02	DISHWASHER	EA	New or Adjusted Rates	9.000	65.00%	14.850
595-03	DRYER	EA	New or Adjusted Rates	9.000	65.00%	14.850
595-04	MICROWAVE	EA		6.080	65.00%	10.030
600-00	WINDOWS; SINGLE, SASHES	EA		3.680	65.00%	6.070
600-01	WINDOWS; DOUBLE MULLION	EA		4.830	65.00%	7.970
600-02	WINDOWS; PICTURE, PLATE GLASS THERMOPANE OR TRIPLES	EA		24.430	65.00%	40.310
600-03	WINDOWS; IN BOXES OR CARTONS	EA		4.030	65.00%	6.650
600-12	ENVELOPE, MISC	EA		1.440	65.00%	2.380
600-13	TANK, EXTROL SMALL	EA		2.420	65.00%	3.990
600-14	TANK, EXTROL LARGE	EA		4.830	65.00%	7.970
601-11						
017 285-03						
600-10	EMPTY DRUM, KERO, OIL 55 GAL	EA		2.510	65.00%	4.140
601-07						
601-12						
601-13	DURA-ROCK, WONDERBOARD 3X5	EA		2.150	65.00%	3.550
601-14	RADIATOR, CAST IRON	EA		3.560	65.00%	5.870
601-15						
601-16	FEDERAL EXPRESS PKG	EA		2.300	65.00%	3.800
601-17	DURA-ROCK, WONDERBOARD 4X8	EA		4.590	65.00%	7.570
601-18	DURA-ROCK, WONDERBOARD 3X6	EA		2.590	65.00%	4.270
601-19	DIAMOND PLATING, LATH, GALV APPROX. 4X8	EA		1.440	65.00%	2.380
600-09	DRUM, 55 GAL, KERO, OIL	EA		7.320	65.00%	12.080
601-00	UPS PKG	EA		6.110	65.00%	10.080
601-01	PKG MISC	EA		1.440	65.00%	2.380
601-02	BAG MISC	EA		1.440	65.00%	2.380
601-03	JAMBS	BDL		1.440	65.00%	2.380
601-04	BOX, FITTING	EA		1.440	65.00%	2.380
601-05	TYPAR, TYVEK, ROLL	EA		1.440	65.00%	2.380
601-06	PALLET, PERSONAL	EA		7.860	65.00%	12.970
601-08	BASE BOARD	EA		1.780	65.00%	2.940
601-09	BASE BOARD; CAST IRON	EA		2.870	65.00%	4.740
601-10	BUNDLE MISC	EA		1.440	65.00%	2.380

Freight Rates After Implementation of Rate Increase
Interstate Navigation Company

Schedule WEE-17b

Pages 18 of 18

CLASS ITEM NUMBER	ITEM MASTER DESCRIPTION OF COMMODITY	UOM	WEE-17a Current & Adjusted Rate	WEE-17 Percentage Increase	Proposed Rates
601-9	GALLON CAN, MISC	EA	1.440	65.00%	2.380
090 165-00	CTN MISC	EA	1.440	65.00%	2.380
101 225-01					
230-01					

Rate Design - Calculation of Bike Rates
Interstate Navigation Company

Schedule WEE-18

Calculation of Rates

Rate Year Revenue Requirement Allocation to Bikes	\$ 247,931	WEE-13
Bike Increase covered by Passenger Rates	(105,752)	
Modified Rate Year Revenue Requirement Allocation to Bikes	<u>\$ 142,179</u>	
Freight Revenue Generated at Current Rates	\$ 142,179	WEE-2
Revenue Increase required from Bikes	\$ 0	
Percentage Increase required from Bikes		0%

		percentage Increase	
Bicycles	3.20	0.00%	3.20
Electric Bicycles	8.30	0.00%	8.30
Motorcycles	21.80	0.00%	21.80

Proof of Revenues
Interstate Navigation Company

Schedule WEE-19

	Count or Usage	Current	Rate	Current Revenue	Proposed Revenue	Dollar Increase
<hr/>						
<i>Passenger</i>						
Adult One Way	132,088	\$ 11.25	\$ 12.20	\$ 1,485,990	\$ 1,611,474	\$ 125,484
Adult Round Trip	147,402	\$ 18.30	\$ 24.40	\$ 2,697,457	\$ 3,596,609	\$ 899,152
Child One Way	13,308	\$ 5.70	\$ 6.15	\$ 75,856	\$ 81,844	\$ 5,989
Child Round Trip	14,082	\$ 9.10	\$ 12.35	\$ 128,146	\$ 173,913	\$ 45,767
Commuter One Way	-	\$ -	\$ 12.20	\$ -	\$ -	\$ -
Commuter Round Trip	20,528	\$ 10.50	\$ 24.40	\$ 215,544	\$ 500,883	\$ 285,339
				<u>\$ 4,602,992</u>	<u>\$ 5,964,723</u>	<u>\$ 1,361,730</u>
<hr/>						
<i>Vehicles</i>						
Cars	35,209	\$ 49.80	# \$ 32.70	\$ 1,753,408	\$ 1,151,334	\$ (602,074)
Pick-ups & SUVs	8,668	\$ 60.10	# \$ 39.45	\$ 520,947	\$ 341,953	\$ (178,994)
Commuter Cars	3,901	\$ 27.00	\$ 32.70	\$ 105,327	\$ 127,563	\$ 22,236
Commuter Pick-ups & SUVs	1,079	\$ 32.75	\$ 39.45	\$ 35,337	\$ 42,567	\$ 7,229
Trucks & Oversize Trucks		See Schedule WEE-16		<u>\$ 1,075,979</u>	<u>\$ 1,260,316</u>	<u>\$ 184,337</u>
				<u>\$ 3,490,998</u>	<u>\$ 2,923,732</u>	<u>\$ (567,266)</u>
<hr/>						
<i>Freight</i>						
-Freight		See Schedule WEE-17		<u>\$ 792,113</u>	<u>\$ 1,306,264</u>	<u>\$ 514,151</u>
<hr/>						
<i>Bikes, Mopeds, Etc.</i>						
-Bikes, Mopeds, etc.		See Schedule WEE-18		<u>\$ 142,179</u>	<u>\$ 142,179</u>	<u>\$ 0</u>
<hr/>						
Total Rates and Charges				\$ 9,028,283	\$ 10,336,898	\$ 1,308,615
Total Other Revenue (Schedule WEE-2)				\$ 842,452	\$ 842,452	\$ -
<hr/>						
TOTAL REVENUE				<u>\$ 9,870,735</u>	<u>\$ 11,179,350</u>	<u>\$ 1,308,615</u>
<hr/>						
Revenue Required (Schedule WEE-1)					11,172,911	
Variance					\$ 6,439	0.06%

INTERSTATE NAVIGATION COMPANY
U.S. MAIL, PASSENGER AND FREIGHT SERVICE

**Direct Testimony and Exhibits of
David G. Bebyn, CPA**

**Prefiled Direct Testimony
of
David G. Bebyn CPA
Regarding Traditional Service Rates**

**Interstate Navigation Company
Docket _____**

November 2012

1 **Q. Please state your name and business address for the record.**

2 A. My name is David G. Bebyn CPA and my business address is 21 Dryden Lane,
3 Providence, Rhode Island 02904.

4

5 **Q. By whom are you employed and in what capacity?**

6 A. I am the President of B&E Consulting LLC. (B&E). B&E is a CPA firm that
7 specializes in utility regulation, expert rate and accounting testimony, school budget
8 reviews and accounting services.

9

10 **Q. Mr. Bebyn, have you testified as an expert accounting witness prior to this**
11 **docket?**

12 A. Yes. I have provided testimony on rate related matters before utility commissions
13 in Rhode Island and Connecticut. Regarding the Rhode Island Public Utilities
14 Commission, I prepared testimony in Interstate's general rate filing Docket #3762 in
15 support of the adjusted test year. I also prepared testimony and testified in the Pawtucket
16 Water Supply Board's (PWSB) last four rate filings, Dockets #3378, #3497, #3674 &
17 #3945, and the Providence Water Supply Board's rate filing Docket #3832 in support of
18 the adjusted test year. In addition to adjusted test year testimony, I prepared testimony
19 and testified on behalf of the Woonsocket Water Department's last two rate filing
20 Dockets #3800 and #4320 in support of rate design. I have also prepared testimony on
21 behalf of the Pascoag Utility District in Docket #4341 in support of the Rate Year and
22 rate design.

23

24 **Q. What is your educational background?**

25 A. I received my Bachelors of Science Degree in Accounting (BSA) from Rhode Island
26 College. I became a Certified Public Accountant in 2000 after successfully passing the
27 CPA exam.

28

29

30

31

1 **Q. What is the purpose of your testimony?**

2 A. B&E was engaged by Interstate Navigation Company to provide testimony in
3 support of its rate request. My testimony includes a presentation of the normalized test
4 year (May 31, 2012) and rate design associated with this rate request.

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

TEST YEAR (May 31, 2012)

Q. What test year did you use?

A. I used the test year June 1st 2011 to May 31st 2012 which is Interstate's Fiscal Year.

Q. Please provide the Commission with the detailed steps you took to develop the test year.

A. First, I was provided the FYE May 31st, 2012 financial statements prepared by Interstate's Certified Public Accountant. Next, I obtained the detailed trial balance for FYE May 31st, 2012. These documents were used to prepare the FY 2012 Annual Report filed with the Public Utilities Commission and the Test Year used in this rate filing. I subtracted the year to date balances for the Fast Ferry Service and the Current Newport Service to provide the Conventional Service Only Test Year (DGB-4).

Q. What adjustments did you make to normalize the test year?

A. I made 12 adjustments as follows:

1. I normalized the tariff revenues for Passenger (\$696,770), Vehicle (\$34,326), Freight (\$10,913) and Bikes \$1,987 to reflect the rates in effect at May 31st and remove any fuel surcharge. There were two rate changes during the fiscal year. One rate change was to add a CPI inflator effective January 1, 2012 and the other was to remove a prior ROE increase effective April 1, 2012.
2. I removed revenue resulting from a Homeland Security Grant (\$48,650) which will not reoccur.
3. I removed interest income (\$992) from revenue because cash (which was invested to obtain the interest income) is not part of rate base and therefore the return on cash (interest) accrues to stockholders not ratepayers.
4. I removed the fuel expense which exceeded the \$2.00 per gallon fuel floor. This expenditure was covered by rates associated with the fuel surcharge revenue

1 which was removed as part of the first adjustment. The calculation of the
2 reduction in fuel expense and which accounts were reduced as a result are
3 presented on Schedule DGB-3.
4

5 5. I eliminated the provision for federal income tax (FIT) amount of \$38,568
6 because this balance represented the FIT expense accrued due to the change in
7 deferred income tax assets and liabilities and not the taxes on the actual Test Year
8 Profits. Mr. Edge has addressed the actual provision for the rate year in his
9 testimony.
10

11 6. I removed interest expense (\$460,661) from the test year cost of service because
12 interest expense will be accounted for in the return on rate base calculation in Mr.
13 Edge's testimony.
14

15 **Q. Mr. Bebyn, in your professional opinion does your adjusted test year present a**
16 **proper normalized test year?**

17 A. Yes, I believe that the adjusted, normalized test year that I have prepared for
18 this filing (DGB-1 & DGB-2) fairly presents the operations of Interstate in a normal year
19 on a ratemaking basis with currently approved rates.
20

21 **Q. Did you complete any other reviews to prepare your test year adjustments?**

22 A. Yes, I did. I prepared a five-year analysis of the actual revenue and expenses
23 (Conventional Service Only) for the fiscal years ended May 31st 2008, 2009, 2010, 2011
24 & 2012 (see DGB-5). Major line item variances between these historical years were
25 investigated to determine if an adjustment was needed. If so, I discussed these items with
26 Mr. Edge to decide if it required a test year or rate year adjustment.
27

28 **Q. Did you prepare any other schedules?**

29 A. Yes, I did. As I mentioned above, the unadjusted Test Year balances have already
30 have had the Fast Ferry and Newport Services removed. I prepared a five year analysis
31 (DGB-6) which adds back the Fast Ferry and Newport Services. This information is

1 needed so the financial data provided can be traced back to the annual report filed with
2 the PUC.

3

4 **Q. Does that conclude your Test Year testimony?**

5 A. Yes.

6

7 **Q. What would you like to discuss next?**

8 A. I would like to review my schedules for Rate Design.

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

Rate Design – Cost Allocation

Q. Mr. Bebyn are you proposing changes in rate design for this case?

A. Yes. I, along with Mr. Edge, believe it is not prudent to implement an across the board increase. For many years there have been numerous across the board increases, some of which have been only applied to a few customer classes. Mr. Edge explains this in greater detail, along with the history of such changes in his testimony.

Q. Mr. Bebyn since Mr. Edge has also provided Rate Design testimony, what area of Rate Design will you be covering?

A. My testimony will cover the allocation of costs to functional categories which are then allocated to each customer class. The results of my rate design schedules will be the calculation of percentages between customer classes with regard to the net revenue requirement. Mr. Edge will use these calculated percentages and apply them to the Rate Year Net Revenue Requirement as part of his calculation of rates by customer class.

Q. Please describe your Rate Design-Cost Allocation schedules.

A. There are two main schedules, both of which include several supporting schedules. These schedules are:

- **Schedule DGB-8** This schedule presents the allocation of the cost of service base year revenues and expenses (Schedule DGB-8A, DGB-8B & DGB-8C) to the various cost functions.
 - **Schedule DGB-8A** This schedule presents the Cost of Service Base Year for Revenues. Since this Cost of Service Model utilizes the Adjusted Test Year it was necessary to make certain adjustments to reflect the true cost of service.
 - **Schedule DGB-8B** This schedule presents the Cost of Service Base Year for Expenses. Since this Cost of Service Model utilizes the Adjusted Test Year it was necessary to make certain adjustments to reflect the true cost of service.

- 1 ○ **Schedule DGB-8C** This schedule presents the Cost of Service
- 2 Base Year for the required return on Rate Base for the Test
- 3 Year. Since this Cost of Service Model utilizes the Adjusted
- 4 Test Year it was necessary to make certain adjustments to
- 5 reflect the true cost of service.
- 6 ○ **Schedule DGB-8D** This schedule presents the derivation of
- 7 various allocation symbols or allocators that were used in
- 8 schedule DGB-8.
- 9 ○ **Schedule DGB-3E** This presents the development of the
- 10 Misc. Revenue allocation based upon all other expenses.
- 11 ○ **Schedule DGB-3F** This presents the allocation of the labor
- 12 expenses to cost functions. The overall labor allocation is
- 13 used to allocate certain labor related costs.
- 14 ○ **Schedule DGB-3G** This presents the allocation of Company
- 15 assets to cost functions. The allocation of assets is used to
- 16 allocate some of the capital related items.
- 17
- 18 • **Schedule DGB-9** This schedule presents the allocation of the
- 19 Functional Costs to the various Rate Schedule Elements.
- 20 ○ **Schedule DGB-9A** This schedule presents the derivation of
- 21 the allocators used on Schedule DGB-9.
- 22 ○ **Schedule DGB-9B** This presents the development of the V
- 23 allocator for vessel costs based upon net deck capacity of all
- 24 Interstate Conventional Service Vessels.
- 25 ○ **Schedule DGB-9C** This presents the development of the T
- 26 allocator for ticketing office costs based upon the counts of
- 27 passengers and vehicles.
- 28 ○ **Schedule DGB-9D** This presents the development of the
- 29 General & Administrative allocator based upon all other
- 30 expenses.
- 31

1 **Q. What steps did you take first in Allocating Costs?**

2 A. My first step was to functionalize a cost of service revenue requirement of a base
3 year according to cost type. Since the Adjusted Test Year did not have some required
4 balances such as the subsidy from the Fast Ferry Service, I prepared Schedules DGB-8A,
5 DGB-8B and DGB-8C to develop the base year.

6
7 **Q. Mr. Bebyn please explain your adjustments to the adjusted test year in the**
8 **development of the Cost of Service Base Year?**

9 A. I made 6 adjustments as follows on Schedules DGB-8A and DGB-8B:

- 10
11 1. I added to revenues the authorized subsidy from the Fast Ferry Service.
12
13 2. I added to revenues a subsidy from the Newport Service.
14
15 3. The "Required increase in rates" has no real impact in the Cost of Service other
16 than to tie the Revenues from Rates total to the Net Revenue Requirement. What
17 is being allocated on Schedule DGB-8 is the Total Expenses plus the Return on
18 Rate Base minus Miscellaneous Income.
19
20 4. I increased the gross receipts tax to reflect the increase in total revenue for the
21 Cost of Service Base Year.
22
23 5. I increased the federal income tax to reflect the tax on the required rate of return
24 for the Cost of Service Base Year.
25
26 6. I recalculated the required rate of return for the Cost of Service Base Year.
27 (Schedule DGB-8C).
28

29 **Q. How were the functional categories developed on Schedule DGB -8?**

30 A. First it was necessary to break out the major categories which are applicable for all
31 rate classes. This resulted in categories for vessels, docks and ticket offices. The next step
32 was to consider any cost centers which could be directed to a certain customer class from

1 this first allocation. I chose to place all revenues and expenditures from bar and food
2 service into miscellaneous services since this service caters to the passenger customer
3 class. Lastly, all remaining overhead items were categorized to general and
4 administrative expenses.

5
6 **Q. Mr. Bebyn can you describe the purpose for the “F” allocator for Homeland
7 Security on Schedule DGB-8D?**

8 A. Yes. This allocator attempts to properly recover the cost of Homeland Security
9 improvements based upon which areas of the operations have been covered by such
10 improvements.

11
12 **Q. Regarding the Vessels, how was the cost allocated between customer classes on
13 schedule DGB-9?**

14 A. I developed a special allocator “V” for this purpose which is presented on Schedule
15 DGB-9B. This allocator utilizes the basic “One Boat” concept as detailed in Mr. Edge’s
16 Rate Design section of his Testimony. This allocator attempts to calculate total available
17 square footage by customer class. The total also incorporates the total number of runs of
18 each vessel for the test year.

19
20 **Q. Please describe what steps you took in calculating the total square footage
21 mentioned above?**

22 A. First, the square footage of each vessel was analyzed to determine if it was being
23 used for passengers, car/picks-up/SUVs, Trucks, freight or bikes/mopeds. The areas for
24 engines, crew and vessel storage items was excluded since these should be allocated
25 based on the percentages for each customer class. The square footage by customer class
26 for a given vessel was multiplied by the number of runs that vessel ran during the test
27 year. This total square footage of the customer class for the year is totaled for all vessels.
28 Lastly, the total for each customer class is divided by the total for all classes which
29 results in the percentages between customer classes with regard to vessel costs.

1 **Q. Mr. Bebyn can you describe the purpose of the "T" allocator for ticketing**
2 **offices on Schedule DGB-9C?**

3 A. Yes. This allocator attempts to properly recover the cost of the Ticketing Offices
4 based upon the actual counts of passengers, vehicles and trucks. Freight counts were not
5 utilized since billing includes additional administrative account and billing procedures
6 done at the general office.

7

8 **Q. Does that conclude your testimony?**

9 A. Yes.

10

Calculation of Adjusted Test Year Revenues
Interstate Navigation Company

Schedule DGB-1

Account Name	(A) Test Year 5/31/2012	(B) Adjustments	Adjusted Revenue Test Year
-Passengers	\$ 5,299,762	\$ (696,770)	\$ 4,602,992
-Vehicles	3,525,323	(34,326)	3,490,997
-Bar	502,474		502,474
-Charter	139,510		139,510
-Freight	803,026	(10,913)	792,113
-Bikes, Mopeds, etc.	140,192	1,987	142,179
-Mail	49,775		49,775
-Tours	-		-
-Other	16,442		16,442
Landing Fee Commissions	36,168		36,168
HLS Grant	48,650	(48,650)	-
Interest Income	992	(992)	0
Miscellaneous	-	-	-
Total Revenues	\$ 10,562,314	\$ (789,664)	\$ 9,772,650

A) From DGB-4

B) See DGB Testimony pages 3 & 4

-Passengers	
Adjustment for Normalizing Rate	\$ (696,770)
-Vehicles	
Adjustment for Normalizing Rate	\$ (34,326)
-Freight	
Adjustment for Normalizing Rate	\$ (10,913)
-Bikes, Mopeds, etc.	
Adjustment for Normalizing Rate	\$ 1,987

Calculation of Adjusted Test Year Expenses
Interstate Navigation Company

Schedule DGB-2
Page 1 of 3

Account #	Account Name	(A) Test Year 5/31/2012	(B) Test Year Adjustments	Adjusted Test Year
4200	Refunds, Credits and Voids	\$ 92,798		\$ 92,798
5100	Payroll	2,833,069		2,833,069
6100	Depreciation	1,322,067		1,322,067
6200	Amortization	-		-
7100	Vessel Maintenance - Block Island	80,478		80,478
7110	Vessel Maintenance - Carol Jean	71,300		71,300
7120	Vessel Maintenance - Manitou	78,381		78,381
7130	Vessel Maintenance - Anna C	153,652		153,652
7140	Vessel Maintenance - Nelseco	-		-
7150	Vessel Maintenance - General	38,242		38,242
7200	Building Maintenance - BI	10,710		10,710
7210	Building Maintenance - PJ	12,435		12,435
7220	Dock Maintenance - BI	9,518		9,518
7230	Dock Maintenance - PJ	12,458		12,458
7240	Yard Maintenance - Montville	14,040		14,040
7250	Terminal Maintenance	6,898		6,898
7260	Auto and Truck Maintenance	20,972		20,972
7270	General Repairs and Maintenance	-		-
7280	Forklifts Maintenance	47,368		47,368
7290	Fuel - Building	17,542		17,542
7300	Fuel - MV Block Island	766,533	(341,164)	425,369
7310	Fuel - MV Carol Jean	479,721	(213,511)	266,209
7320	Fuel - MV Manitou	10,989	(4,891)	6,098
7325	Fuel - MV Southland	-	-	-
7330	Fuel - MV Anna C	218,823	(97,393)	121,431
7340	Fuel - MV Nelseco	-		-
7350	Lube Oil	39,237		39,237
7360	Crew Expense	156,014		156,014
7370	Boat Supplies	32,599		32,599
7380	Other Vessel Expense	18,579		18,579
7390	Wharfage	327,426		327,426
7396	Charter Expense - Trad Ferry	1,504		1,504
7397	Bus Charter	11,231		11,231
7400	Food for Resale	136,884		136,884
7410	Beverages for Resale	51,132		51,132
7415	Meals - Tour Package	26,648		26,648
7420	Bar Supplies	22,647		22,647
7504	Homeland Security - Grant	-		-
7506	Homeland Security - Equipment	37,818		37,818
7507	Homeland Security - Personnel	254,364		254,364
7508	Homeland Security - Operations	22,986		22,986
7509	Homeland Security - Equip Rental	19,350		19,350
7510	Trash Removal	25,501		25,501
7600	Local Transfer	185,979		185,979
7700	Auto and Truck Expense	39,280		39,280
7710	Travel	11,456		11,456

Calculation of Adjusted Test Year Expenses
Interstate Navigation Company

Schedule DGB-2
Page 2 of 3

Account #	Account Name	(A) Test Year 5/31/2012	(B) Test Year Adjustments	Adjusted Test Year
7800	Advertising	431,999		431,999
7900	Other Traffic Expense	47,000		47,000
8100	Office	36,934		36,934
8105	Meetings/Seminars	5,625		5,625
8107	Entertainment	1,294		1,294
8110	Rent	32,620		32,620
8120	Utilities	112,057		112,057
8130	Dues and Subscriptions	10,671		10,671
8140	Telephone	138,945		138,945
8150	Computer Expense	138,040		138,040
8160	PUC Expense	35,480		35,480
8170	Contribution	3,844		3,844
8180	Payroll Services	8,168		8,168
8190	Credit Card Admin Fees	223,712		223,712
8200	Bank Charges	-		-
8210	Finance Charges	107		107
8220	Freight	1,340		1,340
8230	Miscellaneous	11,716		11,716
8140	Bad Debt Expense	3,369		3,369
8300	Accounting	93,669		93,669
8310	Legal	115,503		115,503
8320	Other Professional Fees	9,861		9,861
8400	Profit Sharing	55,000		55,000
8410	Employee Insurance	496,251		496,251
8500	Insurance - Vessel	178,604		178,604
8504	Insurance - Vesses - Southland	1,507		1,507
8510	Insurance - Auto	11,787		11,787
8520	Insurance - Property	2,181		2,181
8530	Insurance - Other	-		-
8540	Insurance - Workmens Comp	51,732		51,732
8550	Damages - Auto and Freight	2,113		2,113
8560	Injuries	759		759
8600	FICA Expense	233,391		233,391
8610	Unemployment Comp - CT	6,058		6,058
8620	Unemployment Comp - FED	8,902		8,902
8630	Unemployment Comp - RI	85,502		85,502
8700	Gross Earnings Tax	127,635		127,635
8710	Sec of State - Annual Report	200		200
8720	Licenses	7,251		7,251
8730	Sales and Use Tax - RI	46,094		46,094
8740	Sales and Use Tax - CT	6,732		6,732
8750	Federal Taxes	(38,568)	38,568	(0)
8760	CT Corporate Tax	1,692		1,692
8770	Permits	330		330
8780	Real Estate Tax	19,164		19,164
8790	Personal Property Tax	2,390		2,390
8800	Penalties	-		-

Calculation of Adjusted Test Year Expenses
Interstate Navigation Company

Schedule DGB-2
Page 3 of 3

Account #	Account Name	(A) Test Year 5/31/2012	(B) Test Year Adjustments	Adjusted Test Year
8810	Cash Over/Short	(2,083)		(2,083)
8900	Returned Items	(473)		(473)
8910	Chargebacks	1,139		1,139
9100	Interest Expense	460,661	(460,661)	-
9900	Extraordinary Items	2,400		2,400
Total Expenses		10,948,937	(1,079,052)	9,869,885
Gain/ (loss)		\$ (386,623)	\$ 289,388	\$ (97,235)

A) From DGB-4

B) See DGB Testimony pages 3 & 4

Analysis of Fuel Expense- Costs Eligible for Recovery
Interstate Navigation Company

Schedule DGB-3

Date	(A) Gallons	(A) Average Fuel Cost	(A) Total Fuel	(B) Fuel Floor	(C) Fuel Recovery
May 31, 2012	41,681	\$ 3.52	\$ 146,572.00	\$ 83,362.00	\$ 63,210.00
April 30, 2012	25,538	3.71	94,853.00	51,076.00	43,777.00
March 31, 2012	18,700	3.84	71,878.00	37,400.00	34,478.00
February 29, 2012	16,494	3.81	62,775.00	32,988.00	29,787.00
January 31, 2012	18,357	3.63	66,554.00	36,750.00	29,804.00
December 31, 2011	17,850	3.47	61,859.00	35,700.00	26,159.00
November 30, 2011	22,801	3.61	82,308.00	45,602.00	36,706.00
October 31, 2011	23,156	3.46	80,178.00	46,312.00	33,866.00
September 30, 2011	37,024	3.46	128,104.00	74,048.00	54,056.00
August 31, 2011	74,425	3.47	258,417.00	148,850.00	109,567.00
July 31, 2011	76,262	3.64	277,851.00	152,524.00	125,327.00
June 30, 2011	47,050	3.49	164,322.00	94,100.00	70,222.00
	<u>419,338</u>		<u>\$ 1,495,671.00</u>	<u>\$ 838,712.00</u>	<u>\$ 656,959.00</u>

(A) Obtained from DGB-5b

(B) Calculated Gallons x Floor Rate \$2.00 = Fuel Floor

(C) Total Fuel less Fuel Floor = Fuel Recovery

		(A) Test Year 11/30/2012	(B) Test Year Adjustments	Adjusted Test Year
7300	Fuel - MV Block Island	766,533	(341,164)	425,369
7310	Fuel - MV Carol Jean	479,721	(213,511)	266,209
7320	Fuel - MV Manitou	10,989	(4,891)	6,098
7325	Fuel - MV Southland	-	0	-
7330	Fuel - MV Anna C	218,823	(97,393)	121,431
		<u>1,476,065</u>	<u>(656,959)</u>	<u>819,106</u>

Actual Revenue & Expenses Comparison
Total (Actual) per Annual Report to
Conventional Service Only (Un-adjusted Test Year)
Interstate Navigation Company

Schedule DGB-4
Page 1 of 4

	Annual Report Total 5/31/2012	Fast Ferry Service 5/31/2012	Nelseco Newport Run 5/31/2012	Conventional Service 5/31/2012
Revenue				
-Passengers	\$ 7,209,234	\$ 1,856,580	\$ 52,892	\$ 5,299,762
-Vehicles	3,525,323	-	-	3,525,323
-Bar	579,205	76,731	-	502,474
-Charter	296,910	157,400	-	139,510
-Freight	803,026	-	-	803,026
-Bikes, Mopeds, etc.	157,230	17,038	-	140,192
-Mail	49,775	-	-	49,775
-Tours	-	-	-	-
-Other	16,442	-	-	16,442
Landing Fee Commissions	36,168	-	-	36,168
HLS Grant	48,650	-	-	48,650
Interest Income	992	-	-	992
Miscellaneous	-	-	-	-
Total Revenues	\$ 12,722,954	\$ 2,107,749	\$ 52,892	\$ 10,562,314

Actual Revenue & Expenses Comparison
Total (Actual) per Annual Report to
Conventional Service Only (Un-adjusted Test Year)
Interstate Navigation Company

Schedule DGB-4
Page 2 of 4

		Annual Report Total 5/31/2012	Fast Ferry Service 5/31/2012	Nelseco Newport Run 5/31/2012	Conventional Service 5/31/2012
Expense					
4200	Refunds, Credits and Voids	\$ 92,798	\$ -	\$ -	\$ 92,798
4202	Refunds, Credits and Voids - FF	-	-	-	-
5100	Payroll	2,833,069	-	-	2,833,069
5150	Payroll - FF	186,355	186,355	-	-
6100	Depreciation	1,393,793	25,076	46,650	1,322,067
6101	Depreciation - FF	168,000	168,000	-	-
6200	Amortization	-	-	-	-
6201	Amortization - FF	94,167	94,167	-	-
7100	Vessel Maintenance - Block Island	80,478	-	-	80,478
7110	Vessel Maintenance - Carol Jean	71,300	-	-	71,300
7120	Vessel Maintenance - Manitou	78,381	-	-	78,381
7130	Vessel Maintenance - Anna C	153,652	-	-	153,652
7140	Vessel Maintenance - Nelseco	12,752	-	12,752	-
7150	Vessel Maintenance - General	38,242	-	-	38,242
7160	Vessel Maintenance - Athena - FF	163,225	163,225	-	-
7200	Building Maintenance - BI	10,710	-	-	10,710
7210	Building Maintenance - PJ	12,435	-	-	12,435
7220	Dock Maintenance - BI	9,518	-	-	9,518
7230	Dock Maintenance - PJ	12,458	-	-	12,458
7240	Yard Maintenance - Montville	14,040	-	-	14,040
7250	Terminal Maintenance	6,898	-	-	6,898
7260	Auto and Truck Maintenance	20,972	-	-	20,972
7270	General Repairs and Maintenance	-	-	-	-
7280	Forklifts Maintenance	47,368	-	-	47,368
7290	Fuel - Building	17,542	-	-	17,542
7300	Fuel - MV Block Island	766,533	-	-	766,533
7310	Fuel - MV Carol Jean	479,721	-	-	479,721
7320	Fuel - MV Manitou	10,989	-	-	10,989
7325	Fuel - MV Southland	-	-	-	-
7330	Fuel - MV Anna C	218,823	-	-	218,823
7340	Fuel - MV Nelseco	81,932	-	81,932	-
7345	Fuel - MV Athena - FF	421,293	421,293	-	-
7350	Lube Oil	39,237	-	-	39,237
7352	Lube Oil - FF	11,276	11,276	-	-
7360	Crew Expense	156,014	-	-	156,014
7362	Crew Expense - FF	5,707	5,707	-	-
7370	Boat Supplies	32,599	-	-	32,599
7372	Boat Supplies - FF	4,161	4,161	-	-
7380	Other Vessel Expense	18,579	-	-	18,579
7385	Other Vessel Expense - FF	892	892	-	-
7390	Wharfage	327,426	-	-	327,426
7395	Wharfage - FF	39,625	39,625	-	-
7396	Charter Expense - Trad Ferry	1,504	-	-	1,504
7397	Bus Charter	11,231	-	-	11,231
7400	Food for Resale	136,884	-	-	136,884
7405	Food for Resale - FF	19,231	19,231	-	-
7410	Beverages for Resale	51,132	-	-	51,132

Actual Revenue & Expenses Comparison
Total (Actual) per Annual Report to
Conventional Service Only (Un-adjusted Test Year)
Interstate Navigation Company

Schedule DGB-4
Page 3 of 4

	Annual Report Total 5/31/2012	Fast Ferry Service 5/31/2012	Nelseco Newport Run 5/31/2012	Conventional Service 5/31/2012
7412 Beverages for Resale - FF	7,607	7,607	-	-
7415 Meals - Tour Package	26,648	-	-	26,648
7420 Bar Supplies	22,647	-	-	22,647
7425 Bar Supplies - FF	2,271	2,271	-	-
7504 Homeland Security - Grant	-	-	-	-
7506 Homeland Security - Equipment	37,818	-	-	37,818
7507 Homeland Security - Personnel	254,364	-	-	254,364
7508 Homeland Security - Operations	22,986	-	-	22,986
7509 Homeland Security - Equip Rental	19,350	-	-	19,350
7510 Trash Removal	25,501	-	-	25,501
7600 Local Transfer	185,979	-	-	185,979
7700 Auto and Truck Expense	39,280	-	-	39,280
7710 Travel	11,456	-	-	11,456
7800 Advertising	431,999	-	-	431,999
7810 Advertising - FF	63,332	63,332	-	-
7900 Other Traffic Expense	47,000	-	-	47,000
7910 Other Traffic Expense - FF	3,074	3,074	-	-
8100 Office	36,934	-	-	36,934
8105 Meetings/Seminars	5,625	-	-	5,625
8107 Entertainment	1,294	-	-	1,294
8110 Rent	32,620	-	-	32,620
8120 Utilities	112,057	-	-	112,057
8130 Dues and Subscriptions	10,671	-	-	10,671
8135 Dues and Subscriptions - FF	325	325	-	-
8140 Telephone	138,945	-	-	138,945
8150 Computer Expense	138,040	-	-	138,040
8160 PUC Expense	35,480	-	-	35,480
8170 Contribution	3,844	-	-	3,844
8180 Payroll Services	8,168	-	-	8,168
8190 Credit Card Admin Fees	223,712	-	-	223,712
8200 Bank Charges	-	-	-	-
8210 Finance Charges	107	-	-	107
8220 Freight	1,340	-	-	1,340
8230 Miscellaneous	11,716	-	-	11,716
8140 Bad Debt Expense	3,369	-	-	3,369
8300 Accounting	93,669	-	-	93,669
8310 Legal	115,503	-	-	115,503
8312 Legal - FF	56	56	-	-
8320 Other Professional Fees	9,861	-	-	9,861
8400 Profit Sharing	55,000	-	-	55,000
8410 Employee Insurance	496,251	-	-	496,251
8500 Insurance - Vessel	178,604	-	-	178,604
8502 Insurance - Vessel - FF	32,432	32,432	-	-
8504 Insurance - Vesses - Southland	1,507	-	-	1,507
8510 Insurance - Auto	11,787	-	-	11,787
8520 Insurance - Property	2,181	-	-	2,181
8530 Insurance - Other	-	-	-	-
8540 Insurance - Workmens Comp	51,732	-	-	51,732

Actual Revenue & Expenses Comparison
Total (Actual) per Annual Report to
Conventional Service Only (Un-adjusted Test Year)
Interstate Navigation Company

Schedule DGB-4
Page 4 of 4

	Annual Report Total 5/31/2012	Fast Ferry Service 5/31/2012	Nelseco Newport Run 5/31/2012	Conventional Service 5/31/2012
8550 Damages - Auto and Freight	2,113	-	-	2,113
8560 Injuries	759	-	-	759
8600 FICA Expense	233,391	-	-	233,391
8601 FICA Expense - FF	10,476	10,476	-	-
8610 Unemployment Comp - CT	6,058	-	-	6,058
8620 Unemployment Comp - FED	8,902	-	-	8,902
8630 Unemployment Comp - RI	85,502	-	-	85,502
8700 Gross Earnings Tax	127,635	-	-	127,635
8701 Gross Earnings Tax - FF	26,347	26,347	-	-
8710 Sec of State - Annual Report	200	-	-	200
8720 Licenses	7,251	-	-	7,251
8730 Sales and Use Tax - RI	46,094	-	-	46,094
8740 Sales and Use Tax - CT	6,732	-	-	6,732
8750 Federal Taxes	3,233	51,444	(9,643)	(38,568)
8760 CT Corporate Tax	1,692	-	-	1,692
8770 Permits	330	-	-	330
8780 Real Estate Tax	19,164	-	-	19,164
8790 Personal Property Tax	2,390	-	-	2,390
8800 Penalties	-	-	-	-
8810 Cash Over/Short	(2,083)	-	-	(2,083)
8900 Returned Items	(473)	-	-	(473)
8910 Chargebacks	1,139	-	-	1,139
9100 Interest Expense	460,661	-	-	460,661
9110 Interest Expense - FF	375,065	375,065	-	-
9900 Extraordinary Items	2,400	-	-	2,400
Total Expenses	12,792,062	1,711,434	131,691	10,948,937
Net Income (Loss)	\$ (69,107)	\$ 396,315	\$ (78,799)	\$ (386,623)

Actual Revenue & Expenses Comparison
Five Fiscal Years (Actual) - Conventional Service Only
 Interstate Navigation Company

Schedule DGB-5
 Page 1 of 3

	5/31/2008	5/31/2009	5/31/2010	5/31/2011	5/31/2012
Revenue					
-Passengers	\$ 4,597,691	\$ 4,768,664	\$ 4,360,919	\$ 4,886,250	\$ 5,299,762
-Vehicles	3,624,674	3,313,168	3,233,394	3,375,963	3,525,323
-Bar	511,785	478,312	449,979	483,781	502,474
-Charter	558,853	506,342	184,954	188,158	139,510
-Freight	844,325	709,058	703,138	780,906	803,026
-Bikes, Mopeds, etc.	135,103	131,896	116,320	144,764	140,192
-Mail	43,032	43,622	43,632	43,752	49,775
-Tours	72,525	51,233	55,084	32,039	-
-Other	94,634	14,158	14,217	18,401	16,442
Landing Fee Commissions	34,214	19,916	32,995	35,077	36,168
HLS Grant	-	-	-	60,000	48,650
Interest Income	92,259	31,128	8,055	2,274	992
Miscellaneous	800	581	-	1,700	-
Total Revenues	\$ 10,609,895	\$ 10,068,079	\$ 9,202,687	\$ 10,053,063	\$ 10,562,314

Actual Revenue & Expenses Comparison
Five Fiscal Years (Actual) - Conventional Service Only
Interstate Navigation Company

Schedule DGB-5
Page 2 of 3

		5/31/2008	5/31/2009	5/31/2010	5/31/2011	5/31/2012
Expense						
4200	Refunds, Credits and Voids	\$ 98,416	\$ 121,072	\$ 86,336	\$ 102,832	\$ 92,798
5100	Payroll	2,661,187	2,628,496	2,595,420	2,776,762	2,833,069
6100	Depreciation	1,275,526	1,259,972	1,287,997	1,300,960	1,322,067
6200	Amortization	83,334	30,661	-	-	-
7100	Vessel Maintenance - Block Island	97,117	231,172	313,907	86,475	80,478
7110	Vessel Maintenance - Carol Jean	33,223	176,285	39,507	56,595	71,300
7120	Vessel Maintenance - Manitou	115,765	21,587	49,579	19,545	78,381
7130	Vessel Maintenance - Anna C	60,825	20,810	75,415	30,997	153,652
7140	Vessel Maintenance - Nelseco	-	-	-	-	-
7150	Vessel Maintenance - General	32,632	24,769	34,834	42,491	38,242
7200	Building Maintenance - BI	6,331	5,606	1,075	4,450	10,710
7210	Building Maintenance - PJ	9,886	10,421	6,650	10,464	12,435
7220	Dock Maintenance - BI	12,779	9,167	48,566	34,893	9,518
7230	Dock Maintenance - PJ	8,441	59,539	25,924	14,009	12,458
7240	Yard Maintenance - Montville	3,493	3,869	8,002	15,632	14,040
7250	Terminal Maintenance	5,677	-	9,327	1,357	6,898
7260	Auto and Truck Maintenance	25,641	7,234	14,117	9,210	20,972
7270	General Repairs and Maintenance	-	27,050	-	409	-
7280	Forklifts Maintenance	50,525	76,063	54,637	38,289	47,368
7290	Fuel - Building	18,259	14,401	19,261	26,794	17,542
7300	Fuel - MV Block Island	699,086	635,942	473,859	621,780	766,533
7310	Fuel - MV Carol Jean	518,262	418,402	369,890	379,828	479,721
7320	Fuel - MV Manitou	26,439	106,217	19,996	12,360	10,989
7325	Fuel - MV Southland	-	-	-	508	-
7330	Fuel - MV Anna C	250,854	284,412	154,556	216,576	218,823
7340	Fuel - MV Nelseco	-	-	-	-	-
7350	Lube Oil	41,381	50,257	39,861	35,246	39,237
7360	Crew Expense	149,071	150,784	142,266	148,674	156,014
7370	Boat Supplies	28,670	31,263	31,695	31,962	32,599
7380	Other Vessel Expense	19,397	19,083	13,155	12,557	18,579
7390	Wharfage	318,795	336,809	296,434	324,755	327,426
7396	Charter Expense - Trad Ferry	8,197	1,633	1,490	8,534	1,504
7397	Bus Charter	9,888	6,910	7,809	7,130	11,231
7400	Food for Resale	137,033	120,725	104,209	119,080	136,884
7410	Beverages for Resale	48,765	44,239	49,776	58,137	51,132
7415	Meals - Tour Package	42,223	29,913	28,675	30,715	26,648
7420	Bar Supplies	25,643	22,604	19,169	18,886	22,647
7504	Homeland Security - Grant	-	-	-	89,613	-
7506	Homeland Security - Equipment	6,497	17,272	17,648	13,774	37,818
7507	Homeland Security - Personnel	200,044	212,365	229,347	239,488	254,364
7508	Homeland Security - Operations	29,211	24,695	22,740	21,543	22,986
7509	Homeland Security - Equip Rental	14,662	17,290	19,351	19,350	19,350
7510	Trash Removal	23,222	19,695	21,550	27,292	25,501
7600	Local Transfer	151,324	142,238	147,960	143,579	185,979
7700	Auto and Truck Expense	22,185	21,766	23,726	34,315	39,280
7710	Travel	1,138	149	434	1,284	11,456
7800	Advertising	392,106	379,219	354,100	340,714	431,999
7900	Other Traffic Expense	54,370	38,011	37,673	51,245	47,000
8100	Office	34,734	35,379	32,914	32,770	36,934
8105	Meetings/Seminars	9,362	9,382	9,990	10,299	5,625

Actual Revenue & Expenses Comparison
Five Fiscal Years (Actual) - Conventional Service Only
Interstate Navigation Company

Schedule DGB-5
Page 3 of 3

	5/31/2008	5/31/2009	5/31/2010	5/31/2011	5/31/2012
8107 Entertainment	-	-	52	424	1,294
8110 Rent	35,277	35,351	35,418	33,600	32,620
8120 Utilities	103,880	101,412	96,802	100,401	112,057
8130 Dues and Subscriptions	7,157	7,827	12,205	11,029	10,671
8140 Telephone	102,787	103,371	106,305	114,981	138,945
8150 Computer Expense	52,020	99,975	99,198	108,171	138,040
8160 PUC Expense	58,072	28,014	29,587	38,807	35,480
8170 Contribution	3,450	5,131	6,359	5,647	3,844
8180 Payroll Services	6,921	7,287	7,809	8,479	8,168
8190 Credit Card Admin Fees	175,270	186,800	189,324	211,773	223,712
8200 Bank Charges	327	939	171	66	-
8210 Finance Charges	393	599	147	90	107
8220 Freight	4,101	4,419	629	2,272	1,340
8230 Miscellaneous	8,646	16,006	16,012	13,816	11,716
8140 Bad Debt Expense	3,346	1,939	4,629	2,148	3,369
8300 Accounting	68,309	82,706	76,844	113,175	93,669
8310 Legal	75,154	89,364	113,717	115,794	115,503
8320 Other Professional Fees	59,914	14,855	14,998	11,572	9,861
8400 Profit Sharing	55,367	55,000	55,000	55,000	55,000
8410 Employee Insurance	304,069	364,146	415,015	431,387	496,251
8500 Insurance - Vessel	204,181	203,775	183,997	191,805	178,604
8504 Insurance - Vesses - Southland	-	-	-	1,229	1,507
8510 Insurance - Auto	9,188	2,754	10,888	11,117	11,787
8520 Insurance - Property	2,934	2,854	2,617	2,201	2,181
8530 Insurance - Other	328	-	-	-	-
8540 Insurance - Workmens Comp	5,698	32,684	22,885	40,688	51,732
8550 Damages - Auto and Freight	2,781	12,800	9,180	4,922	2,113
8560 Injuries	676	1,103	(239)	(566)	759
8600 FICA Expense	214,013	218,485	213,759	225,486	233,391
8610 Unemployment Comp - CT	6,044	4,882	5,834	6,415	6,058
8620 Unemployment Comp - FED	7,101	7,583	7,308	7,808	8,902
8630 Unemployment Comp - RI	70,102	69,702	74,980	83,784	85,502
8700 Gross Earnings Tax	129,795	122,055	113,029	126,901	127,635
8710 Sec of State - Annual Report	125	125	125	200	200
8720 Licenses	4,937	3,715	4,434	7,089	7,251
8730 Sales and Use Tax - RI	44,086	53,591	41,197	50,671	46,094
8740 Sales and Use Tax - CT	3,717	1,220	13,598	4,559	6,732
8750 Federal Taxes	85,950	(97,258)	(77,549)	47,427	(38,568)
8760 CT Corporate Tax	2,792	4,346	718	1,608	1,692
8770 Permits	372	1,800	1,080	595	330
8780 Real Estate Tax	29,519	17,580	15,030	18,552	19,164
8790 Personal Property Tax	2,450	2,857	2,445	2,458	2,390
8800 Penalties	-	(93)	6,901	-	-
8810 Cash Over/Short	(9,757)	1,456	(3,370)	(4,200)	(2,083)
8900 Returned Items	2,068	1,439	1,180	1,994	(473)
8910 Chargebacks	1,062	2,621	(419)	1,831	1,139
9100 Interest Expense	634,269	588,905	548,331	505,272	460,661
9900 Extraordinary Items	2,400	2,400	2,400	2,400	2,400
Total Expenses	10,442,905	10,373,348	9,821,389	10,345,029	10,948,937
Net Income (Loss)	\$ 166,990	\$ (305,269)	\$ (618,702)	\$ (291,965)	\$ (386,623)

Five Fiscal Years of Actual Revenue & Expenses
All Services to Annual Reports
Interstate Navigation Company

Schedule DGB-6
Page 1 of 2

	5/31/2008	5/31/2009	5/31/2010	5/31/2011	5/31/2012
Total Conventional Service Only - Revenues See DGB-5	\$ 10,609,895	\$ 10,068,079	\$ 9,202,687	\$ 10,053,063	\$ 10,562,314
-Passengers - Nelsco (Newport)	\$ 43,755	\$ 41,075	\$ 36,025	\$ 44,256	52,892
Total Newport Service Only - Revenues	43,755	41,075	36,025	44,256	52,892
4101 Passsenger Upgrades - FF	-	-	-	-	30,879
4105 Passengers - FF Group	-	-	-	8,795	2,863
4107 Passengers - Web Tickets - FF	308,289	299,634	262,488	321,306	402,888
4109 Passengers - FF	1,219,964	1,422,097	1,314,181	1,353,335	1,349,060
4122 Bar - FF	66,014	74,559	71,263	68,930	76,731
4141 Charter - FF	227,125	222,625	120,100	99,000	157,400
4147 Ticket Booth - FF	-	3,918	42,640	52,037	70,889
4152 Bikes - FF	15,565	15,605	17,658	17,019	17,038
Total Fast Ferry Service Only - Revenues	1,836,957	2,038,436	1,828,330	1,920,422	2,107,749
Total Revenues	\$ 12,490,608	\$ 12,147,590	\$ 11,067,042	\$ 12,017,741	\$ 12,722,954

Total Conventional Service Only - Expenses See DGB-5	\$ 10,442,905	\$ 10,373,348	\$ 9,821,389	\$ 10,345,029	\$ 10,948,937
6100 Depreciation - Nelsco (Newport)	2,758	2,243	2,447	44,878	46,650
7140 Vessel Maintenance - Nelseco	84,647	27,637	27,343	30,501	12,752
7340 Fuel - MV Nelseco	45,428	2,950	54,954	62,749	81,932
8750 Federal Taxes - Newport	(9,710)	899	(5,310)	(10,232)	(9,643)
Total Newport Service Only - Expenses	123,123	33,728	79,434	127,896	131,691

4202 Refunds, Credits and Voids - FF	-	-	-	63	-
5150 Payroll - FF	201,394	208,785	185,584	186,166	186,355
6101 Depreciation - ff	89,040	168,000	168,000	168,000	193,076
6201 Amortization - FF	94,166	94,166	94,167	94,167	94,167
7160 Vessel Maintenance - Athena - FF	54,906	97,866	85,181	129,335	163,225
7345 Fuel - MV Athena - FF	327,746	528,601	256,349	311,307	421,293
7352 Lube Oil - FF	7,900	13,489	11,670	11,898	11,276
7362 Crew Expense - FF	16,223	30,721	11,250	10,182	5,707
7372 Boat Supplies - FF	3,101	4,010	3,936	4,183	4,161
7385 Other Vessel Expense - FF	862	600	754	568	892
7395 Wharfage - FF	4,000	10,490	46,115	39,625	39,625
7405 Food for Resale - FF	13,259	16,130	15,692	16,835	19,231
7412 Beverages for Resale - FF	8,356	6,389	7,641	8,786	7,607
7425 Bar Supplies - FF	1,470	2,021	2,030	2,822	2,271
7810 Advertising - FF	21,596	37,489	49,993	70,177	63,332

Five Fiscal Years of Actual Revenue & Expenses
All Services to Annual Reports
Interstate Navigation Company

Schedule DGB-6
Page 2 of 2

	5/31/2008	5/31/2009	5/31/2010	5/31/2011	5/31/2012
7910 Other Traffic Expense - FF	5,929	4,472	6,576	3,085	3,074
8101 Office - FF	-	-	-	271	-
8135 Dues and Subscriptions - FF	-	-	223	-	325
8155 Computer Expense - FF	4,754	-	-	-	-
8302 Accounting - FF	84	5,494	2,756	-	-
8312 Legal - FF	15,647	31,104	17,261	3,093	56
8502 Insurance - Vessel - FF	54,866	61,375	37,435	30,232	32,432
8601 FICA Expense - FF	15,295	16,319	13,764	12,411	10,476
8701 Gross Earnings Tax - FF	22,962	24,989	22,599	24,004	26,347
8750 Federal Taxes - FF	49,148	30,451	43,534	44,750	51,444
9110 Interest Expense - FF	403,419	396,035	389,228	381,903	375,065
Total Fast Ferry Service Only - Expenses	1,416,122	1,788,998	1,471,738	1,553,863	1,711,434
Total Expenses	\$ 11,982,150	\$ 12,196,074	\$ 11,372,561	\$ 12,026,788	\$ 12,792,061
Net Income (Loss)	\$ 508,457	\$ (48,484)	\$ (305,519)	\$ (9,047)	\$ (69,107)

Test Year Net Utility Plant
Interstate Navigation Company

Schedule DGB-7

	Annual Report Total 5/31/2012	Fast Ferry Service 5/31/2012	Newport Run 5/31/2012	Conventional Service 5/31/2012
MV - Nelseco			-	
MV - Islander			441,330	
MV - Athena		3,270,960		
MV - Nelseco - Rebuilt Engine			-	
MV - Nelseco - Radar			-	
MV - Nelseco - Renew Hull			1,866	
MV - Athena - Rebuilt Engine		-		
MV - Athena - AC		5,459		
Net Book Value of Capital Assets	\$ 10,093,018	\$ 3,276,419	\$ 443,196	\$ 6,373,403

Interstate Navigation Company

Page 1 of 2

		Cost of Service				Misc.	Ticketing	General/
		Allocator	Base Year	Vessel	Docks	Service	Office	Administration
EXPENSES								
4200	Refunds, Credits and Voids	E	\$ 92,798	\$ -	\$ -	\$ -	\$ -	\$ 92,798
5100	Payroll	L	2,833,069	1,226,165	473,367	237,430	478,622	417,485
6100	Depreciation	R	1,322,067	923,927	272,461	-	43,002	82,677
6200	Amortization	R	-	-	-	-	-	-
7100	Vessel Maintenance - Block Island	A	80,478	80,478	-	-	-	-
7110	Vessel Maintenance - Carol Jean	A	71,300	71,300	-	-	-	-
7120	Vessel Maintenance - Manitou	A	78,381	78,381	-	-	-	-
7130	Vessel Maintenance - Anna C	A	153,652	153,652	-	-	-	-
7140	Vessel Maintenance - Nelseco	A	-	-	-	-	-	-
7150	Vessel Maintenance - General	A	38,242	38,242	-	-	-	-
7200	Building Maintenance - BI	D	10,710	-	-	-	10,710	-
7210	Building Maintenance - PJ	D	12,435	-	-	-	12,435	-
7220	Dock Maintenance - BI	B	9,518	-	9,518	-	-	-
7230	Dock Maintenance - PJ	B	12,458	-	12,458	-	-	-
7240	Yard Maintenance - Montville	B	14,040	-	14,040	-	-	-
7250	Terminal Maintenance	B	6,898	-	6,898	-	-	-
7260	Auto and Truck Maintenance	E	20,972	-	-	-	-	20,972
7270	General Repairs and Maintenance	E	-	-	-	-	-	-
7280	Forklifts Maintenance	B	47,368	-	47,368	-	-	-
7290	Fuel - Building	D	17,542	-	-	-	17,542	-
7300	Fuel - MV Block Island	A	425,369	425,369	-	-	-	-
7310	Fuel - MV Carol Jean	A	266,209	266,209	-	-	-	-
7320	Fuel - MV Manitou	A	6,098	6,098	-	-	-	-
7325	Fued - MV Southland	A	-	-	-	-	-	-
7330	Fuel - MV Anna C	A	121,431	121,431	-	-	-	-
7340	Fuel - MV Nelseco	A	-	-	-	-	-	-
7350	Lube Oil	A	39,237	39,237	-	-	-	-
7360	Crew Expense	A	156,014	156,014	-	-	-	-
7370	Boat Supplies	A	32,599	32,599	-	-	-	-
7380	Other Vessel Expense	A	18,579	18,579	-	-	-	-
7390	Wharfage	A	327,426	327,426	-	-	-	-
7396	Charter Expense - Trad Ferry	A	1,504	1,504	-	-	-	-
7397	Bus Charter	E	11,231	-	-	-	-	11,231
7400	Food for Resale	C	136,884	-	-	136,884	-	-
7410	Beverages for Resale	C	51,132	-	-	51,132	-	-
7415	Meals - Tour Package	C	26,648	-	-	26,648	-	-
7420	Bar Supplies	C	22,647	-	-	22,647	-	-
7504	Homeland Security - Grant	F	-	-	-	-	-	-
7506	Homeland Security - Equipment	F	37,818	15,127	17,018	-	5,673	-
7507	Homeland Security - Personnel	F	254,364	101,746	114,464	-	38,155	-
7508	Homeland Security - Operations	F	22,986	9,194	10,344	-	3,448	-
7509	Homeland Security - Equip Rental	F	19,350	7,740	8,708	-	2,903	-
7510	Trash Removal	E	25,501	-	-	-	-	25,501
7600	Local Transfer	E	185,979	-	-	-	-	185,979
7700	Auto and Truck Expense	E	39,280	-	-	-	-	39,280
7710	Travel	E	11,456	-	-	-	-	11,456
7800	Advertising	E	431,999	-	-	-	-	431,999
7900	Other Traffic Expense	B	47,000	-	47,000	-	-	-
8100	Office	E	36,934	-	-	-	-	36,934
8105	Meetings/Seminars	E	5,625	-	-	-	-	5,625
8107	Entertainment	E	1,294	-	-	-	-	1,294
8110	Rent	E	32,620	-	-	-	-	32,620
8120	Utilities	E	112,057	-	-	-	-	112,057
8130	Dues and Subscriptions	E	10,671	-	-	-	-	10,671
8140	Telephone	E	138,945	-	-	-	-	138,945
8150	Computer Expense	E	138,040	-	-	-	-	138,040
8160	PUC Expense	E	35,480	-	-	-	-	35,480
8170	Contribution	E	3,844	-	-	-	-	3,844
8180	Payroll Services	L	8,168	3,535	1,365	685	1,380	1,204
8190	Credit Card Admin Fees	E	223,712	-	-	-	-	223,712
8200	Bank Charges	E	-	-	-	-	-	-
8210	Finance Charges	E	107	-	-	-	-	107
8220	Freight	B	1,340	-	1,340	-	-	-
8230	Miscellaneous	E	11,716	-	-	-	-	11,716
8140	Bad Debt Expense	E	3,369	-	-	-	-	3,369
8300	Accounting	E	93,669	-	-	-	-	93,669
8310	Legal	E	115,503	-	-	-	-	115,503
8320	Other Professional Fees	E	9,861	-	-	-	-	9,861
8400	Profit Sharing	L	55,000	23,804	9,190	4,609	9,292	8,105
8410	Employee Insurance	L	496,251	214,780	82,917	41,589	83,837	73,128
8500	Insurance - Vessel	A	178,604	178,604	-	-	-	-

Allocation of Net Revenue Requirement to Functional Categories

Schedule DGB-8

Interstate Navigation Company

Page 2 of 2

		Cost of Service		Vessel	Docks	Misc. Service	Ticketing Office	General/ Administration
Allocator	Base Year							
8504	Insurance - Vesses - Southland	A	1,507	1,507	-	-	-	-
8510	Insurance - Auto	E	11,787	-	-	-	-	11,787
8520	Insurance - Property	C	2,181	-	-	2,181	-	-
8530	Insurance - Other	E	-	-	-	-	-	-
8540	Insurance - Workmens Comp	L	51,732	22,390	8,644	4,336	8,740	7,623
8550	Damages - Auto and Freight	E	2,113	-	-	-	-	2,113
8560	Injuries	E	759	-	-	-	-	759
8600	FICA Expense	L	233,391	101,013	38,997	19,560	39,429	34,393
8610	Unemployment Comp - CT	L	6,058	2,622	1,012	508	1,023	893
8620	Unemployment Comp - FED	L	8,902	3,853	1,487	746	1,504	1,312
8630	Unemployment Comp - RI	L	85,502	37,006	14,286	7,166	14,445	12,600
8700	Gross Earnings Tax	E	130,942	-	-	-	-	130,942
8710	Sec of State - Annual Report	E	200	-	-	-	-	200
8720	Licenses	E	7,251	-	-	-	-	7,251
8730	Sales and Use Tax - RI	E	46,094	-	-	-	-	46,094
8740	Sales and Use Tax - CT	E	6,732	-	-	-	-	6,732
8750	Federal Taxes	E	74,781	-	-	-	-	74,781
8760	CT Corporate Tax	E	1,692	-	-	-	-	1,692
8770	Permits	E	330	-	-	-	-	330
8780	Real Estate Tax	E	19,164	-	-	-	-	19,164
8790	Personal Property Tax	E	2,390	-	-	-	-	2,390
8800	Penalties	E	-	-	-	-	-	-
8810	Cash Over/Short	E	(2,083)	-	-	-	-	(2,083)
8900	Returned Items	E	(473)	-	-	-	-	(473)
8910	Chargebacks	E	1,139	-	-	-	-	1,139
9100	Interest Expense	R	-	-	-	-	-	-
9900	Extraordinary Items	E	2,400	-	-	-	-	2,400
Total Expenses			9,947,973	4,689,532	1,192,882	556,118	772,139	2,737,302
Return on Rate Base - Interest Portion		R	293,757	205,293	60,540	-	9,555	18,370
Return on Rate Base - Income Portion		J	233,690	110,163	28,022	13,064	18,138	64,303
Total Return on Rate Base			527,447	315,455	88,562	13,064	27,693	82,673
<i>Miscellaneous Revenue</i>								
-Bar		C	(502,474)	-	-	(502,474)	-	-
-Charter		A	(139,510)	(139,510)	-	-	-	-
-Mail		J	(49,775)	(23,464)	(5,969)	(2,783)	(3,863)	(13,696)
-Tours		J	-	-	-	-	-	-
-Other		J	(16,442)	(7,751)	(1,972)	(919)	(1,276)	(4,524)
Landing Fee Commissions		J	(36,168)	(17,050)	(4,337)	(2,022)	(2,807)	(9,952)
HLS Grant		F	-	-	-	-	-	-
Interest Income		J	(0)	(0)	(0)	(0)	(0)	(0)
Subsity for Fast Ferry		J	(208,357)	(98,221)	(24,985)	(11,648)	(16,172)	(57,332)
Addition of Newport High Speed Service		J	78,799	37,146	9,449	4,405	6,116	21,682
Miscellaneous		J	-	-	-	-	-	-
Total Miscellaneous Revenue			(873,926)	(248,849)	(27,813)	(515,440)	(18,003)	(63,822)
TOTAL NET REVENUE REQUIREMENT			9,601,494	4,756,138	1,253,631	53,742	781,829	2,756,153
PERCENTAGE				49.5%	13.1%	0.6%	8.1%	28.7%

STATEMENT OF REVENUE - Cost of Service
Interstate Navigation Company

Schedule DGB-8A

Account #	Account Name	ADJUSTED TEST YEAR	Cost of Service ADJUSTMENTS	Cost of Service Base Year
REVENUE				
Revenue from Rates and Charges				
	-Passengers	\$ 4,603,992	-	\$ 4,603,992
	-Vehicles	3,490,997	-	3,490,997
	-Freight	792,113	-	792,113
	-Bikes, Mopeds, etc.	142,179	-	142,179
	Required increase in rates	-	572,212	572,212
		9,029,282	572,212	9,601,494
Miscellaneous Revenue				
	-Bar	502,474	-	502,474
	-Charter	139,510	-	139,510
	-Mail	49,775	-	49,775
	-Tours	-	-	-
	-Other	16,442	-	16,442
	Landing Fee Commissions	36,168	-	36,168
	HLS Grant	-	-	-
	Interest Income	0	-	0
	Subsity for Fast Ferry	-	208,357	208,357
	Addition of Newport High Speed Service	-	(78,799)	(78,799)
	Miscellaneous	-	-	-
		744,368	129,558	873,926
TOTAL REVENUE		\$ 9,773,650	\$ 701,770	\$ 10,475,420

EXPENSE SUMMARY - Cost of Service

Schedule DGB-8B

Interstate Navigation Company

Page 1 of 2

Account #	Account Name	ADJUSTED TEST YEAR	Cost of Service ADJUSTMENTS	Cost of Service Base Year
EXPENSES				
4200	Refunds, Credits and Voids	\$ 92,798		\$ 92,798
5100	Payroll	2,833,069		2,833,069
6100	Depreciation	1,322,067		1,322,067
6200	Amortization	-		-
7100	Vessel Maintenance - Block Island	80,478		80,478
7110	Vessel Maintenance - Carol Jean	71,300		71,300
7120	Vessel Maintenance - Manitou	78,381		78,381
7130	Vessel Maintenance - Anna C	153,652		153,652
7140	Vessel Maintenance - Nelseco	-		-
7150	Vessel Maintenance - General	38,242		38,242
7200	Building Maintenance - BI	10,710		10,710
7210	Building Maintenance - PJ	12,435		12,435
7220	Dock Maintenance - BI	9,518		9,518
7230	Dock Maintenance - PJ	12,458.37		12,458
7240	Yard Maintenance - Montville	14,040		14,040
7250	Terminal Maintenance	6,898		6,898
7260	Auto and Truck Maintenance	20,972		20,972
7270	General Repairs and Maintenance	-		-
7280	Forklifts Maintenance	47,368		47,368
7290	Fuel - Building	17,542		17,542
7300	Fuel - MV Block Island	425,369		425,369
7310	Fuel - MV Carol Jean	266,209		266,209
7320	Fuel - MV Manitou	6,098		6,098
7325	Fuel - MV Southland	-		-
7330	Fuel - MV Anna C	121,431		121,431
7340	Fuel - MV Nelseco	-		-
7350	Lube Oil	39,237		39,237
7360	Crew Expense	156,014		156,014
7370	Boat Supplies	32,599		32,599
7380	Other Vessel Expense	18,579		18,579
7390	Wharfage	327,426		327,426
7396	Charter Expense - Trad Ferry	1,504		1,504
7397	Bus Charter	11,231		11,231
7400	Food for Resale	136,884		136,884
7410	Beverages for Resale	51,132		51,132
7415	Meals - Tour Package	26,648		26,648
7420	Bar Supplies	22,647		22,647
7504	Homeland Security - Grant	-		-
7506	Homeland Security - Equipment	37,818		37,818
7507	Homeland Security - Personnel	254,364		254,364
7508	Homeland Security - Operations	22,986		22,986
7509	Homeland Security - Equip Rental	19,350		19,350
7510	Trash Removal	25,501		25,501
7600	Local Transfer	185,979		185,979
7700	Auto and Truck Expense	39,280		39,280
7710	Travel	11,456		11,456
7800	Advertising	431,999		431,999
7900	Other Traffic Expense	47,000		47,000
8100	Office	36,934		36,934
8105	Meetings/Seminars	5,625		5,625
8107	Entertainment	1,294		1,294

EXPENSE SUMMARY - Cost of Service
Interstate Navigation Company

Schedule DGB-8B

Page 2 of 2

Account #	Account Name	ADJUSTED TEST YEAR	Cost of Service ADJUSTMENTS	Cost of Service Base Year
8110	Rent	32,620		32,620
8120	Utilities	112,057		112,057
8130	Dues and Subscriptions	10,671		10,671
8140	Telephone	138,945		138,945
8150	Computer Expense	138,040		138,040
8160	PUC Expense	35,480		35,480
8170	Contribution	3,844		3,844
8180	Payroll Services	8,168		8,168
8190	Credit Card Admin Fees	223,712		223,712
8200	Bank Charges	-		-
8210	Finance Charges	107		107
8220	Freight	1,340		1,340
8230	Miscellaneous	11,716		11,716
8140	Bad Debt Expense	3,369		3,369
8300	Accounting	93,669		93,669
8310	Legal	115,503		115,503
8320	Other Professional Fees	9,861		9,861
8400	Profit Sharing	55,000		55,000
8410	Employee Insurance	496,251		496,251
8500	Insurance - Vessel	178,604		178,604
8504	Insurance - Vesses - Southland	1,507		1,507
8510	Insurance - Auto	11,787		11,787
8520	Insurance - Property	2,181		2,181
8530	Insurance - Other	-		-
8540	Insurance - Workmens Comp	51,732		51,732
8550	Damages - Auto and Freight	2,113		2,113
8560	Injuries	759		759
8600	FICA Expense	233,391		233,391
8610	Unemployment Comp - CT	6,058		6,058
8620	Unemployment Comp - FED	8,902		8,902
8630	Unemployment Comp - RI	85,502		85,502
8700	Gross Earnings Tax	127,635	3,307	130,942
8710	Sec of State - Annual Report	200		200
8720	Licenses	7,251		7,251
8730	Sales and Use Tax - RI	46,094		46,094
8740	Sales and Use Tax - CT	6,732		6,732
8750	Federal Taxes	(0)	74,781	74,781
8760	CT Corporate Tax	1,692		1,692
8770	Permits	330		330
8780	Real Estate Tax	19,164		19,164
8790	Personal Property Tax	2,390		2,390
8800	Penalties	-		-
8810	Cash Over/Short	(2,083)		(2,083)
8900	Returned Items	(473)		(473)
8910	Chargebacks	1,139		1,139
9100	Interest Expense	-		-
9900	Extraordinary Items	2,400		2,400
		<u>9,869,885</u>		<u>9,947,973</u>
	Return on Rate Base - Interest Portion	460,661		293,757
	Return on Rate Base - Income Portion	(556,896)		233,690
	Total Return on Rate Base	<u>-96,235</u>		<u>527,447</u>

Explanation of Symbols Used to Allocate to Functions
Interstate Navigation Company

Schedule DGB-8D

Explanation	Allocator	Vessel	Docks	Misc. Service	Ticketing Office	General/ Administration	Total
100% Vessel Expenditures	A	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
100% Dock Expenditures	B	0.00%	100.00%	0.00%	0.00%	0.00%	100.00%
100% Misc. Services (Bar and Food Service)	C	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%
100% Ticketing office (PJ & BI)	D	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
100% General & Administrative	E	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%
Homeland Security Allocator	F	40.00%	45.00%	0.00%	15.00%	0.00%	100.00%
Allocation based upon all other costs -- SEE SCHEDULE DGB-8E	J	47.14%	11.99%	5.59%	7.76%	27.52%	100.00%
Allocation of Labor Items based on breakdown of labor costs -- SEE SCHEDULE DGB-8F	L	43.28%	16.71%	8.38%	16.89%	14.74%	100.00%
Depreciation -- SEE SCHEDULE DGB-8G	R	69.89%	20.61%	0.00%	3.25%	6.25%	100.00%

Development of Allocation Symbol J
Interstate Navigation Company

Schedule DGB-8E

TOTAL EXPENSES - Obtained from schedule DGB-8 page 2 of 2

Vessel	\$ 4,689,532	47.14%
Docks	1,192,882	11.99%
Misc. Services	556,118	5.59%
Ticketing Office	772,139	7.76%
General/ Administration	<u>2,737,302</u>	<u>27.52%</u>
Total	<u>\$ 9,947,973</u>	<u>100.00%</u>

Allocation of Labor Costs to Functional Categories
Interstate Navigation Company

Schedule DGB-8F

		CY 2012						
	Allocator	YTD Balance	Vessel	Docks	Misc. Service	Ticketing Office	General/ Administration	
Bar and Food Supply Clerk (2)	C	\$ 24,144	\$ -	\$ -	\$ 24,144	\$ -	\$ -	
General Manager	E	88,842	-	-	-	-	88,842	
Vice President	E	68,787	-	-	-	-	68,787	
President/Treasurer	E	93,708	-	-	-	-	93,708	
General Admin	B	39,441	-	39,441	-	-	-	
General Maintenance Operator	E	13,946	-	-	-	-	13,946	
PJ Dock Hands (14)	B	142,431	-	142,431	-	-	-	
PJ Office Employees (17)	D	241,463	-	-	-	241,463	-	
General Boat Hands (2)	A	109,681	109,681	-	-	-	-	
BI Dock Hands (16)	B	118,920	-	118,920	-	-	-	
BI Office Employees (6)	D	62,668	-	-	-	62,668	-	
Block Islander Boat Hands (14)	A	240,138	240,138	-	-	-	-	
Carol Jean Boat Hands (12)	A	189,697	189,697	-	-	-	-	
Anna C Boat Hands (15)	A	167,531	167,531	-	-	-	-	
Nelseco Boat Hands (10)	A	-	-	-	-	-	-	
Bartender/Food Servers (16)	C	126,726	-	-	126,726	-	-	
Maintenance Technicians (3)	A	72,096	72,096	-	-	-	-	
Athena Boat Hands (10)	A	-	-	-	-	-	-	
TOTAL SALARIES		1,800,219	779,143	300,792	150,870	304,131	265,283	
	L		43.28%	16.71%	8.38%	16.89%	14.74%	

Allocation of Assets to Functional Catagories
Interstate Navigation Company

Schedule DGB-8G

	Cost of Service						
Allocator	Base Year	Vessel	Docks	Misc. Service	Ticketing Office	General/ Administration	
Vessels	A	\$ 3,433,020	\$ 3,433,020	\$ -	\$ -	\$ -	\$ -
Vessel Impro and equip	A	1,021,038	1,021,038	-	-	-	-
Equipment - Dock (Forklift)	B	49,143	-	49,143	-	-	-
Equipment - Ticketing System	D	207,303	-	-	207,303	-	-
Office Equipment	E	72,468	-	-	-	72,468	-
Buildings	E	307,828	-	-	-	307,828	-
Docks and Ramps	B	406,779	-	406,779	-	-	-
Point Judith Project	B	857,554	-	857,554	-	-	-
Vehicles	E	18,272	-	-	-	18,272	-
	E	-	-	-	-	-	-
		6,373,405	4,454,058	1,313,476	-	207,303	398,568
	E	-	-	-	-	-	-
TOTAL		6,373,405	4,454,058	1,313,476	-	207,303	398,568
	R		69.89%	20.61%	0.00%	3.25%	6.25%

Allocation of Net Revenue Requirement to Functional Categories

Schedule DGB-9

Interstate Navigation Company

	Allocator	Cost of Service					
		Base Year	Passenger	Cars-PU-SUV	Trucks	Freight	Bikes
Vessel	V	\$ 4,756,138	\$ 3,065,292	\$ 747,994	\$ 443,865	\$ 332,525	\$ 166,462
Docks	D	1,253,631	-	250,726	376,089	626,816	-
Misc Services	P	53,742	53,742	-	-	-	-
Ticketing Office	T	781,829	670,136	100,000	11,693	-	-
<i>Sub-total</i>		6,845,340	3,789,170	1,098,720	831,647	959,340	166,462
General/ Administration	GA	2,756,153	1,525,641	442,380	334,848	386,261	67,023
<i>Total</i>		9,601,493	5,314,811	1,541,100	1,166,495	1,345,601	233,485
			55.3%	16.1%	12.2%	14.0%	2.4%

Explanation of Symbols Used to Allocate to Rate Schedule Elements
Interstate Navigation Company

Schedule DGB-9A

Explanation	Allocator	Passenger	Cars-PU-SUV	Trucks	Freight	Bikes	Total
Allocation based on square footage of vessels -- SEE SCHEDULE DGB-9B	V	64.45%	15.73%	9.33%	6.99%	3.50%	100.00%
Allocation based on Total Counts-- SEE SCHEDULE DGB-9C	T	85.71%	12.79%	1.50%	0.00%	0.00%	100.00%
100% Passenger Related Expenses	P	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Allocation of Dock Costs	D	0.00%	20.00%	30.00%	50.00%	0.00%	100.00%
Allocation based upon all other costs -- SEE SCHEDULE DGB-9D	GA	55.35%	16.05%	12.15%	14.01%	2.43%	100.00%

Development of Allocation Symbol V
Interstate Navigation Company

Schedule DGB-9B

		Passenger	Cars-PU-SUV	Trucks	Freight	Bikes/Other
Square Footage of Vessels Based on Service						
MV Block Island		11,808	2,604	1,240	1,041	585
MV Anna C		8,775	2,608	2,190	1,324	579
MV Carol Jean		11,284	2,626	1,140	1,182	570
Total Round Trips for Calendar 2011						
MV Block Island	745	11,808	2,604	1,240	1,041	585
MV Anna C	507	8,775	2,608	2,190	1,324	579
MV Carol Jean	235	11,284	2,626	1,140	1,182	570
Total Available Square Footage of Vessels Based on Service						
MV Block Island		8,796,960	1,939,980	923,800	775,545	435,825
MV Anna C		4,448,925	1,322,256	1,110,330	671,268	293,553
MV Carol Jean		2,651,740	617,110	267,900	277,770	133,950
		15,897,625	3,879,346	2,302,030	1,724,583	863,328
		64.45%	15.73%	9.33%	6.99%	3.50%

Development of Allocation Symbol T
Interstate Navigation Company

Schedule DGB-9C

		Passenger	Cars-PU-SUV	Trucks	Freight	Bikes/Other
Passenger/Vehicle counts						
Adult One Way	132,088		132,088			
Adult Round Trip	147,402		147,402			
Children One Way	13,308		13,308			
Children Round Trip	14,082		14,082			
Commuter-Passenger	20,528		20,528			
Cars	35,209			35,209		
Pickup-SUV	8,668			8,668		
Commuter Cars	3,901			3,901		
Commuter Pickup-SUV	1,079			1,079		
Oversized	702				702	
Trucks	5,011				5,011	
TOTAL	381,978		327,408	48,857	5,713	-
			85.71%	12.79%	1.50%	0.00%
						0.00%

Development of Allocation Symbol GA
Interstate Navigation Company

Schedule DGB-9D

TOTAL NON-GENERAL& ADMIN COSTS - Obtained from schedule DGB-9

Passengers	\$ 3,789,170	55.35%
Cars-Pickups- SUV	1,098,720	16.05%
Trucks	831,647	12.15%
Freight	959,340	14.01%
Bikes	<u>166,462</u>	2.43%
Total	<u>\$ 6,845,340</u>	<u>100.00%</u>

INTERSTATE NAVIGATION COMPANY
U.S. MAIL, PASSENGER AND FREIGHT SERVICE

Index of Filing Requirements

PART TWO.
ADDITIONAL REQUIREMENTS FOR FILINGS OF
GENERAL RATE SCHEDULE CHANGES

2.1 PURPOSE. **No filing required.**

2.2 APPLICABILITY. **No filing required.**

2.3 FILING

(a) Notice to the Commission of proposed general rate schedule changes by a public utility pursuant to R.I.G.L. §39-3-11, shall be given by a filing with the Commission pursuant to Part One of these rules, accompanied by the documents, data and information in the manner and form required by Part Two of these Rules, unless a motion for an exemption from any requirements accompanies the filing. **This Filing**

(b) In the event that any information, document or data required by this Part is unavailable and/or its ascertainment or submission would be unduly burdensome or it is not relevant in light of the schedule change which is the subject of the application, the applicant may file with the application a motion for an exemption from the requirement. The motion shall set forth in detail the reasons why the information, document or data cannot or should not be submitted. The granting of such a motion shall not exempt the applicant from supplying the information, document or data in response to a subsequent data request. **Not applicable**

(c) Commission-ordered suspension periods of up to six months commence on the date a general rate filing would otherwise take effect. After docketing, any change or changes in the filing which would, singly or in the aggregate, increase the overall cost of service by more than one percent (1%), or an individual rate by more than five percent (5%), may be treated as a new filing, triggering a new six -month period for Commission review and decision. **Not applicable.**

2.4 NOTICE OF FILING PROPOSED GENERAL RATE CHANGES

Within ten (10) days after filing for general rate schedule changes, the applicant shall cause a notice of the filing, in a form to be approved by the Commission, to be published in the newspaper of widest circulation within the applicant's service territory. In addition, the company shall include a notice of its proposed general rate schedule changes in the next general customer billing, if within sixty (60) days following the filing of the application, or by a separate mailing. **Will be done.**

2.5 ITEMS TO BE INCLUDED IN THE FILING

The following materials shall be included in or shall accompany the filing:

(a) Rate Schedules; Terms and Conditions. The current and proposed rate schedules and the terms and conditions under which the utility provides services and/or makes non-tariffed charges. **Enclosed with filing.**

(b) Complete Direct Case. An original and nine (9) copies of the applicant's complete direct case in support of the rates applied for, which shall be in the form of prepared written testimony and exhibits. **JL, DGB and WEE testimony.**

- (c) Additional Documents. Two (2) copies of each of the following:
- (1) Annual Report to the Commission for the last two (2) years, if reports have not been previously filed with the Commission. **Previously Filed.**
 - (2) Federal Energy Regulatory Commission or Federal Communications Commission annual reports for the last two (2) years, where applicable, if not previously filed with the Commission, and any correspondence or written comments in connection with these reports. **Not applicable.**
 - (3) The latest Federal Energy Regulatory Commission or Federal Communications Commission audit report (including management letter) and any written response to the report or management comments. Un-resolved or outstanding matters should be highlighted. **Not applicable.**
 - (4) Securities and Exchange Commission Annual 10-K reports filed for the last two (2) years and any Quarterly 10-Q reports filed for the period(s) subsequent to the latest 10-K report. **Not applicable.**
 - (5) Any prospectus issued during the last two (2) years. **Not applicable.**
 - (6) Annual reports to stockholders for the last three (3) years. **Not applicable.**
 - (7) Statement reconciling any significant differences between items shown in the filing and items in any of the above reports. **See Schedules DGB-4, DGB - 6 and DGB-7.**

If such documents have been provided to the Commission in a prior proceeding within twelve (12) months of the filing, additional copies need not be filed unless requested by the Commission or any party. **Not applicable.**

- (d) Service of Documents. A complete set of the documents filed pursuant to these rules shall be served upon the Attorney General at the time of filing with the Commission. **Done**
- (e) Index. The applicant shall present an index outlining and identifying the responses to the information filed pursuant to Part Two, Sections 2.4 through 2.10, as they apply to the applicant. The applicant shall indicate whether any specific item is not applicable (see Appendix C). **This document is the index.**

2.6 TEST YEAR AND RATE YEAR FILING

- (a) Test Year. The filing shall present cost of service and rate base schedules for a test year period. The test year constitutes a historic year of actual data for a period ending within nine (9) months of the filing date. The test year may be for such other period as the Commission may allow. **See Schedules DGB-1, DGB -2 and DGB-3.**
- (b) Rate Year. The rate year is the twelve-month period for which new rates are designed to recover the proposed cost of service. The rate year period shall be the filed test year or such other yearly period which commences no later than six (6) eight (8) months after the proposed effective date of the new tariffs. **See Schedules WEE-1, 2 and 3.**
- (c) Adjustments to the Test Year. Where a rate year is filed for a period different from the test year, supporting schedules or workpapers shall be filed to disclose the manner in which the rate year amounts were calculated. The adjustments to the test year shall be fully explained in written testimony, and the source of the data in support of the adjustments shall be presented, or disclosed, as appropriate. **See Schedules WEE-4 through WEE-10.**

(1) Normalization Adjustments. These adjustments shall be made to the test year to present a reasonable/normal amount for one full year of operations. The test year must be normalized to reflect expected results for a typical future year. All items of unusual magnitude which occurred during the test year, but which are not expected to recur to a significant degree beyond the test year, should be adjusted to reflect what is reasonably to be expected in the future. Correspondingly, adjustments should be made to reflect items that are fixed, determinable, and likely to occur in the future, but did not occur to a significant degree during the test year. **See Schedules DGB-1, DGB -2 and DGB-3.**

(2) Proforma Adjustments. These adjustments serve to walk-up the normalized test year amounts to the balances presented for the rate year. **See Schedules WEE-2 and WEE-3 and supporting Schedules WEE-4 through WEE-10.**

(3) Accounting Change Adjustments. Any change in the manner of recording accounting data on the company's books shall be explained and the financial impact shown. **None.**

(4) Inflationary adjustments. These adjustments are based upon projected cost increases, e.g. Consumer Price Index changes. **None.**

2.7 ATTESTATION OF FINANCIAL DATA

The financial data shall be accompanied by a statement attesting to the accuracy of the financial data presented in the rate base, cost of service and other financial statements; that such data purports to reflect the books of the company, and the results of operations; and that all differences between the books and the test year data, and any changes in the manner of recording an item on the company's books during the test year, have been expressly noted. This attestation shall be signed by the chief financial officer or a person duly authorized by such financial officer. **See attestation of Susan E. Linda, President and Treasurer.**

2.8 SUPPORTING INFORMATION AND WORKPAPERS TO BE FILED BY INVESTOR-OWNED UTILITIES

In addition to the materials required by Rule 2.5, any utility that is a private or publicly-held investor-owned entity (as opposed to a municipal or quasi-public entity that is a not-for-profit organization), is required to file the following:

(a) Rate base schedules for the test year period and for the proposed rate year.

The test year shall reflect an average rate base based upon a monthly averaging of balances, or beginning and end of year averages where such amounts are not significant in relation to the total rate base (less than 2% of rate base). **See Schedule WEE-11**

(b) Cost of service schedules for the test year and for the proposed rate year. **See Schedules WEE-1 through WEE-10 for the rate year and Schedules DGB 1-5b for the test year.**

(c) The capitalization of the utility for the following periods:

- (1) the test year, either average balances or end of test year balances; **See Schedule WEE- 12.**
- (2) the actual capitalization of the utility for the latest date available prior to filing; **See Schedule WEE-12.**
- (3) the capital structure utilized by the company for the determination of new rates. If this differs from the actual capital structure data, the proforma changes are to be fully explained and supported. **See WEE Testimony pages 24 through 26 and WEE-12.**
- (d) Workpapers supporting any claim for an allowance for working capital. **Working Capital not Requested.**
- (e) Workpapers supporting allocations of rate base and cost of service amounts among jurisdictions (intra/inter-state) or entities operated from or in association with the utility. **Not applicable.**
- (f) Workpapers detailing additions to or retirements from plant and depreciation accounts where proforma amounts differ from the test year. Detail data in support of depreciation charges is required, including asset lives, salvage values/costs, etc. for major account categories. **See WEE Testimony page 12 and Schedules WEE-6 and WEE-11.**
- (g) An analysis of material and supply inventory balances included in rate base for test year and rate year periods. Gas companies should provide monthly inventory figures for the test year for gas inventories. **Not applicable.**
- (h) Workpapers detailing the test year and rate year revenues by source, tariff, rate class, etc. The sales volumes/quantities and customer counts by rate class shall be presented. The basis/calculation for rate year sales volumes and customer counts is to be provided. The total rate year revenues must be supported by a billing analysis utilizing the above data and the proposed rates. **See Schedule DGB-1, and Schedule WEE-14 through WEE-18.**
- (i) For each rate class, the effect of the proposed rate changes shall be presented in a comparative billing format (current and proposed) for typical (or varying) usage levels. A copy or sample of the utility's actual billing statement shall be presented. **See WEE Testimony pg 39 – Ratepayer impact.**
- (j) An analysis of revenues and associated expenses for the test year pertaining to adjustment clauses (fuel, purchased power, gas or other). All appropriate data should be disclosed, including refund information, total adjustment clause revenues, gross receipts tax payments, etc. The difference between adjustment clause revenues and recoverable expense for the test year must be shown. In general, revenues and expenses relating to adjustment clauses will not be reflected in the cost of service, except for that portion which is to be included in the firm/base rates of the utility. **See Schedules DGB- 3.**
- (k) A calculation of the test year and rate year federal income tax amounts. For the test year, present a reconciliation of book and taxable income as required and filed in the Annual Report to the Commission. **See Schedule WEE-12.**
- (l) A calculation of the test year and rate year deferred federal income tax amounts. Indicate which book/timing differences are specifically provided for in calculating the rate year deferred federal income taxes. Show and explain the treatment for any changes in deferred federal income tax balances as a result of any

change in the federal tax laws to include (but not limited to) excess deferred taxes created by a reduction in the federal income tax rates. **See supporting Schedule “Item 2.8 (l) Deferred Federal Income Tax” attached to this index.**

(m) A description of the treatment of investment tax credits and any elections made under the Internal Revenue Code. **Not Applicable.**

(n) If the company files a consolidated tax return, show the estimated rate year tax savings resulting from the filing of a consolidated return. Explain fully the method of computing the tax savings. **Not Applicable.**

(o) A calculation of the rate year tax expense for the Rhode Island Gross Receipts tax. **See WEE Testimony page 19 and Schedule WEE-1.**

(p) A calculation and explanation of the method used to calculate the rate year municipal tax expense (by city/town, if applicable). Also, show the municipal tax expense (by city/town) for the prior three (3) years. **See WEE-3 & DGB-5.**

(q) Show the number of employees at beginning and end of test year and the dollar amount of overtime paid during the test year and the previous two (2) years. Indicate the number of employees and the amount of overtime provided for in the cost of service for the rate year. **See supporting Schedule “Item 2.8 (q) Employee Counts and Overtime” attached to this index.**

(r) Present a summary of transactions with affiliated companies, officers, and stockholders which occurred during the test year. To be included are the following: billings to/from; loans to/from; sales/purchases of goods, services or property; expense allocations among affiliates; receivables to/from affiliates and others. Provide beginning and end of test year amounts owed and the latest balance(s) prior to the filing. **See supporting Schedule “Item 2.8 (r) Related Parties” attached to this index.**

(s) The following statements or financial data are to be provided when the test year does not coincide with the latest fiscal year shown in the annual report provided in the filing:

(1) a balance sheet as of the end of the test year; **Not Applicable.**

(2) an income statement for the test year; **Not Applicable.**

(3) a statement of changes in retained earnings for the test year. **Not Applicable.**

(t) If utility assets are pledged as security on loans, notes, or any other form of debt instrument, full disclosure shall be made as to: description or identification of assets pledged; description/identification of the debt instruments; outstanding debt balance(s); disposition of debt proceeds; any default or impending default under the terms of any loan provisions; and any other pertinent information. **See Schedule WEE-12**

(u) A summary of expenses incurred and projected to be incurred related to the instant rate case filing, and a schedule showing any unamortized amounts from prior rate filings. This schedule shall reconcile the total amount of expense allowed in the last order, the recovery (or amortization) of expense through the test year, and the projected balance of any unrecovered (unamortized) amount at the beginning of the rate year. **See WEE Testimony pgs 22 and 23.**

(v) The utility shall present information for the preceding five (5) years disclosing the following data, as appropriate for the utility:

(1) unaccounted for water; **Not Applicable.**

- (2) loss on transmission of electricity or gas; **Not Applicable**
- (3) the utility's own use of water, electricity, or gas. **Not Applicable**
- (w) A summary of the status of compliance and reporting required by prior Commission orders. **See WEE Testimony page 5.**

Deferred Federal Income Tax
Interstate Navigation Company
Test Year

Supporting Schedule 2.8 (I) Deferred Taxes

	Current 2012	Long Term 2013+		
Depreciation (Asset)	\$ -	\$ -	\$ -	
Depreciation (Liab)	(449,293.28)	(748,010.69)	(1,197,303.97)	
NOL	0.00	-	0.00	Any NOL has been fully recovered
Loan Amortization	31,651.48	-	31,651.48	
Def. Reg. Asset (Rate Case)	-	-	-	This Item has been fully recovered
Deferred Barge Removal	-	-	-	Balance already net of tax
	<u>\$ (417,641.80)</u>	<u>\$ (748,010.69)</u>	<u>\$ (1,165,652.49)</u>	

TAX (34%)

	Current 2012	Long Term 2013+		
Depreciation (Asset)	\$ -	\$ -	\$ -	
Depreciation (Liab)	(152,759.72)	(254,323.63)	(407,083.35)	
NOL	0.00	-	0.00	
Loan Amortization	10,761.50	-	10,761.50	
Deferred Regulatory Asset	-	-	-	
Deferred Barge Removal	-	-	-	
	<u>\$ (141,998.21)</u>	<u>\$ (254,323.63)</u>	<u>\$ (396,321.85)</u>	
Deferred Asset	\$ 10,761.50	\$ -	\$ 10,761.50	
Deferred Liability	(152,759.72)	(254,323.63)	(407,083.35)	
	<u>\$ (141,998.21)</u>	<u>\$ (254,323.63)</u>	<u>\$ (396,321.85)</u>	

Deferred Federal Income Tax
Interstate Navigation Company
Rate Year

Supporting Schedule 2.8 (I) Deferred Taxes

	Current 2014	Long Term 2015+		
Depreciation (Asset)	\$ -	\$ -	\$ -	
Depreciation (Liab)	(462,824.01)	(59,221.21)	(522,045.22)	
NOL	0.00	-	0.00	Any NOL has been fully recovered
Loan Amortization	-	-	-	This Item has been fully recovered
Def. Reg. Asset (Rate Case)	-	-	-	This Item has been fully recovered
Deferred Barge Removal	-	-	-	Balance already net of tax
	<u>\$ (462,824.01)</u>	<u>\$ (59,221.21)</u>	<u>\$ (522,045.22)</u>	

TAX (34%)

	Current 2014	Long Term 2015+		
Depreciation (Asset)	\$ -	\$ -	\$ -	
Depreciation (Liab)	(157,360.16)	(20,135.21)	(177,495.37)	
NOL	0.00	-	0.00	
Loan Amortization	-	-	-	
Deferred Regulatory Asset	-	-	-	
Deferred Barge Removal	-	-	-	
	<u>\$ (157,360.16)</u>	<u>\$ (20,135.21)</u>	<u>\$ (177,495.37)</u>	
Deferred Asset	\$ 0.00	\$ -	\$ 0.00	
Deferred Liability	(157,360.16)	(20,135.21)	(177,495.37)	
	<u>\$ (157,360.16)</u>	<u>\$ (20,135.21)</u>	<u>\$ (177,495.37)</u>	

Compliance with Requirement 2.8 (q)

Employee Counts and Overtime

(q) Show the number of employees at the beginning and end of the test year and the dollar amount of overtime paid during the test year and the two (2) previous years. Indicate the number of employees and the amount of overtime provided in the cost of service in the rate year.

The number of employees at the beginning of the year 177

The number of employees at the end of the year 177

Overtime for the last three years:

FYE 2010 \$ 77,944.57

FYE 2011 \$ 97,713.21

FYE 2012 \$ 112,234.11

Number of employees in the rate year 177

Overtime in the rate year \$123,737.99

Please note that this is the number of employees needed to run the company in the summer. Late fall to early spring staffing is significantly less.

Supporting Schedule Item 2.8 (r) Related Party

Related Party Transactions
Interstate Navigation Company

Interstate has the following related party transactions:

	<u>Test Year Expense</u>	<u>Rate Year Expense</u>
<i>Shipyard & Docking</i>		
Thames Shipyard	\$ 57,050	\$ 57,050
<i>Wharfage:</i>		
Interstate Nav.	237,500	237,500
Waterfront Realty	<u>50,610</u>	<u>49,139</u>
Total Related Party Expense	<u><u>\$ 345,160</u></u>	<u><u>\$ 343,689</u></u>

INTERSTATE NAVIGATION COMPANY
U.S. MAIL, PASSENGER AND FREIGHT SERVICE

Proposed Notice of Filing

NOTICE OF FILING

The Interstate Navigation Company (“Interstate”) hereby gives notice that on November __, 2012, Interstate filed with the Rhode Island Public Utilities Commission (the “Commission”) new rates and schedules designed to increase revenues by \$1,302,177 (Docket No. _____) The impact of the proposal as currently filed is an overall increase of 13.19%. However, the actual rate impact will vary by rate class.

The new rates are proposed to take effect thirty (30) days from the filing date. However, the Commission can suspend the effective date of the proposed rates up to six months and no rate change will take effect until the Commission has conducted a full investigation on the proposal. The Commission will publish a notice of the hearing dates when they are scheduled. At that time, ratepayers may comment on the proposal.

A copy of our filing is available at the offices of Interstate Navigation Company’s attorney, Michael R. McElroy, 21 Dryden Lane, P.O. Box 6721, Providence, RI 02940-6721, and at the Public Utilities Commission, 89 Jefferson Boulevard, Warwick, RI 02888, and may be examined by the public during business hours. This notice is given pursuant to the Commission’s Rules of Practice and Procedure.

Interstate Navigation Company