

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

IN RE: INTERSTATE NAVIGATION COMPANY :
FAST FERRY RATE FILING : **DOCKET NO. 24-12-FR**

ORDER

On March 12, 2024, Interstate Navigation Company (Interstate) filed with the Public Utilities Commission (PUC) an application to increase the rates of its fast ferry, a seasonal discretionary passenger service that runs between Point Judith and Block Island.¹ This is the first request for a rate change related to the fast ferry service since 2020. Generally, Interstate proposed to raise individual rates by 11% or more. Interstate also proposed new rates for electric bikes, electric scooters/skateboards, and beach cart/wagons.²

In support of its filing, Interstate submitted the testimony of Joshua Linda, Vice President of Interstate. He explained that since the last rate change in 2020, expenses have increased, particularly as a result of inflation.³ Citing the United States Bureau of Labor Statistics, Mr. Linda indicated that, based on the Consumer Price Index, inflation has increased over 19% since July 2020.⁴

As part of its filing, Interstate filed a motion requesting the PUC find that good cause existed under R.I. Gen. Laws § 39-3-12 to waive the hearing requirement of § 39-3-11 and to waive certain filing requirements of the PUC's Rules of Practice and Procedure. In support thereof,

¹ Interstate Filing (May 27, 2020); <http://www.ripuc.ri.gov/eventsactions/docket/5034-Interstate-FastFerry-Rate%20Change%20Package%205-27-20.pdf>. The discretionary service of the fast ferry is distinguished from the traditional ferry service offered year-round by Interstate Navigation Company, which carries passengers, vehicles, and freight, thus serving as the “bridge” between mainland Rhode Island and the Town of New Shoreham (Block Island).

² During discovery, Interstate confirmed that it had been charging for electric bikes, and electric scooters/skateboards without an approved tariff. The Commission will be addressing the impact and associated ratemaking consequences in a separate docket. Nothing in this decision precludes the Division of Public Utilities and Carriers from investigating under its jurisdictional authority.

³ Linda Test. at 2.

⁴ *Id.*

Interstate cited a prior PUC Order granting such a request on the basis that the fast ferry does not constitute “lifeline” ferry services to an isolated ratepayer population.⁵

On March 28, 2024, the Commission suspended the effective date of Interstate’s proposed rates to conduct discovery. The Commission also sought Interstate’s overdue Annual Report. The FY 2023 Annual Report was filed on June 14, 2024. This Annual Report applies to the traditional “lifeline” ferry and the high-speed ferry.

On June 25, 2024, the Division of Public Utilities and Carriers (Division) submitted a memorandum from Attorney Mark Simpkins recommending the PUC approve the proposed rates as filed. Attorney Simpkins cited a 2006 Order in which the PUC approved a Settlement in a rate case involving both the traditional and fast ferry rates. The relevant portion of the Settlement recognized that the fast ferry service is purely discretionary and, therefore, Interstate would be authorized to file for rate changes relating solely to fast ferry services for effect on thirty days’ notice without a comprehensive rate proceeding. The Division agreed not to object to the proposed rate change except in extraordinary circumstances. Attorney Simpkins represented that no extraordinary events existed to warrant such objection.⁶

At an Open Meeting held on June 26, 2024, the PUC approved Interstate Navigation’s rate filing. The Commission found that a comprehensive rate proceeding was not required in this matter and therefore exercised its option under R.I. Gen. Laws § 39-3-12, finding that good cause existed to waive investigation, notice, and a public hearing because the proposed services do not involve lifeline ferry services to an isolated ratepayer population. On June 28, 2024, Interstate filed a Compliance Tariff for effect July 1, 2024, with one exception. Interstate advised that its

⁵ Interstate Motion for waiver, citing Order No. 23861 (In re: Interstate Navigation Fast Ferry Rates and Tariffs, Docket 5034, issued July 1, 2020). *See also* Order No. 17619 (In re: Island Hi-Speed Form of Regulation and Review of Rates, Docket No. 3495, issued Nov. 25, 2003);

<https://ripuc.ri.gov/sites/g/files/xkgbur841/files/eventsactions/orders/3495-IHSFOrd17619%2811.25.03%29.pdf>.

⁶ Div. Mem. at 2-3; <http://www.ripuc.ri.gov/eventsactions/docket/5034-DPUC-Memo%206-19.pdf>.

“reservation system is unable to process reservations for beach carts/wagons. Therefore, the new rate for beach carts/wagons will go into effect after Labor Day, specifically on September 3, 2024, to allow time for necessary system updates to be completed.”⁷ At an Open Meeting held on July 18, 2024, the Commission reviewed the compliance filing and approved it based on the technological difficulty experienced by Interstate in programming its reservation system.

Accordingly, it is hereby,

(25191) ORDERED:

Interstate Navigation Company’s Tariffs filed on June 28, 2024, are hereby approved for effect July 1, 2024.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JULY 1, 2024 PURSUANT TO OPEN MEETING DECISIONS ON JUNE 26, 2024 AND JULY 18, 2024. WRITTEN ORDER ISSUED NOVEMBER 19, 2024.

PUBLIC UTILITIES COMMISSION



Ronald T. Gerwatowski, Chairman



Abigail Anthony, Commissioner



John C. Revens, Jr., Commissioner

NOTICE OF RIGHT OF APPEAL: Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days from the date of the order, petition the Rhode Island Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.

⁷ Filing Letter (June 28, 2024).