STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE:	**A & R MARINE CORP., d/b/a PRUDENCE & BAY ISLANDS TRANSPORT RATE CHANGE APPLICATION**	**:** **:** **:**	**DOCKET 26-10-FR**

SETTLEMENT AGREEMENT

I. INTRODUCTION

A&R Marine Corp., d/b/a Prudence & Bay Islands Transport ("A&R Marine" or "Company") enters into this settlement agreement ("Settlement") with the Division of Public Utilities and Carriers ("Division") (together, the "Settling Parties"), to resolve all issues arising in this docket, Docket 26-10-FR.

The Settling Parties seek the Commission's approval of this Settlement Agreement by December 8, 2026, so the rates established in this Agreement may become effective no later than December 9, 2026.

II. RECITALS

1. On March 9, 2026, the Company filed a request for a ferry service rate increase totaling $683,782, a 51.96% increase in overall revenue.
2. Following the initial filing, the Company responded to numerous data requests issued by the Commission on May 27, August 12, and September 25, 2026.
3. The Company also responded to numerous data requests issued by the Division on June 16, July 21, July 24, August 28, and September 3, 2026.

4. On September 16, 2026, the Division filed testimony by Mr. Joel Munoz recommending an overall rate increase of $563, 764, a 44.67% increase in overall revenue.
5. Mr. Munoz recommended a total revenue requirement decrease of $120,018 based on a number of proposed adjustments to the Company's rate application in the following categories:
    a. Payroll Expense
    b. Payroll Taxes
    c. Vessel Maintenance
    d. Fuel Expense
    e. Charitable Contributions
    f. Rate Case Expense
    g. Income Taxes
    h. Incremental Gross Receipts Tax
    i. Return on Rate Base
6. On October 7, 2026, the Company filed rebuttal testimony that accepted the Division's adjustments to the following categories:
    a. Payroll Expense
    b. Payroll Taxes
    c. Vessel Maintenance
    d. Fuel Expense
    e. Charitable Contributions

f. Income Taxes

g. Return on Rate Base

7. After due consideration of the testimony, exhibits, and other documentation included in the filings by A&R Marine, and of the issues raised by the Division, the Settling Parties have now agreed to a comprehensive settlement in the rate case which resolves all issues relating to the Company's revenue requirement, rate base, rate of return, rate design, and service-related issues.

8. The Settling Parties agree that the Settlement Agreement is just and reasonable, and represents a fair and equitable overall resolution of all of their concerns.

9. The Settling Parties seek the Commission's approval of this Settlement Agreement by December 8, 2026, so the rates established in this Agreement may become effective no later than December 9, 2026. This settlement includes, among other provisions, an increase in rates to produce an additional $581,738 in revenue or 44.20% in rate year revenues, a decrease of $102,043 from the requested $683,782.

III. TERMS OF SETTLEMENT

Incorporated herein and attached hereto as Exhibit 1 are Joint Settlement Schedules 1 through 10. The Parties agree with the accompanying schedules, which reflect the following adjustments to A&R Marine's initial request:

A. Payroll Expense

The Parties agree to the reduced payroll expense of $571,536, resulting in a decrease of $59,361, as shown on schedule Settlement-3.

B. Payroll Taxes

The Parties agree to the associated reduction in payroll taxes of $51,987, resulting in a decrease of $5,400, as shown on schedule Settlement-3.

C. Vessel Maintenance

The Parties agree to the reduced vessel maintenance annual expense of $97,494, resulting in a decrease of $39,166, as shown on schedule Settlement-3. The Parties further agree that the Company will implement reserve accounting for major vessel maintenance expenses and will file an annual compliance filing detailing the activity in the maintenance reserve account for the prior calendar year. The Parties further agree that the reserve balance, either positive or negative, will accrue interest based on the average rate over the prior calendar year for 10-year Constant Maturity Treasury Bonds, as reported by the Federal Reserve Board. The rate of interest will be adjusted effective January 1st of each year.

D. Fuel Expense

The Parties agree to a Fuel Price in base rates of $3.50 per gallon, resulting in a revenue requirement increase of $54,746, as shown on schedule Settlement-3. The Parties further agree that the Company will track any over-recovery and use it to offset future fuel expense under recovery, utilizing a fuel expense reserve created by over-recoveries and tracked in the Company's monthly fuel filing. The Parties agree that interest will accrue on any over-recoveries in the same manner as outlined in Paragraph C. above.

E. Charitable Contributions

The Parties agree to remove the Charitable Contribution expense, resulting in a decrease of $762, as shown on schedule Settlement-3.

F. Rate Case Expense

The Parties agree to amortize the rate case expense of $159,085 over a four-year period, for an annual expense of $39,770. Updating the rate case expense increases the annual amount by $4,770, as shown on schedule Settlement-3 and Settlement-3a.

G. Income Taxes

The Parties agree to an Income tax based upon a tax rate of 21% applied to the taxable portion of an agreed upon Return on Rate Base of $285,118, resulting in an income tax of $44,847, a decrease of $35,829, as shown on schedule Settlement-2.

H. Incremental Gross Receipts Tax

The Parties agree to an Incremental Gross Receipts Tax of $7,166, resulting in a decrease of $1,276, as shown on schedule Settlement-2.

I. Computer and Internet Expenses

The Parties agree to Computer and Internet Expenses of $41,908, resulting in a decrease of $1,019, as shown on schedule Settlement-3b. This adjustment reflects the ticketing system pricing calculation as a percentage of income, based on the net settlement adjustment reduction.

J. Cost of Capital and Return on Rate Base

The Parties agree to a Rate Base of $3,749,082, a capital structure of 50% debt and 50% equity, a cost of equity of 9.0% and an overall rate of return of 7.61%, which results in a Return on Rate Base of $285,118, which is a decrease of $18,745 from the Company's original request, as shown on schedule Settlement-2.

K. Rate Design

The Company used full cost of service, along with a functional cost allocation, to design rates, resulting in large adjustments between the rate classes. The Division proposed applying gradualism to the proposed passenger rates. As set forth in the Company's rebuttal testimony, it had already applied some gradualism to the originally proposed rate design, but only for trailer, bike, and freight classes (Bebyn Rebuttal Testimony, pp. 3-4). The Parties agree to further implement gradualism to passenger rates, as shown on schedule Settlement-4.

L. Prudence Island 24-Hour Round-Trip Discount

The Parties agree to the Prudence Island 24-Hour Round-Trip Discount proposal as set forth in the Company's initial filing. The discount applies to both passengers and eligible passenger vehicles that depart Prudence Island and return within a twenty-four (24) hour period. The parties further agree to set the discount rate for passengers at 50% of the full round-trip fare as proposed in the Company's rebuttal testimony (Bebyn Rebuttal Testimony,

p.4), and the discount for eligible vehicles at 68% to 74% of the full round-trip depending on the vehicle classification. The calculation of passenger rates is shown on schedule Settlement-5 and vehicle rates is shown on schedule Settlement-6.

IV. ADDITIONAL SETTLEMENT TERMS

This Settlement Agreement is the result of a negotiated settlement among the Settling Parties. The agreement by the Settling Parties shall not be construed as an agreement to any matter of fact or law addressed in the Settlement Agreement in any future Division or Commission proceedings. No party, by executing this Settlement, is bound in the future by any of the positions taken in this Settlement. No issue in this Settlement is to be construed as a precedent in any future Division or Commission proceedings, nor shall it be cited as precedent.

In the event the Commission rejects or fails to approve any part of this Settlement, the entire Settlement shall be void.

IN WITNESS WHEREOF, the Parties agree that this Settlement Agreement is reasonable and have caused this document to be executed by their respective representatives, each being fully authorized to do so, on this 28th day of October, 2026.

Respectfully Submitted,

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Dated: October 28, 2026

Cost of Service

A&R MARINE CORP

Schedule Settlement-1

	A **Company Rate Year**	**B** **Settlement Adjustments**	**Settlement Rate Year**	Line
Cost of Service	$ 1,999,790	$ (102,043)	$ 1,897,747	1
				2
Miscellaneous Revenue	54,060	-	54,060	3
			-	4
Net Revenue Requirement	1,945,730	(102,043)	1,843,687	5
			-	6
Tariff Revenues, Present Rates	1,261,949	-	1,261,949	7
				8
Revenue Deficiency	$ 683,781	$ (102,043)	$ 581,738	9
				10
Total Revenue	1,316,009		1,316,009	11
				12
Percentage increase	51.96%		44.20%	13
				14
				15
Notes and Source:				16
Col. A: Company Schedule DGB-RY-1 and Schedule DGB-RY-2				17
Col. B: Schedule Settlement-2				18

Cost of Service
A&R MARINE CORP

Schedule Settlement-2

	A **Company Rate Year**	**Settlement Adjustments**		**Settlement Rate Year**	Line
Cash Operating Expense	$ 1,290,686	$ (46,193)	B	$ 1,244,494	1
					2
Depreciation	316,123	-		316,123	3
				-	4
Income Taxes	80,676	(35,829)	C	44,847	5
				-	6
Incremental Gross Receipts Tax	8,442	(1,276)	D	7,166	7
				-	8
Return on Rate Base	303,863	(18,745)	E	285,118	9
		-		-	10
					11
Total Cost of Service	$ 1,999,790	$ (102,043)		$ 1,897,747	12
					13
					14
					15

Notes and Source: 16
Col. A: Company Schedule DGB-RY-9 and Company Schedule DGB-RY-7 17
B: Schedule Settlement-3 18
C: Division Schedule JAM-2, Line 3 19
D: Recalculated at 1.25% of Settlement Adjustment 20
E: Division Schedule JAM-2, Line 5 21

Cash Operating Expenses Summary - Rate Year **Schedule Settlement-3**

A&R MARINE CORP

Account # & Name	A Company Rate Year	Settlement Adjustments		Settlement Rate Year	Line
66000 · Payroll Expenses	$ 630,897	$ (59,361)	B	$ 571,536	1
69000 · Payroll Taxes	57,387	(5,400)	C	51,987	2
66500 · Health Insurance	93,267			93,267	3
66200 · Crew Expense	4,414			4,414	4
61000 · Charter Expense	6,610			6,610	5
67200 · Vessel Maintenance	136,660	(39,166)	D	97,494	6
67300 · Boat Supplies	3,197			3,197	7
62420 · Fuel Expense	41,060	54,746	E	95,806	8
62410 · Engineering	990			990	9
63300 · Insurance Expense	79,161			79,161	10
67304 · Wharfage Expense	35,043			35,043	11
67305 · Dock Maintenance	4,718			4,718	12
61700 · Computer and Internet Expenses	42,927	(1,020)	F	41,907	13
64900 · Office Supplies	8,513			8,513	14
60000 · Advertising and Promotion	1,401			1,401	15
60300 · Vehicle Fuel Expense	605			605	16
60400 · Bank Service Charges	1,468			1,468	17
63100 · Bad Debt - Returned Checks	796			796	18
63400 · Credit Card Fees	40,218			40,218	19
63500 · Miscellaneous	3,473			3,473	20
64700 · Dues & Subscriptions	3,890			3,890	21
64800 · Postage	590			590	22
61400 · Charitable Contributions	762	(762)	G	(0)	23
67100 · Rent Expense	6,000			6,000	24
68100 · Telephone Expense	1,959			1,959	25
68600 · Utilities	4,157			4,157	26
67400 · Office Maintenance	1,016			1,016	27
66700 · Professional Fees	6,000			6,000	28
60001 · Accounting Expense	10,959			10,959	29
63200 · Legal Fees	4,943			4,943	30
66820 · PUC Assessment Fees	6,394			6,394	31
66825 · Rate Case Expense	35,000	$4,770	H	39,770	32
69990 · Gross Receipts Tax	16,210			16,210	33
					37
Total Expenses	1,290,686	(46,193)		1,244,494	38
					39

Notes and Source:

Col. A: Company Schedule DGB-RY-3

B: Division Schedule JAM-4

C: Division Schedule JAM-4

D: Division Schedule JAM-5

E: Division Schedule JAM-6

F: Schedule Settlement-3b

G: Division Schedule JAM-7

H: Schedule Settlement-3a

Cash Operating Expenses Summary - Rate Case Exepense **Schedule Settlement-3a**

A&R MARINE CORP

Line No	Description	Per Company (A)	Per Settlement (B)	Adjustment (C) = (B) - (A)
1	Adjustment to rate case expense	$35,000	$39,770	$4,770
	Estimated Cost	105,000	159,085	
	amortization period	3 years	4 years	
		$35,000	39,770	

Notes and Source:

Col. A: Company Schedule DGB-RY-3 and Company Testimony Bebyn, page 10

Col. B: updated with est at 10/24/26

	Original Estimate	24-Oct-26 Estimate
Rate Consultant	50,000	56,700
Legal	35,000	90,385
Division	20,000	12,000
	105,000	159,085

Line

Cash Operating Expenses Summary - Computer and Internet Exepense **Schedule Settlement-3b**

A&R MARINE CORP

Line No	Description	Per Company (A)	Per Settlement (B)	Adjustment (C) = (B) - (A)
1	Computer and Internet Expenses	$42,927	$41,907	($1,020)

B: Schedule Settlement-2 adjustments		$ (102,043)
Portion of Ticketing system priced a percentage of income, adjusted to revenue increase		1%
		$ (1,020)

Notes and Source:

Col. A: Company Schedule DGB-RY-3

Col. B: updated calculation for settlement adjustments

	Original Estimate	24-Oct-26 Estimate
Rate Consultant	50,000.00	56,700.00
Legal	35,000.00	90,384.50
Division	20,000.00	12,000.00
	105,000.00	159,084.50

Calculation of Percentage Increase in Revenue Requirement

		Line
Revenue Increase (DGB-RY-1-rebuttal)	$ 581,738	2
		8
Revenue Increase to be covered by an across the board % Increase	$ 581,738	11

Calculation of Across the Board Increase Percentage

Regulated Revenue Items which can be increased by an across the board % Increase	(A) Current Revenue	(B) Allocation per Across the Board	('C) (See (H) below) adjustment	(B) + ('C) Adjusted		Line
-Passengers	$ 280,720	$ 410,127	$ 36,816	$ 446,943	59%	17
-Vehicles	959,956	$ 1,402,480	$ (38,340)	$ 1,364,140	42%	18
-Trailers, Boats, etc	9,735	$ 14,223	$ 3,476	$ 17,698	82%	19
-Freight	8,066	$ 11,784	$ (3,411)	$ 8,373	4%	20
-Bikes, Motorcycles, Mopeds, etc.	3,472	$ 5,073	$ 1,460	$ 6,532	88%	21
Total Revenue Available for Increase	$ 1,261,949	$ 1,843,687	$ 0	$ 1,843,687		25
Across the Board Percentage Increase	46.10%					27

Ratio of Revenue Proposed by Division	(E) Unadjusted Division Proposed Rev *	(F) Calculated on (E) Percentage or Revenue	(G) (F) x Rev Req Rebuttal with same percentage	(H) (B) - (G) adjustment	Line
-Passengers	$ 471,610	24.24%	$ 446,943	$ 36,816	35
-Vehicles	$ 1,439,428	73.99%	$ 1,364,140	$ (38,340)	36
-Trailers, Boats, etc	$ 18,675	0.96%	$ 17,698	$ 3,476	37
-Freight	$ 8,835	0.45%	$ 8,373	$ (3,411)	38
-Bikes, Motorcycles, Mopeds, etc.	$ 6,893	0.35%	$ 6,532	$ 1,460	39
	$ 1,945,441	100%	$ 1,843,687	$ 0	43

* See table 2 of Division Mr. Munoz testimony

Rate Design - Calculation of Passenger Rates
A&R MARINE CORP

Schedule Settlement-5

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

Rate Year Revenue Requirement Allocation to Passenger $ 446,943 Settlement-4

	-
Net amount required from all Passengers	$ 446,943

Calculation of all equivalent Passengers

	FY 2026 Counts	Equivalency Ratio	Equivalent Passenger
Adult One Way	41,198	1.00	41,198
Child One Way	4,854	0.35	1,708
Commuter 10 One Way (Rate Shown is 1 trip)	3,830	0.60	2,305
Commuter 20 One Way(Rate Shown is 1 trip)	13,302	0.51	6,774
	63,184		51,985

	Current Rate	Current Equivalency Ratio
Adult One Way	$ 5.40	1.00
Child One Way	$ 1.90	0.35
Commuter 10 One Way (Rate Shown is 1 trip)	$ 3.25	0.60
Commuter 20 One Way(Rate Shown is 1 trip)	$ 2.75	0.51

Revised Counts

Adult One Way	45,776	1.00	45,776
Child One Way	4,854	0.35	1,708
Adult PI Round-Trip Travel Discount	12,554	0.50	6,277
	63,184		53,761

Adult One Way	1.00
Child One Way	0.35
Adult PI Round-Trip Travel Discount	0.50

Calculation of Rate per Equivalent Passenger

Net amount required from All Passengers	$ 446,943
Equivalency Passenger	53,761
Rate per Equivalent Passenger	$ 8.31

Calculation of Rates

	Equivalency Ratio	Proposed Rate
Adult One Way	1.00	$ 8.30
Child One Way	0.35	$ 2.95
Adult PI Round-Trip Travel Discount	0.50	$ 4.15

Revenue Proof

	Counts	Current Rate	Proposed Rate	Revenue Check
Adult One Way	45,776	5.40	8.30	$ 379,943
Child One Way	4,854	1.90	2.95	$ 14,319
Adult PI Round-Trip Travel Discount	12,554	NA	4.15	$ 52,098
				$ 446,360

Rate Impact

		Current Rate	Proposed Rate	$ Increase	% Increase
Adult One Way	Still AOW	5.40	8.30	$ 2.90	54%
Child One Way	Still COW	1.90	2.95	$ 1.05	55%
Commuter 10 One Way (Rate Shown is 1 trip)	Now No Disc	3.25	8.30	$ 5.05	155%
Commuter 20 One Way(Rate Shown is 1 trip)	Now No Disc	2.75	8.30	$ 5.55	202%
Commuter 10 One Way (Rate Shown is 1 trip)	Now RT Disc	3.25	4.15	$ 0.90	28%
Commuter 20 One Way(Rate Shown is 1 trip)	Now RT Disc	2.75	4.15	$ 1.40	51%

Rate Design - Calculation of Passenger & Oversize Vehicle Rates
A&R MARINE CORP

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

Rate Year Revenue Requirement Allocation to Vehicle $ 1,364,140 Settlement-4

Net amount required from all Passengers $ 1,364,140

Calculation of all equivalent Passengers

	FY 2026 Counts	Equivalency Ratio	Equivalent Vehicles		Current Rate	Current Equivalency Ratio	
Cars,Trucks & SUV	12,671	1.00	12,671	Cars,Trucks & SUV	$ 31.00	1.00	
Cars,Trucks & SUV-Comm (6 book) (Rate Shown is 1 trip)	9,722	0.68	6,586	Cars,Trucks & SUV-Comm (6 book) (Rate Shown is 1 trip	$ 21.00	0.68	0.677419
Vehicles (under 1 ton) >18'	2,156	1.12	2,410	Vehicles (under 1 ton) >18'	$ 34.65	1.12	
Vehicles (under 1 ton) >18' Comm book	1,768	0.80	1,406	Vehicles (under 1 ton) >18' Comm book	$ 24.65	0.80	0.7114
Vehicles (under 1 ton) <20'	1,012	1.24	1,250	Vehicles (under 1 ton) <20'	$ 38.30	1.24	
Vehicles (under 1 ton) <20' Comm book	92	0.91	84	Vehicles (under 1 ton) <20' Comm book	$ 28.30	0.91	0.738903
Trucks (1 ton)	200	1.39	277	Trucks (1 ton)	$ 43.00	1.39	
Trucks (2-3 tons)	59	2.19	129	Trucks (2-3 tons)	$ 68.00	2.19	
Trucks (4-5 tons)	113	2.42	273	Trucks (4-5 tons)	$ 75.00	2.42	
Trucks (5-10 tons)	382	4.00	1,528	Trucks (5-10 tons)	$ 124.00	4.00	
Trucks (10-20 tons)	344	5.00	1,720	Trucks (10-20 tons)	$ 155.00	5.00	
Trucks (20-30 Tons)	177	8.00	1,416	Trucks (20-30 Tons)	$ 248.00	8.00	
	28,696		29,751				

Revised Counts (Shown One Way Trips)

Small Passenger Vehicles	9,829	1.00	9,829	Small Passenger Vehicles	1.00	
Small Passenger Vehicles PI Round Trip Discount	2,629	0.68	1,788	Small Passenger Vehicles PI Round Trip Discount	0.68	0.68
Med Passenger Vehicles	5,898	1.08	6,370	Med Passenger Vehicles	1.08	
Med Passenger Vehicles PI Round Trip Discount	1,577	0.75	1,175	Med Passenger Vehicles PI Round Trip Discount	0.75	0.69
Large Passenger Vehicles	4,985	1.16	5,783	Large Passenger Vehicles	1.16	
Large Passenger Vehicles PI Round Trip Discount	1,333	0.82	1,098	Large Passenger Vehicles PI Round Trip Discount	0.82	0.71
Extra Large Passenger Vehicles	56	1.24	69	Extra Large Passenger Vehicles	1.24	
Extra Large Passenger Vehicles PI Round Trip Discount	15	0.89	13	Extra Large Passenger Vehicles PI Round Trip Discount	0.89	0.72
Super Dutiy Passenger Vehicles	1,025	1.32	1,353	Super Dutiy Passenger Vehicles	1.32	
Super Duty Passenger Vehicles PI Round Trip Discount	274	0.98	268	Super Duty Passenger Vehicles PI Round Trip Discount	0.98	0.74
Oversized Vehicle 2 tons to not over 5 Tons	172	2.20	378	Oversized Vehicle 2 tons to not over 5 Tons	2.20	
Oversized Vehicle 5 tons to not over 10 Tons	382	4.40	1,681	Oversized Vehicle 5 tons to not over 10 Tons	4.40	
Oversized Vehicle 10 tons to not over 20 Tons	344	8.80	3,027	Oversized Vehicle 10 tons to not over 20 Tons	8.80	
Oversized Vehicle 20 tons to not over 30 Tons	177	13.20	2,336	Oversized Vehicle 20 tons to not over 30 Tons	13.20	
	28,696		35,168			

Rate Design - Calculation of Passenger & Oversize Vehicle Rates
A&R MARINE CORP

Calculation of Rate per Equivalent Passenger

		Line
Net amount required from All Passengers	$ 1,364,140	1
Equivalency Passenger	35,168	2
Rate per Equivalent Passenger	$ 38.79	3

Calculation of Rates

	Equivalency Ratio	Proposed Rate	
Small Passenger Vehicles	1.00	$ 38.80	
Small Passenger Vehicles PI Round Trip Discount	0.68	$ 26.40	
Med Passenger Vehicles	1.08	$ 41.90	
Med Passenger Vehicles PI Round Trip Discount	0.75	$ 28.90	
Large Passenger Vehicles	1.16	$ 45.00	
Large Passenger Vehicles PI Round Trip Discount	0.82	$ 31.95	
Extra Large Passenger Vehicles	1.24	$ 48.10	
Extra Large Passenger Vehicles PI Round Trip Discount	0.89	$ 34.65	
Super Dutiy Passenger Vehicles	1.32	$ 51.20	
Super Duty Passenger Vehicles PI Round Trip Discount	0.98	$ 37.90	
Oversized Vehicle 2 tons to not over 5 Tons	2.20	$ 85.35	
Oversized Vehicle 5 tons to not over 10 Tons	4.40	$ 170.65	
Oversized Vehicle 10 tons to not over 20 Tons	8.80	$ 341.35	
Oversized Vehicle 20 tons to not over 30 Tons	13.20	$ 512.00	
Oversized Vehicle (+30 Tons)		$ 68.25	per additional Ton over 30 + $485.60
Low Speed Vehicle (under 16')	0.67	$ 26.00	
Low Speed Vehicle (under 16') /PI Round Trip Discount	0.46	$ 17.65	

Revenue Proof

	Counts	Proposed Rate	Revenue Check
Small Passenger Vehicles	9,829	38.80	$ 381,365
Small Passenger Vehicles PI Round Trip Discount	2,629	26.40	$ 69,406
Med Passenger Vehicles	5,898	41.90	$ 247,126
Med Passenger Vehicles PI Round Trip Discount	1,577	28.90	$ 45,575
Large Passenger Vehicles	4,985	45.00	$ 224,325
Large Passenger Vehicles PI Round Trip Discount	1,333	31.95	$ 42,589
Extra Large Passenger Vehicles	56	48.10	$ 2,694
Extra Large Passenger Vehicles PI Round Trip Discount	15	34.65	$ 520
Super Dutiy Passenger Vehicles	1,025	51.20	$ 52,480
Super Duty Passenger Vehicles PI Round Trip Discount	274	37.90	$ 10,385
Oversized Vehicle 2 tons to not over 5 Tons	172	85.35	$ 14,680
Oversized Vehicle 5 tons to not over 10 Tons	382	170.65	$ 65,188
Oversized Vehicle 10 tons to not over 20 Tons	344	341.35	$ 117,424
Oversized Vehicle 20 tons to not over 30 Tons	177	512.00	$ 90,624
Oversized Vehicle (+30 Tons)	-	68.25	$ -
Low Speed Vehicle (under 16')	-	26.00	$ -
Low Speed Vehicle (under 16') /PI Round Trip Discount	-	17.65	$ -
			$ 1,364,382

Rate Impact

(One Way)

		Current Rate	Proposed Rate	$ Increase	% Increase
Small Passenger Vehicles	Cars,Trucks & SUV	$ 31.00	$ 38.80	$ 7.80	25%
Small Passenger Vehicles	Cars,Trucks & SUV-Comm (6 book) (Rate Shown is 1 trip)	$ 21.00	$ 26.40	$ 5.40	26%
Small Passenger Vehicles PI Round Trip Discount	Cars,Trucks & SUV-Comm (6 book) (Rate Shown is 1 trip)	$ 21.00	$ 26.40	$ 5.40	26%
Med Passenger Vehicles	Cars,Trucks & SUV	$ 31.00	$ 41.90	$ 10.90	35%
Med Passenger Vehicles	Cars,Trucks & SUV-Comm (6 book) (Rate Shown is 1 trip)	$ 21.00	$ 41.90	$ 20.90	100%
Med Passenger Vehicles PI Round Trip Discount	Cars,Trucks & SUV-Comm (6 book) (Rate Shown is 1 trip)	$ 21.00	$ 28.90	$ 7.90	38%
Large Passenger Vehicles	Vehicles (under 1 ton) >18'	$ 34.65	$ 45.00	$ 10.35	30%
Large Passenger Vehicles	*Vehicles (under 1 ton) >18' Comm book*	$ 34.65	$ 45.00	$ 10.35	30%
Large Passenger Vehicles PI Round Trip Discount	*Vehicles (under 1 ton) >18' Comm book*	$ 24.65	$ 31.95	$ 7.30	30%
Extra Large Passenger Vehicles	Trucks (1 ton)	$ 43.00	$ 48.10	$ 5.10	12%
Extra Large Passenger Vehicles PI Round Trip Discount	Trucks (1 ton)	$ 43.00	$ 34.65	$ (8.35)	-19%
Super Dutiy Passenger Vehicles	Vehicles (under 1 ton) <20'	$ 38.30	$ 51.20	$ 12.90	34%
Super Dutiy Passenger Vehicles	*Vehicles (under 1 ton) <20' Comm book*	$ 28.30	$ 51.20	$ 22.90	81%
Super Duty Passenger Vehicles PI Round Trip Discount	*Vehicles (under 1 ton) <20' Comm book*	$ 28.30	$ 37.90	$ 9.60	34%
Oversized Vehicle 2 tons to not over 5 Tons	Trucks (2-3 tons)	$ 68.00	$ 85.35	$ 17.35	26%
Oversized Vehicle 2 tons to not over 5 Tons	Trucks (4-5 tons)	$ 75.00	$ 85.35	$ 10.35	14%
Oversized Vehicle 5 tons to not over 10 Tons	Trucks (5-10 tons)	$ 124.00	$ 170.65	$ 46.65	38%
Oversized Vehicle 10 tons to not over 20 Tons	Trucks (10-20 tons)	$ 155.00	$ 341.35	$ 186.35	120%
Oversized Vehicle 20 tons to not over 30 Tons	Trucks (20-30 Tons)	$ 248.00	$ 512.00	$ 264.00	106%

Calculation of Trailer Rates
A&R MARINE CORP

					Line
Tralier Revenue Generated at Proposed Rates		$ 17,698 Settlement-4			1
					2
		Prior Rate	Proposed Rates		3
RoundTrip Rates		(Round Trip)	(Round Trip)	Revenue	4
					5
Trailers & Tent Trailers					6
Utility - up to 10'	7	$ 62.00		$ 217.00	7
Utility - 10' to 20'	96	$ 74.00		$ 3,552.00	8
Utility - over 20'	36	$ 100.00		$ 1,800.00	9
				$ -	10
				$ -	11
Boats - only - up to 10'	0	$ 62.00		$ -	12
Boats - only - 10' to Under 3 tons	3	$ 74.00		$ 111.00	13
Boats - only - over 2 3 - 5 ton	16	$ 100.00		$ 800.00	14
				$ -	15
				$ -	16
Boat & Trailer - up to 10'	1	$ 74.00		$ 37.00	17
Boat & Trailer - 10' to 20'	17	$ 100.00		$ 850.00	18
Boat & Trailer - over 20'	32	$ 150.00		$ 2,400.00	19
					20
					21
					22
					23
					24
					25
					26
				$ 9,767.00	27
					28
					29
Recreational <15'	64		$ 60.00	$ 1,920.00	30
Recreational 15'-25'	111		$ 80.00	$ 4,440.00	31
Recreational 25'+	30		$140.00	$ 2,100.00	32
				$ -	33
				$ -	34
Construction <5T	27		$140.00	$ 1,890.00	35
Construction 5-10T	46		$200.00	$ 4,600.00	36
Construction 10-20T	8		$300.00	$ 1,200.00	37
Construction 20-30T	5		$600.00	$ 1,500.00	38
					39
Revenue at Proposed Rates	291			$ 17,650.00	40
				$ (48.23)	

Calculation of Commodity Rates
A&R MARINE CORP

				Line
Freight Revenue Generated at Current Rates	$ 8,066	Settlement-4		1
Percentage Increase required from Freight	3.80%	Settlement-4		2
Freight Revenue Generated at Proposed Rates	$ 8,373	Settlement-4		3
				4
Portion covered by negotiate Fed Ex and UPS revenue	$ 7,319	$ 7,319		5
Portion covered by tariffed rates	$ 747	$ 1,036		6
	$ 8,066	$ 8,355		7
				8

Item No.	Commodity			Proposed Rates	Line
					9
					10
					11
501	Large Appliances (1)			$ 12.50	12
	Including but not limited to:				13
	Washer/driers, dishwashers, water heaters, showers/tubs				14
	stoves, gas grills (no tank), refrigerators				15
					16
502	Small Appliances (2)			$ 4.50	17
	Including but not limited to: Microwaves, toilets, ice makers, tabletop grills				18
					19
503	Lawn Mowers (Push)	Does not include passenger		$ 3.25	20
504	Lawn Mowers (Ride On)	Does not include passenger		$ 12.50	21
					22
505	Large Carts			$ 2.75	23
	Including but not limited to grocery carts				24
	wagons, bike wagon, etc.				25
					26
506	Bicycles -- (See Schedule Settlement-9)			$ 2.00	27
					28
507	Electric Bicycles -- (See Schedule Settlement-9)			$ 4.30	29
					30
508	Lumber	up to 6" width	per ft.	$ 0.10	31
		6" to 12" width		$ 0.20	32
		12" to 24" width		$ 0.40	33
		Over 24" width use General Freight			34
					35
509	Small Furniture (3)			$ 4.50	36
510	Large Furniture (4)			$ 12.50	37
					38
511	General Freight (5)		0.00%		39
	Less than 2 ft.			$ 2.00	40
	2 to 4 ft.			$ 4.50	41
	4 ft and over				42
		Flat Portion plus		$ 4.50	43
		Rate per additional foot over 4'	per ft.	$ 1.00	44
					45

512	Palletized Freight Self Loading	$ 7.00	46
			47

Item No.	Commodity	Proposed Rates	
			1
			2
			3
513	Palletized Freight & Handling (Fork truck)		4
	Loaded & Unloaded by A&R by Fork Truck which a lots space for fork truck	$ 14.00	5
			6
			7

[1] Large appliances are household devices that, due to their size or weight, cannot be stored on or under designated cargo shelves during transport. This includes but is not limited to: Washer/driers, dishwashers, water heaters, showers/tubs, stoves, gas grills (no tank), refrigerators, etc. 8 9 10

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[2] Small appliances are household devices that, due to their size and weight, can be stored on or under designated cargo shelves during transport. This includes but is not limited to: Microwaves, toilets, ice makers, tabletop grills, etc. 12 13 14

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[3] Small furniture are items that, due to their size or weight, can be stored on or under designated cargo shelves during transport. This includes but is not limited to: dining or similar chairs, small tables, small shelves, etc. 16 17

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[4] Large furniture are items that, due to their size or weight, cannot be stored on or under designated cargo during transport. This includes but is not limited to: couches, large tables, mattresses, large shelves, etc. 19 20

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[5] Any item that does not fall under any other specified category will be classified as General Freight. These will be charged a flat rate for up to 4 cubic feet, with an additional per foot rate applied for every foot over 4 cubic feet. 22 23 24

Calculation of Commodity Rates-Bikes/Motorcycles/Etc
A&R MARINE CORP

				Line
Bikes/Motorcycles/etc Revenue Generated at Current Rates	$ 3,472	Settlement-4		
Percentage Increase required from Bikes/Motorcycles/etc	88%	Settlement-4		
Bikes/Motorcycles/etc Revenue Generated at Proposed Rates	$ 6,532	Settlement-4		1
				2
				3
	Prior Rate		Rates	4
				5
Bicycles ea.	$ 1.10		$ 2.00	6
Electric Bicycles			$ 4.30	7
Motorbikes, minibikes, mopeds ea.	$ 3.10		*	8
				9
Motorcycles -includes driver ea.	$ 7.50		$ 15.75	10
Motorcycles/ Same Day Discount - includes driver			$ 9.75	11
				12
				13
				14
				15
				16
				17
Bicycles	913 $ 2.00	$ 1,826.00		18
Electric Bicycles	$ 4.30	$ -		19
				20
				21
Motorcycles -includes driver	247 $ 15.75	$ 3,890.25		22
Motorcycles/ Same Day Discount - includes driver	82 $ 9.75	$ 799.50		23
				24
		$ 6,515.75		25
		$ 16.72		26
				27

* Motorbikes, minibikes, mopeds are included in the motorcycle category for the proposed rates 28

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Proof of Revenues
A&R MARINE CORP

		One way Count or Usage		Proposed Rate	Current Revenue	Proposed Revenue	Dollar Increase	Line
Passenger (See Schedule Settlement-5)								1
Adult One Way		45,776	$	8.30		$ 379,943		2
Child One Way		4,854	$	2.95		$ 14,319		3
Adult PI Round-Trip Travel Discount		12,554	$	4.15		$ 52,098		4
					$ 280,720	$ 446,360	$ 165,640	5
								6
Vehicles (See Schedule Settlement-6)								7
Small Passenger Vehicles		9,829	$	38.80		$ 381,365		8
Small Passenger Vehicles PI Round Trip Discount		2,629	$	26.40		$ 69,406		9
Med Passenger Vehicles		5,898	$	41.90		$ 247,126		10
Med Passenger Vehicles PI Round Trip Discount		1,577	$	28.90		$ 45,575		11
Large Passenger Vehicles		4,985	$	45.00		$ 224,325		12
Large Passenger Vehicles PI Round Trip Discount		1,333	$	31.95		$ 42,589		13
Extra Large Passenger Vehicles		56	$	48.10		$ 2,694		14
Extra Large Passenger Vehicles PI Round Trip Discount		15	$	34.65		$ 520		15
Super Dutiy Passenger Vehicles		1,025	$	51.20		$ 52,480		16
Super Duty Passenger Vehicles PI Round Trip Discount		274	$	37.90		$ 10,385		17
Oversized Vehicle 2 tons to not over 5 Tons		172	$	85.35		$ 14,680		18
Oversized Vehicle 5 tons to not over 10 Tons		382	$	170.65		$ 65,188		19
Oversized Vehicle 10 tons to not over 20 Tons		344	$	341.35		$ 117,424		20
Oversized Vehicle 20 tons to not over 30 Tons		177	$	512.00		$ 90,624		21
					$ 959,956	$ 1,364,382	$ 404,425	22
								23
Trailers								24
-Trailers, Boats, etc	See Schedule Settlement-7				$ 9,735	$ 17,650	$ 7,915	25
								26
Freight								27
-Freight	See Schedule Settlement-8				$ 8,066	$ 8,373	$ 307	28
								29
Bikes, Mopeds, Etc.								30
Bicycles/Motorcycles/etc	See Schedule Settlement-9				$ 3,472	$ 6,532	$ 3,060	31
					$ -	$ -	$ -	32
					$ -	$ -	$ -	33
					$ 3,472	$ 6,532	$ 3,060	34
								35
Total Rates and Charges					$ 1,261,949	$ 1,843,297	$ 581,348	36
Total Other Revenue (Schedule Settlement-1)					$ 54,060	$ 54,060	$ -	37
								38
TOTAL REVENUE					$ 1,316,009	$ 1,897,357	$ 581,348	39
								40
Revenue Required (Schedule Settlement-1)						1,897,747		41
								42
Variance						$ (390)		43
						-0.02%		44