

Schacht & McElroy

*Michael R. McElroy
Leah J. Donaldson*

Attorneys at Law

*Michael@McElroyLawOffice.com
Leah@McElroyLawOffice.com*

*Members of the Rhode Island
and Massachusetts Bars*

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

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

December 18, 2017

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

Re: Interstate Navigation Company
Docket No. 4373 –Pension Expense Filing

Dear Luly:

As you know, this office represents Interstate Navigation Company (Interstate). Interstate's fiscal year ends May 31.

The Commission's Report and Order issued on June 20, 2013 (page 11) states that:

“Interstate's cost of service includes a \$70,000 annual pension expansion which is required to be funded thirty days following the end of the fiscal year and is an annual funding commitment unless altered by the Commission. Interstate is required to file documentation with the Commission regarding funding.”

In addition, the Settlement Agreement attached to the Report and Order as Appendix A states on page 9 that:

“Interstate's cost of service includes \$70,000 of annual pension expense. This amount will be funded and contributed to the external pension fund within thirty days after the end of the fiscal year. This funding commitment is ongoing and will continue from year to year unless directed otherwise by the Commission. Interstate will provide the Commission and the Division with documentation of its funding of the pension plan consistent with the terms of this paragraph.”

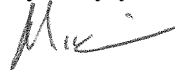
Pursuant to this requirement, enclosed is a Memorandum from David Bebyn, CPA, which shows that Interstate has made more than the \$70,000 required contribution for fiscal year 2017. A

copy of Mr. Bebyn's calculation is attached hereto. Note that the plan Interstate uses allows flexible contributions and future years may vary, but Interstate's total contributions will not be less than the \$70,000 per year total required by the approved settlement.

We apologize for the delay.

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

Very truly yours,



Michael R. McElroy

MRMc:tmg
cc: Service List

Interstate/Pension Filings/Massar4

**Docket No. 4373 – Interstate Navigation Co. – Limited Rate Change Application
Service List as of 12/17/15**

***Requested to receive hard copy of all pleadings.**

Name	E-mail	Phone
Michael McElroy, Esq. Schacht & McElroy PO Box 6721 Providence RI 02940-6721	Michael@McElroyLawOffice.com;	401-351-4100
*Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence RI 02903	lwold@riag.ri.gov;	401-222-2424
	john.bell@dpuc.ri.gov;	
	steve.scialabba@dpuc.ri.gov;	
	john.spirito@dpuc.ri.gov;	
	dmacrae@riag.ri.gov;	
Walter E. Edge, Jr. B&E Consulting 21 Dryden Lane Providence RI 02904	wedge@beconsulting.biz;	401-785-0800
	dbebyn@beconsulting.biz;	
Katherine A. Merolla, Esq., Christopher Dovidio, Esq. Merolla & Accetturo 469 Centerville Road Suite 206 Warwick, RI 02886	KAMLAW2344@aol.com;	401-739-2900
	cdovidio@merollalaw.com;	
Nancy O. Dodge, Town Manager Town of New Shoreham PO Drawer 220 Block Island, RI 02807	townmanager@new-shoreham.com;	401-466-3219
David Effron Berkshire Consulting 12 Pond Path North Hampton, NH 03862-2243	Djeffron@aol.com;	603-964-6526
Richard La Capra 5 Carmine St New York, NY 10014	Rlacapra@lacapra.com;	212-675-8123
File an original & nine (9) copies w/ Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888	Luly.massaro@puc.ri.gov;	401-780-2107
	Cynthia.WilsonFrias@puc.ri.gov;	
	Alan.nault@puc.ri.gov;	

TO: Mike McElroy
FROM: David Bebyn
RE: Interstate Navigation Company Pension Contribution.
Date: December 15, 2017

I have prepared the attached schedule which presents my calculation for the FY 2017 pension contribution based upon my conversation with Sue. Sue has already prepared and sent out the check for this payment. A copy of the payment from accounting program is also attached.

If you have any questions please don't hesitate to call me at 785-0800 extension 29.

Sincerely,

A handwritten signature in black ink, appearing to read "David G. Bebyn". The signature is written in a cursive style with a large, stylized initial "D".

David G. Bebyn, CPA

Calculation of FY 2017 Pension Contribution
Interstate Navigation Company
5/31/17

Pension Contribution expense:

Est Qualified Employee Payroll FY 2017	\$	3,275,445.20	
Pension Funding Rate		<u>5%</u>	
Pension Contribution Expense			<u>\$ 163,772.26</u>
Total Contribution Made			<u>\$ 163,772.26</u>

Interstate Navigation Company
Vendor Ledgers
 For the Period From Jun 1, 2016 to May 31, 2018

Filter Criteria includes: 1) IDs from John to John. Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
John John Hancock USA FBO CN#1	5/31/17	0017341	CDJ		163,772.26	163,772.26	0.00
Report Total					163,772.26	163,772.26	0.00