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December 20, 2017

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

Re: Interstate Navigation Company – Docket No. 4373 – Promotions Report

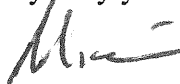
Dear Luly:

Pursuant to Order No. 21069 in Docket No. 4373, and in particular, ordered paragraph number 5, enclosed are an original and nine copies of the Promotions Report of Interstate Navigation Company for FYE 2016 and 2017.

We apologize for the delay.

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

Very truly yours,


Michael R. McElroy

MRMc:tmg

Interstate/Earnings and Promotions/Massar06

TO: Michael P. McElroy, Esq.
FROM: David G. Bebyn, CPA
RE: Interstate Navigation Company FY 2017 Promotion Report
Date: December 15, 2017

Interstate Navigation is required to provide to the PUC on an annual basis a summary of promotions offered, when they were offered, the number of passengers who bought tickets using the promotion, the total number of passengers for the period, an estimate of additional ridership and revenue generated as a result of the promotion, and the cost associated with the promotion. I have prepared this memo which presents the FY 2016 and 2017 Promotions Report based upon my conversation with Susan Linda, President.

FY 2017 is the first year Interstate has offered a promotion on rates authorized in Interstate's last rate filing in Docket #4373. Interstate only ran 1 promotion for the traditional ferry which offered a 20% discount off an adult round-trip and same day ticket. The promotion was offered during September of 2016 on Tuesday, Wednesday and Thursday trips during that month. The entire promotion covered 12 days in that month. A total of 375 passengers purchased discount tickets under this promotion. The total number of all riders for that month was 48,939 as reported on the monthly fuel surcharge filing. Assuming all of the discount sales were new passengers, this promotion would have generated around \$7,000 additional revenue. The costs associated with this promotion were immaterial since this promotion was added to advertisements that were already running for this period.

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

Sincerely,

A handwritten signature in black ink that reads "David G. Bebyn CPA". The signature is written in a cursive, flowing style.

David G. Bebyn, CPA

**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.**

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