



State of Rhode Island and Providence Plantations

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May 5, 2016

VIA DELIVERY & ELECTRONIC MAIL

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

**Re: Docket 4586 – A & R Marine Corp. D/B/A Prudence & Bay Islands Transport
General Rate Filing**

Dear Ms. Massaro:

Attached for filing in the above captioned docket, please find an original and nine (9) copies of the Division's revised schedules which were generated to reflect an adjusted revenue requirement in response to the Company's rebuttal filing.

Precisely, these schedules begin with the Company's revenue requirement as shown on Schedule DGB-1R accompanying the rebuttal testimony of Mr. Bebyn and show the effect of the Division's proposed adjustments to the Company's depreciation expense and rate of return on the Company's revenue requirement. These schedules reflect the fact that the Division has accepted the A&R rebuttal updates to the Operations and Maintenance expenses associated with Wharfage, Insurance, and Property Taxes detailed in Mr. Bebyn's rebuttal testimony, which total \$20,985.

This filing is provided to the service list via electronic mail only. Thank you for your attention in this matter.

Very truly yours,

Christy Hetherington
Special Assistant Attorney General

Enclosure

cc: Service List

A&R Marine Corp. – Docket No. 4586 - General Rate Filing
Updated 2/23/16

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**A&R MARINE CORP.
D/B/A PRUDENCE & BAY ISLANDS TRANSPORT
GENERAL RATE FILING
RIPUC DOCKET NO. 4586**

**REVISED REVENUE REQUIREMENT
SCHEDULES**

DIVISION OF PUBLIC UTILITIES AND CARRIERS

May 5, 2016

Schedule DJE-1S

A&R MARINE CORP
RATE YEAR REVENUE REQUIREMENT

		Company Rebuttal Position	Adjustments	Division Position
Cost of Service	(A)	1,132,895	(62,730)	1,070,165
Miscellaneous Revenues	(B)	<u>32,548</u>	<u>-</u>	<u>32,548</u>
Net Revenue Requirement		1,100,347	(62,730)	1,037,617
Tariff Revenues, Present Rates	(B)	<u>552,328</u>	<u>-</u>	<u>552,328</u>
Revenue Deficiency		<u>548,019</u>	<u>(62,730)</u>	<u>485,289</u>
Percentage Rate Increase		<u>99.22%</u>		<u>87.86%</u>

Sources:

- (A) Schedule DJE-2S
- (B) Schedule DGB-1R

Schedule DJE-2S

A&R MARINE CORP
COST OF SERVICE

	(A) Company Rebuttal Position	Adjustments		Division Position
Cash Operating Expenses	670,747		(B)	670,747
Depreciation	207,118	(27,816)	(C)	179,302
Return on Rate Base	<u>255,030</u>	<u>(34,914)</u>	(E)	<u>220,116</u>
Total Cost of Service	<u>1,132,895</u>	<u>(62,730)</u>		<u>1,070,165</u>

Sources:

- (A) Schedules DGB-9, DGB-7, DGB-1R
- (B) No adjustments based on Company Rebuttal
- (C) Schedule DJE-3S
- (D) Schedule DJE-4S

A&R MARINE CORP
ADJUSTMENTS TO DEPRECIATION EXPENSE

		<u>Vessels</u>	<u>Vessel Impr.</u>	<u>Total</u>
Book Cost	(A)	771,250	897,783	1,669,033
Depreciation Life	(B)	<u>20</u>	<u>20</u>	
Annual Depreciation		38,563	44,889	83,452
Company Depreciation	(A)	<u>51,416</u>	<u>59,852</u>	<u>111,268</u>
Adjustment		<u>(12,854)</u>	<u>(14,963)</u>	<u>(27,816)</u>

Sources:

- (A) Response to Division Data Request 1-6
- (B) See Testimony

Schedule DJE-4S

A&R MARINE CORP
RETURN ON RATE BASE

		<u>Company</u> <u>Position</u>	<u>Adjustments</u>	<u>Division</u> <u>Position</u>
Net Rate Base	(A)	\$ 2,886,770	-	\$ 2,886,770
Rate of Return	(B)	<u>8.83%</u>	<u>-1.21%</u>	<u>7.63%</u>
Return on Rate Base		<u>\$ 255,030</u>	<u>\$ (34,914)</u>	<u>\$ 220,116</u>

Sources:

- (A) Schedule DGB-11
- (B) Schedule DJE-5S

Schedule DJE-5S

A&R MARINE CORP
RATE OF RETURN

Company Position	<u>Percent of Total</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Long Term Debt	37.66%	5.25%	1.98%
Common Equity	<u>62.34%</u>	11.00%	<u>6.86%</u>
Total Capital	<u>100.00%</u>		<u>8.83%</u>

Division Position	<u>Percent of Total</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Long Term Debt	50.00%	5.25%	2.63%
Common Equity	<u>50.00%</u>	10.00%	<u>5.00%</u>
Total Capital	<u>100.00%</u>		<u>7.63%</u>

Sources:

Company Position - Schedule DGB-12

Division Position - See Testimony

A&R MARINE CORP
PROOF OF REVENUES

	<u>Present Billing Units</u>	<u>Proposed Billing Units</u>	<u>Present Rate</u>	<u>Present Revenue</u>	<u>Proposed Rate</u>	<u>Proposed Revenue</u>
<u>Passenger Revenues</u>						
Adult One Way	40,550		2.85	115,568	5.50	223,025
Child One Way	5,087		1.00	5,087	1.90	9,665
10 Trip Book (\$33)	3,972		1.85	7,348	3.30	13,108
20 Trip Book (\$56)	9,893		1.75	<u>17,313</u>	2.80	<u>27,700</u>
Total Passenger Revenues				<u>145,315</u>		<u>273,498</u>
<u>Vehicle Revenues</u>						
Cars	7,804		15.50	120,962	31.00	241,924
Cars-(6 book - \$123)	4,461		12.50	55,763	21.00	93,681
SUV, Van, Pickup	8,778	5,585	15.50	136,059	31.00	173,135
SUV, Van, Pickup (6 book - \$123)		3,193			21.00	67,053
Trucks (1-2 tons)	246		21.50	5,289	43.00	10,578
Trucks (2-3 tons)	44		34.00	1,496	68.00	2,992
Trucks (4-5 tons)	239		37.50	8,963	75.00	17,925
Trucks (5-10 tons)	160		62.00	9,920	124.00	19,840
Trucks (10-20 tons)	395		77.50	30,613	155.00	61,225
Trucks (20-30 Tons)	258		124.00	<u>31,992</u>	248.00	<u>63,984</u>
Total Vehicle Revenues				<u>401,056</u>		<u>752,337</u>
Trailers and Boats				937		1,874
Freight				3,733		7,466
Bikes, Mopeds, etc.				<u>1,287</u>		<u>2,574</u>
Total Rate Revenues				<u>552,328</u>		<u>1,037,749</u>
Net Revenue Requirement						<u>1,037,617</u>

Sources:

Present Rates and Billing Units - Schedule DGB-17

Proposed Rates - See Testimony