

**GOVERNMENT OF THE VIRGIN ISLANDS
OF THE UNITED STATES
PUBLIC SERVICES COMMISSION**

IN RE)

TRANSPORTATION SERVICES OF ST.)
JOHN, INC. AND VARLACK VENTURES,)
INC. RATE INVESTIGATION)

Docket No. 640
PSC Order No. 54/2017

ORDER

WHEREAS, the Virgin Islands Public Services Commission (hereinafter “PSC” or the “Commission”) opened an investigation into the fares and services of the franchise passenger ferry operations between St. Thomas and St. John; and

WHEREAS, the Franchisees, Varlack Ventures and Transportation Services of St. John, have requested an increase in their revenues in the course of this proceeding; and

WHEREAS, the Commission appointed Attorney Jennifer Jones as Hearing Examiner to preside over the hearings for the Ferry Franchisees’ Petition for an increase in rates; and

WHEREAS, the Commission received the Final Report and Recommendations from the Hearing Examiner; and

WHEREAS, on March 21, 2017, the Commission held a meeting in the Commission’s offices on both St. Thomas and St. Croix, United States Virgin Islands to consider this matter;

WHEREAS, it was demonstrated that the Commission had not received the audited financial statements of the franchisees; and

WHEREAS, it is acknowledged that following financial information was not previously provided to the Hearing Examiner; therefore the Commission now directs the franchisees to provide the following:

1. Schedule detail supporting Operating Expenses, specifically including but not limited to-
 - a. Full schedule of compensation expense by company and position;
 - b. Schedules of amortization and depreciation amounts included in opex, by asset;
 - c. Maintenance and repair expense projected, by vessel, including any annual allocation for uncertainty;
 - d. 3rd party ticketing expense by contract;
 - e. Identification of professional fees; and
 - f. Lease expense, if any.

2. Schedule of other specific capital amounts included in rate base calculation, including capitalized repairs and calculation of working capital.
3. Support for effective income tax rate of 37.5 percent assertion; and

WHEREAS, the Hearing Examiner continues her role in this proceeding; and

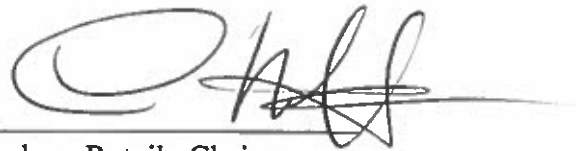
WHEREAS, the information sought is of concern to the conclusion of this matter;

NOW THEREFORE, the Commission finds and orders:

1. That within 10 days of the date of this order the information listed above shall be provided to the Hearing Examiner.

So Ordered.

For Commission

A handwritten signature in black ink, appearing to read 'ARutnik', written over a horizontal line.

Andrew Rutnik, Chair

Dated: June 1, 2017