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Clerk's Office
N.C. Utilities Commission

**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

October 21, 2010

Ms. Renné C. Vance, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

Re: Docket No. A-41, Sub 7
Bald Head Island Transportation, Inc.

Dear Ms. Vance:

In connection with the above-captioned docket, I transmit herewith for filing on behalf of the Public Staff, eighteen (18) copies of the following: late-filed exhibits of James G. Hoard, Assistant Director, Accounting Division, revised to reflect the agreement of the parties in the Revised Agreement and Stipulation of Settlement and to make certain corrections to the exhibits. All parties have consented to the entry of these documents into the record of this proceeding.

By copy of this letter, I am forwarding a copy to all parties of record.

Sincerely,

Dianna W. Downey
Staff Attorney
dianna.downey@psncuc.nc.gov

cc: Parties of Record

Executive Director
733-2435

Communications
733-2810

Economic Research
733-2902

Legal
733-6110

Transportation
733-7766

Accounting
733-4279

Consumer Services
733-9277

Electric
733-2267

Natural Gas
733-4326

Water
733-5610

msf
AG
Finley
Beatty
Allen
Bennick
Moover
Sessoms
Kite
Braceh.

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Oct 11 2022

Hoard Exhibit 1
Schedule 1
Revised

Bald Head Island Transportation, Inc.
Docket No. A-41, Sub 7
For the Test Year Ended December 31, 2009
Revenue Requirement Reconciliation

Line No.	Description	Amount
1	Company proposed rate increase per Application	\$2,767,548
2	Change in capital structure	0
3	Change in debt cost	(34,286)
4	Change in return on equity	0
5	Update plant and related items	(10,446)
6	Include parking revenues	(523,725)
7	Amortize gain on transfer of Indigo Plantation	(73,772)
8	Include BHI terminal in rate base	(278,438)
9	Adjust Deep Point terminal lease	216,833
10	Adjust intercompany tram charges	(32,485)
11	Adjust payroll and related items	(105,628)
12	Adjust fuel expenses	(25,763)
13	Adjust amortization of fuel tracker account	1,528
14	Adjust management fees, including Patriot, LLC	(37,936)
15	Adjust rate case expense	6,850
16	Adjust customer growth	(4,219)
17	Other revenue adjustment	(144,133)
18	Rounding	0
19	Settlement revenue increase	<u>\$1,721,928</u>

Hoard Exhibit 1
Schedule 1A
Revised

Bald Head Island Transportation, Inc.
Docket No. A-41, Sub 7
For the Test Year Ended December 31, 2009
Settlement Cost of Service

Line No.	Item	Company Amount (a)	Rate of Return (b)	Settlement Adjustments								Settlement Amounts (k)	
				Update Plant and Related Items (c)	Include Parking Revenues (d)	Include BHI Terminal in Rate Base (e)	Amortize Gain on Transfer of Indigo P1 (f)	Adjust Interco Trans Charges (g)	Adjust DP Terminal Lease (h)	Other Adjustments (i)	Amortize Fuel Tracker Acct (j)		
1	Plant	\$6,020,592		20,183 ^{14v}		616,186 ^{14v}							6,656,972
2	Accumulated Depreciation	(2,085,249)		(144,275) ^{14v}		(123,122) ^{14v}							(2,462,645)
3	Net Plant	3,935,344	0	(124,092)	0	493,064	0	0	0	0	0	0	4,194,328
4	Cash Working Capital	664,687		0		(45,666) ^{14v}			26,667 ^{14v}	(19,040) ^{14v}			628,805
5	Average Tax Accruals	(37,429)		0		0			0	(6,615) ^{14v}			(44,044)
6	Deferred Income Taxes	(860,584)		704 ^{14v}		(33,872) ^{14v}							(863,752)
7	Rate Base	\$3,702,198 ^u	80	(\$123,378)	\$0	\$363,503	\$0	\$0	\$26,667	(\$25,655)	\$0	\$0	\$3,843,335
8	Pre-Tax ROR %	12.26% ^{2v}	11.33%	11.31% ^{13v}	11.31%	11.38% ^{13v}	11.38%	11.38%	11.39% ^{13v}	11.38% ^{13v}	11.38%	11.38%	11.38%
9	Overall Rate of Return %	9.25% ^{3v}	8.33% ^{12v}	8.33% ^{12v}	8.33%	8.30%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%
10	Pre-Tax ROR on Rate Base	453,798	(34,245) ^{13v}	(14,965) ^{13v}		44,090 ^{13v}			3,235 ^{13v}	(3,112) ^{13v}	0		448,801
11	Revenue Credits	(100,884)			(523,097) ^{14v}		(73,883) ^{14v}	(32,446) ^{14v}		(143,960) ^{20v}	1,526 ^{14v}		(872,344)
12	O&M Expenses	5,318,939				(365,512) ^{14v}			213,338 ^{14v}	(152,324) ^{14v}			5,014,442
13	Depreciation	282,977		4,531 ^{14v}		27,806 ^{14v}							315,314
14	Property Taxes	25,702				15,512 ^{14v}							41,214
15	Payroll Taxes	147,488								(8,648)			140,622
16	Regulatory Fee	7,355 ¹⁰	(41)	(13)	(628)	(334)	(89)	(39)	260	(288)	2		6,115
17	Total Cost of Service ^{14v}	\$6,132,565	(\$34,286)	(\$10,446)	(\$523,725)	(\$278,438)	(\$73,772)	(\$32,465)	\$216,633	(\$306,610)	\$1,526		\$5,094,164

Footnotes:

- ^{1v} Mayfield Exhibit 1, Schedule 2.
- ^{2v} Line 10/Line 7.
- ^{3v} Mayfield Exhibit 1, Schedule 1, Column(d), Line 9.
- ^{4v} Mayfield Exhibit 1, Schedule 2, Column (e), Sum of Lines 76, 77 and 78.
- ^{5v} Mayfield Exhibit 1, Schedule 2, Column (e), Sum of Lines 2 through 5.
- ^{6v} Mayfield Exhibit 1, Schedule 3, Column (e), Lines 71.
- ^{7v} Mayfield Exhibit 1, Schedule 3, Column (e), Lines 72.
- ^{8v} Mayfield Exhibit 1, Schedule 3, Column (e), Lines 73.
- ^{9v} Mayfield Exhibit 1, Schedule 3, Column (e), Lines 74.
- ^{10v} Mayfield Exhibit 1, Schedule 3, Column (e), Lines 75.
- ^{11v} Sum of lines 10 through 16.
- ^{12v} Determined based on the following capital cost components:
Equity % of total capital 50.00%
Debt cost rate 6.65%
Return on equity 10.00%
- ^{13v} Hoard Exhibit 1, Schedule 1C.
- ^{14v} Hoard Exhibit 1, Schedule 2.
- ^{15v} Hoard Exhibit 1, Schedule 2-1.
- ^{16v} Hoard Exhibit 1, Schedule 2.
- ^{17v} Hoard Exhibit 1, Schedule 2-2.
- ^{18v} Hoard Exhibit 1, Schedule 4.
- ^{19v} Hoard Exhibit 1, Schedule 6.
- ^{20v} Revised Hoard Exhibit 1, Schedule 3.

Bald Head Island Transportation, Inc.
Docket No. A-41, Sub 7
For the Test Year Ended December 31, 2009
Summary of Settlement Adjustments by Cost of Service Category

Line No.	Cost of Service Category	Company Amount	Settlement Adjustments	Settlement Amount	% of Settlement COS
1	Payroll, benefits and payroll taxes	2,182,175	(103,526)	2,078,650	40.8%
2	Deep Point terminal lease	965,438	213,338	1,178,776	23.1%
3	Fuel expenses	687,051	(25,217)	661,834	13.0%
4	BHI terminal (reclass from lease to rate base)	365,512	(278,104)	87,408	1.7%
5	Repairs & maintenance	298,338	0	298,338	5.9%
6	Terminal ops - interco chrgs	158,315	0	158,315	3.1%
7	Property and liability Insurance	133,403	0	133,403	2.6%
8	Dredging	120,225	0	120,225	2.4%
9	Terminal ops - utilities, communications & trash	112,555	0	112,555	2.2%
10	Other intercompany expenses	90,246	0	90,246	1.8%
11	Management fees	77,292	(11,577)	65,715	1.3%
12	Legal, accounting & other professional fees	47,817	6,705	54,522	1.1%
13	Supplies	31,666	0	31,666	0.6%
14	Terminal ops - security expense	38,225	0	38,225	0.8%
15	Ferry leases - lease admin costs	32,259	(25,555)	6,704	0.1%
16	Credit card fees	37,126	0	37,126	0.7%
17	Signage	29,471	0	29,471	0.6%
18	Uniforms	16,033	0	16,033	0.3%
19	Taxes, permits & licenses	15,323	0	15,323	0.3%
20	Other O&M expenses	27,937	0	27,937	0.5%
21	Revenue credits - tram	(72,714)	(32,446)	(105,160)	-2.1%
22	Revenue credits - fuel surcharge	(1,526)	1,526	0	0.0%
23	Revenue credits - parking	0	(523,097)	(523,097)	-10.3%
24	Revenue credits - gain on transfer of IP	0	(73,683)	(73,683)	-1.4%
25	Revenue credits - other miscellaneous	(26,444)	(143,960)	(170,404)	-3.3%
26	Pre-Tax ROR on Rate Base (excl BHI Terminal)	453,798	(49,087)	404,711	7.9%
27	Depreciation (excl BHI Terminal)	282,977	4,531	287,508	5.6%
28	Property taxes (excl BHI Terminal)	25,702	0	25,702	0.5%
29	Regulatory fee	7,365	(1,250)	6,115	0.1%
30	Total Cost of Service	<u>\$6,135,563</u>	<u>(\$1,041,401)</u>	<u>\$5,094,162</u>	<u>100.0%</u>

Hoard Exhibit 1
Schedule 3
Revised

Bald Head Island Transportation, Inc.
Docket No. A-41, Sub 7
For the Test Year Ended December 31, 2009
Adjusted Revenue Credits per Settlement

Line No.	Item	Settlement Adjustments						Settlement Revenue Credits
		Company Amounts ^{1/}	Parking Revenues ^{2/}	Amortize Gain ^{3/}	Interco Tram Revenues ^{4/}	Other revenue adjustment ^{2/}	Amortize fuel surcharge ^{5/}	
		(a)	(b)	(c)	(c)	(d)	(e)	(f)
1	Intercompany Tram	(\$68,099)			(\$32,446)			(\$100,545)
2	Other Tram	(4,615)						(4,615)
3	Fuel surcharge	(1,526)					1,526	0
4	Parking	0	(523,097)					(523,097)
5	Gain on transfer of Indigo Plantation	0		(73,683)				(73,683)
6	Other Miscellaneous	(26,444)				(143,960)		(170,404)
7	Total Revenue Credits	(\$100,684)	(\$523,097)	(\$73,683)	(\$32,446)	(\$143,960)	\$1,526	(\$872,344)

Footnotes:

^{1/} Mayfield Exhibit 1, Schedule 3, column (e).

^{2/} Per Revised Stipulation.

^{3/} Hoard Exhibit 1, Schedule 3-1.

^{4/} Hoard Exhibit 1, Schedule 3-2.

^{5/} Per Stipulation, fuel tracker account continued and fuel surcharge set to zero. No amortization of fuel tracker account.

Hoard Exhibit 1
Schedule 4-2
Revised

Bald Head Island Transportation, Inc.
Docket No. A-41, Sub 7
For the Test Year Ended December 31, 2009
Adjustment to Fuel Expense and Computation of Fuel Component of Rates

Line No.	Description	Basis (a)	# Gallons (b)	Price Per Gallon (c)	Amount (d)
<u>Adjustment to Fuel Expenses:</u>					
1	#275 Diesel Fuel - Ferries	Actual 12 ME Aug 2010	242,931	\$2.53 ^{1/}	\$615,745
2	#290 Diesel Fuel - Buses	Test Year Actual	2,795	\$3.49 ^{2/}	9,766
3	#290 Gas Island Fuel - Trams	Test Year Actual	7,113	\$3.65 ^{2/}	25,968
4	#275 Gas Marine Maintenance - Ferries	Test Year Actual	4,037	\$2.56 ^{2/}	<u>10,355</u>
5	Adjusted Cost for Fuel				661,834
6	Company amount				<u>687,051</u> ^{2/}
7	Settlement Adjustment to Fuel Expense				<u>(\$25,217)</u>
<u>Computation of Fuel Component of Rates:</u>					
8	Tracked Fuel Costs (line 1 above)				\$615,745
9	Number of Passengers (annual billing units adjusted for annual passes)				<u>281,766</u> ^{3/}
10	Fuel Component of Rates				<u>\$2.185</u>

Footnotes:

1/ Provided by the Company.

2/ Mayfield Exhibit 1, Schedule 3-8.

3/ From Hoard Exhibit 4, Schedule 2:

Settlement Billing Units for New Rates	285,833
Less: Annual Passes	(18)
Excess Baggage	(4,370)
Lost Ticket	(1,355)
Add: Annual Pass trips	<u>1,676</u>
Number of passengers	<u>281,766</u>

Bald Head Island Transportation, Inc.
Docket No. A-41, Sub 7
For the Test Year Ended December 31, 2009
Computation of Regulatory Fee

Line No.	Description	Company (a)	Settlement Adjustments (b)	Settlement (c)
1	<u>Cost of Service Items:</u>			
2	Pre-Tax ROR on Rate Base	453,798 ^{1/}	(4,997)	448,801 ^{1/}
3	O&M Expenses	5,318,939 ^{1/}	(304,497)	5,014,442 ^{1/}
4	Depreciation	282,977 ^{1/}	32,337	315,314 ^{1/}
5	Property Taxes	25,702 ^{1/}	15,512	41,214 ^{1/}
6	Payroll Taxes	147,468 ^{1/}	(6,846)	140,622 ^{1/}
7	Total	6,228,883	(268,491)	5,960,392
8	<u>Less revenue not subject to reg fee:</u>			
9	Interco Tram	(68,099) ^{2/}	(32,446)	(100,545) ^{2/}
10	Tram	(4,615) ^{2/}	0	(4,615) ^{2/}
11	Fuel surcharge	(1,526) ^{2/}	1,526	0 ^{2/}
12	Parking	0 ^{2/}	(523,097)	(523,097) ^{2/}
13	Gain on transfer of Indigo Plantation	0 ^{2/}	(73,683)	(73,683) ^{2/}
14	Other Miscellaneous	(26,444) ^{2/}	(143,960)	(170,404) ^{2/}
15	Base for regulatory fee	6,128,200 ^{3/}	(1,040,152) ^{3/}	5,088,048 ^{3/}
16	Reg fee gross-up factor	1.001201 ^{4/}	1.001201 ^{4/}	1.001201 ^{4/}
17	Revenue subject to regulatory fee	6,135,562 ^{5/}	(1,041,401) ^{5/}	5,094,161 ^{5/}
18	Base for regulatory fee	(6,128,200) ^{6/}	1,040,152 ^{6/}	(5,088,048) ^{6/}
19	Computed Regulatory fee	7,362.67 ^{7/}	(1,249.68) ^{7/}	6,112.99 ^{7/}
20	Rounding	2.33	0.00	2.33
21	Adjusted Regulatory Fee	7,365.00 ^{1/}	(1,249.68)	6,115.32 ^{1/}
22	Regulatory fee rate	0.12% ^{8/}		
23	Regulatory fee factor	0.12014% ^{9/}		

Footnotes:

- 1/ Hoard Exhibit 1, Schedule 1.
- 2/ Hoard Exhibit 1, Schedule 3.
- 3/ Sum of lines 7 through 14.
- 4/ 1 + Line 23.
- 5/ Line 15 times line 16.
- 6/ Line 15 above.
- 7/ Line 17 less line 18.
- 8/ G.S. 62-302.
- 9/ [1/(1 - regulatory fee rate)] - 1.

Bald Head Island Transportation, Inc.
Docket No. A-41, Sub 7
For the Test Year Ended December 31, 2009
Computation of Income Taxes

Line No.	Item	Amount	Notes
1	Operating Revenues:		
2	Ferry Tickets	\$5,094,164	Schedule 1A, Adjusted COS
3	Revenue Credits	872,344	Schedule 1A, Revenue Credits
4	Total	<u>5,966,507</u>	
5	Deductions:		
6	O&M Expenses	\$5,014,442	Schedule 1A, O&M Expenses
7	Depreciation Expense	315,314	Schedule 1A, Depreciation Expense
8	Property Taxes	41,214	Schedule 1A, Property Taxes
9	Payroll Taxes	140,622	Schedule 1A, Payroll Taxes
10	Regulatory Fee	6,115	Schedule 1A, Revenue Credits
11	Interest Expense	131,116	Schedule 1C
12	Total Deductions	<u>\$5,648,823</u>	
13	Taxable Income	<u>\$317,685</u>	
14	Less: State income tax @ 6.9%	<u>\$21,920</u>	
15	Federal taxable income	\$295,765	
16	Federal tax rates:		
17	First \$50,000 @ 15%	50,000 15%	7,500
18	Next \$25,000 @ 25%	25,000 25%	6,250
19	Next \$25,000 @ 34%	25,000 34%	8,500
20	Next \$235,000 @ 39%	235,000 39%	76,348
21	Over \$335,000 @ 34%	335,000 34%	0
22	Total federal income taxes	<u>\$98,598</u>	
23	Settlement weighted federal income tax rate	33.33671%	Federal income taxes/ Federal taxable income
24	Reconciliation with Schedule 1A:		
25	Federal taxable income above	\$295,765	
26	Less: federal income taxes above	<u>(98,598)</u>	
27	Net Income	197,166	
28	Add: Interest on debt above	<u>131,116</u>	
29	Net Operating Income for Return	<u>\$328,282</u>	
30	From Schedule 1:		
31	Rate Base	\$3,943,335	Schedule 1A
32	Overall ROR % on Rate Base	8.33%	Schedule 1A
33	Overall ROR on Rate Base	<u>\$328,283</u>	
34	Income tax calculation v. Sch 1A	(\$0)	
35	Interest coverage ratio	3.4	times

Tax Calc	
7,500	7,500
6,250	6,250
8,500	8,500
76,348	76,348
0	0

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Hoard Exhibit 2
Schedule 1
Revised

BALD HEAD ISLAND TRANSPORTATION, INC.
Docket No. A-41, Sub 7
STATEMENT OF NET OPERATING INCOME FOR RETURN, RATE BASE AND OVERALL RETURN
For The Test Year Ended December 31, 2009

Line No.	Item	Per Company (a)	Settlement Adjustments ^{1/} (b)	After Settlement Adjustments (c)	Rate Increase (d)	After Rate Increase (e)
1	NET OPERATING INCOME FOR RETURN					
2	<u>Operating Revenues:</u>					
3	Ferry Tickets	\$3,388,017 ^{1/}	\$4,219	\$3,372,238 ^{1/}	\$1,721,928 ^{1/}	\$5,094,164 ^{1/}
4	Other operating revenues	100,884 ^{1/}	771,880	872,344 ^{1/}		872,344 ^{1/}
5	Total operating revenues	<u>\$3,488,701</u>	<u>\$775,878</u>	<u>\$4,244,579</u>	<u>\$1,721,928</u>	<u>\$5,966,508</u>
6	<u>Operating Expenses:</u>					
7	Operating and maintenance	5,318,938 ^{1/}	(304,496)	5,014,442 ^{1/}		5,014,442 ^{1/}
8	Depreciation	282,977 ^{1/}	32,337	315,314 ^{1/}		315,314 ^{1/}
9	Property taxes	25,702 ^{1/}	15,512	41,214 ^{1/}		41,214 ^{1/}
10	Payroll taxes	147,469 ^{1/}	(6,847)	140,822 ^{1/}		140,822 ^{1/}
11	Regulatory fee	4,043 ^{1/}	8	4,049 ^{1/}	2,066 ^{7/}	6,115 ^{1/}
12	State income tax	0 ^{1/}	0	0 ^{1/}	21,920 ^{1/}	21,920 ^{10/}
13	Federal income tax	0 ^{1/}	0	0 ^{1/}	98,598 ^{1/}	98,598 ^{1/}
14	Total operating expenses	<u>5,779,120</u>	<u>(263,489)</u>	<u>5,515,640</u>	<u>122,585</u>	<u>5,638,225</u>
15	Net operating income for return	<u>(\$2,310,428)</u>	<u>\$1,039,387</u>	<u>(\$1,271,081)</u>	<u>\$1,599,344</u>	<u>\$328,283</u>
16	RATE BASE					
17	Plant in service	\$8,020,592 ^{2/}	\$638,398	\$8,658,972 ^{1/}		\$8,658,972 ^{1/}
18	Accumulated depreciation	(2,085,249) ^{2/}	(317,396)	(2,402,645) ^{1/}		(2,402,645) ^{1/}
19	Net plant in service	3,935,343	318,983	4,254,328	0	4,254,328
20	Cash working capital	664,867 ^{2/}	(38,062)	626,805 ^{1/}		626,805 ^{1/}
21	Average tax accruals	(37,429) ^{2/}	(6,815)	(44,044) ^{1/}		(44,044) ^{1/}
22	Deferred income taxes	(860,584) ^{2/}	(33,166)	(893,752) ^{1/}		(893,752) ^{1/}
23	Original cost rate base	<u>\$3,702,197</u>	<u>\$241,138</u>	<u>\$3,943,335</u>	<u>\$0</u>	<u>\$3,943,335</u>
24	Overall Rate of Return on Rate Base	-62.41%		-32.23%		8.33%

Footnotes:

- 1/ Mayfield Exhibit 1, Schedule 3.
- 2/ Mayfield Exhibit 1, Schedule 2.
- 3/ Column (c) minus column (a).
- 4/ Hoard Exhibit 2, Schedule 3
- 5/ Column (e) minus column (d).

- 6/ Column (e) minus column (c).
- 7/ Line 8 x .0012%.
- 8/ Hoard Exhibit 1, Schedule 1 Revised, column(i).
- 9/ Hoard Exhibit 1, Schedule 3 Revised.
- 10/ Hoard Exhibit 1, Schedule 7.

Hoard Exhibit 2
Schedule 2
Revised

BALD HEAD ISLAND TRANSPORTATION, INC.
Docket No. A-41, Sub 7
RETURN ON EQUITY AND ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2009

Line No.	Item	Capital Structure (a)	Rate Base (b)	Before Recommended Increase			After Recommended Increase		
				Embedded Cost/Return % (c)	Weighted Cost/Return % (d)	Net Operating Income (e)	Embedded Cost/Return % (f)	Weighted Cost/Return % (g)	Net Operating Income (h)
1	Debt	50.00% ^{1/}	\$1,971,668	6.65% ^{1/}	3.33%	\$131,116	6.65% ^{1/}	3.33%	\$131,116 ^{6/}
2	Equity	50.00% ^{1/}	1,971,668	-71.12% ^{3/}	-35.56% ^{4/}	(1,402,177)	10.00% ^{1/}	5.00%	\$197,167 ^{6/}
3	Totals	100.00%	\$3,943,335 ^{2/}		-32.23% ^{4/}	(\$1,271,061) ^{6/}		8.33%	\$328,283

Footnotes:

- 1/ Per Settlement.
- 2/ Hoard Exhibit 1, Schedule 1 Revised.
- 3/ Column (e) divided by column (b).
- 4/ Column (e) divided by column (g).
- 5/ Hoard Exhibit 2, Schedule 1.
- 6/ Column (b) x column (f).

Hoard Exhibit 2
Schedule 3
Revised

BALD HEAD ISLAND TRANSPORTATION, INC.
Docket No. A-41, Sub 7
For The Test Year Ended December 31, 2009
ADJUSTMENT TO END OF PERIOD FERRY TICKET REVENUES

Line No.	Type of Passenger	Actual CY 2009 ^{1/}	Annual Growth Rate ^{2/}	EOP Billing Units	Current Fare ^{4/}	End of Period Ferry Ticket Revenue
1	Class I GENERAL	102,200	4.75%	107,055	\$15.00	\$1,605,825
2	Class II BULK	20,824	4.75%	21,813	\$12.50	272,663
3	Class III GROUP PURCH	19,257	4.75%	20,172	\$12.50	252,150
4	Class IV GOV'T EMPL	9,385		8,579 ^{3/}	\$9.00	77,211
5	Class V SPEC EVENT	3,379		2,175 ^{3/}	\$10.00	21,750
6	Class VI NO FRILLS	11,640		11,090 ^{3/}	\$10.00	110,900
7	Class VII CONTRACTOR	35,049		34,595 ^{6/}	\$10.00	345,950
8	Class VIII CORP GUEST	4,589		3,503 ^{3/}	\$8.00	28,024
9	Class IX EMPLOYEE	53,585		48,391 ^{3/}	\$8.00	387,128
10	Class X CHILDREN	17,745	4.75%	18,588	\$8.00	148,704
11	Class XI ANNUAL PASS	22		22 ^{3/}	\$1,500.00	33,000
12	Class XII SENIOR CITZ ANNUAL	22		21 ^{3/}	\$750.00	15,750
13	Class XIII EXCESS BAGGAGE	4,172	4.75%	4,370	\$15.00	65,550
14	Class XIV STUDENT TICKET	165		214 ^{3/}	\$4.00	856
15	Class XV LOST TICKET	1,294	4.75%	1,355	\$5.00	6,775
16	Total	<u>283,328</u>		<u>281,943</u>		<u>\$3,372,236</u>
17	Overall growth percent		-0.49%			
18	Company amount					<u>3,368,017</u> ^{5/}
19	Settlement Adjustment					<u>\$4,219</u>

Footnotes

- 1/ Fulton Exhibit 1, with revision of lost tickets.
- 2/ Stipulated growth rates.
- 3/ Actual ticket sales for the 12 months ended August 31, 2010.
- 4/ Fulton Exhibit 2.
- 5/ Mayfield Exhibit 1, Schedule 3.
- 6/ Actual ticket sales for the 12 months ended August 31, 2010 reduced by 3,450 contractor tickets related to golf course construction.

**BALD HEAD ISLAND TRANSPORTATION, INC.
DOCKET NO. A-41, SUB 7
FOR THE TEST YEAR ENDED DECEMBER 31, 2009
Summary of Stipulated Revenue Changes**

Type of Passenger *	Annual Revenues	
	Present Rates	Stipulated Rates
Class I GENERAL	\$1,605,825	\$2,462,265
Class II BULK/Bulk 40	272,663	464,415
Class III GROUP PURCH/Bulk 80	252,150	71,055
Class IV GOV'T EMPL	77,211	-
Class V SPEC EVENT	21,750	-
Class VI NO FRILLS	110,900	155,260
Class VII CONTRACTOR	345,950	484,330
Class VIII CORP GUEST	28,024	-
Class IX EMPLOYEE	387,128	1,081,822
Class X CHILDREN	148,704	225,624
Class XI ANNUAL PASS	33,000	33,300
Class XII SENIOR CITZ ANNUAL	15,750	-
Class XIII EXCESS BAGGAGE	65,550	100,510
Class XIV STUDENT TICKET	856	-
Class XV LOST/ONE-WAY TICKET	6,775	15,583
TOTAL	\$3,372,236	\$5,094,164

* Before renumbering of rate classes.

BALD HEAD ISLAND TRANSPORTATION, INC.
DOCKET NO. A-41, SUB 7
FOR THE TEST YEAR ENDED DECEMBER 31, 2009
Summary of Stipulated Rate Changes

<u>Type of Passenger *</u>	<u>Present Rates **</u>	<u>Stipulated Rates</u>
Class I GENERAL	\$16.00	\$23.00
Class II BULK/Bulk 40	\$13.50	\$17.50
Class III GROUP PURCH/Bulk 80	\$13.50	\$15.00
Class IV GOV'T EMPL	\$10.00	
Class V SPEC EVENT	\$11.00	
Class VI NO FRILLS	\$11.00	\$14.00
Class VII CONTRACTOR	\$11.00	\$14.00
Class VIII CORP GUEST	\$9.00	
Class IX EMPLOYEE	\$9.00	\$14.00
Class X CHILDREN	\$9.00	\$12.00
Class XI ANNUAL PASS	\$1,665.00	\$1,850.00
Class XII SENIOR CITZ ANNUAL	\$842.00	
Class XIII EXCESS BAGGAGE	\$15.00	\$23.00
Class XIV STUDENT TICKET	\$5.00	
Class XV LOST/ONE-WAY TICKET	\$5.00	\$11.50

* Before renumbering of rate classes.

** Includes fuel surcharge.

Heard Exhibit 3
Schedule 3
Revised

BALD HEAD ISLAND TRANSPORTATION, INC.
DOCKET NO. A-41, SUB 7
FOR THE TEST YEAR ENDED DECEMBER 31, 2009
Rate Design Model

Revised Stipulation Revenue Level

\$5,094,164

Type of Passenger *	Billing Units	Proposed Fare - Unrounded	Unrounded Ticket Revenue	Rate Rounding	Proposed Fare - Rounded	Ticket Revenue	Rate Change %	Ratio to General Fare
Class I GENERAL	107,055	\$22.9910	\$2,481,304	\$0.01	\$23.00	\$2,462,265	44%	1.00
Class II BULK/Bulk 40	26,538	\$17.4732	463,703	\$0.03	\$17.50	464,415	30%	0.78
Class III GROUP PURCH/Bulk 80	4,737	\$14.9442	70,791	\$0.06	\$15.00	71,055	11%	0.65
Class IV GOVT EMPL	-	\$0.0000	-	-	\$0.00	-	N/A	0.00
Class V SPEC EVENT	-	\$0.0000	-	-	\$0.00	-	N/A	0.00
Class VI NO FRILLS	11,090	\$14.0245	156,532	(\$0.02)	\$14.00	155,280	27%	0.61
Class VII CONTRACTOR	34,595	\$14.0245	485,178	(\$0.02)	\$14.00	484,330	27%	0.61
Class VIII CORP GUEST	-	\$0.0000	-	-	\$0.00	-	N/A	0.00
Class IX EMPLOYEE	77,273	\$14.0245	1,083,717	(\$0.02)	\$14.00	1,081,822	56%	0.61
Class X CHILDREN	18,802	\$11.9553	224,784	\$0.04	\$12.00	225,624	33%	0.52
Class XI ANNUAL PASS	18	\$1,839.2820	33,107	\$10.72	\$1,850.00	33,300	11%	80.43
Class XII SENIOR CITZ ANNUAL	-	\$0.0000	-	-	\$0.00	-	N/A	0.00
Class XIII EXCESS BAGGAGE	4,370	\$22.8910	100,471	\$0.01	\$23.00	100,510	53%	1.00
Class XIV STUDENT TICKET	-	\$0.0000	-	-	\$0.00	-	N/A	0.00
Class XV LOST/ONE-WAY TICKET	1,355	\$11.4955	15,576	-	\$11.50	15,583	130%	0.50
TOTAL	285,833		\$5,094,164			\$5,094,164		

* Before renumbering of rate classes.

Rounding Error 0.000%

Average rate per rider (adjusted for annual pass riders)

\$17.72

Preliminary Rate Design Adjustments:

	Current Fares w Surcharge	Current Fares w Surcharge	Current Fares w Surcharge	Eliminated Rates	Rebalance Adjusts.	Adjusted Fares	Ratio to General Fare
Class I GENERAL	\$15.00	\$1.00	\$16.00			\$16.00	1.0000
Class II BULK/Bulk 40	\$12.50	\$1.00	\$13.50		(\$1.34)	\$12.16	0.7600
Class III GROUP PURCH/Bulk 80	\$12.50	\$1.00	\$13.50		(\$3.10)	\$10.40	0.6500
Class IV GOVT EMPL	\$9.00	\$1.00	\$10.00	(\$10.00)		\$0.00	-
Class V SPEC EVENT	\$10.00	\$1.00	\$11.00	(\$11.00)		\$0.00	-
Class VI NO FRILLS	\$10.00	\$1.00	\$11.00		(\$1.24)	\$9.76	0.8100
Class VII CONTRACTOR	\$10.00	\$1.00	\$11.00		(\$1.24)	\$9.76	0.8100
Class VIII CORP GUEST	\$8.00	\$1.00	\$9.00	(\$9.00)		\$0.00	-
Class IX EMPLOYEE	\$8.00	\$1.00	\$9.00		\$0.76	\$8.76	0.6100
Class X CHILDREN	\$8.00	\$1.00	\$9.00		(\$0.68)	\$8.32	0.5200
Class XI ANNUAL PASS	\$1,500.00	\$165.00	\$1,665.00		(\$385.00)	\$1,280.00	80.0000
Class XII SENIOR CITZ ANNUAL	\$750.00	\$92.00	\$842.00	(\$842.00)		\$0.00	-
Class XIII EXCESS BAGGAGE	\$15.00		\$15.00		\$1.00	\$16.00	1.0000
Class XIV STUDENT TICKET	\$4.00	\$1.00	\$5.00	(\$5.00)		\$0.00	-
Class XV LOST TICKET	\$5.00		\$5.00		\$3.00	\$8.00	0.5000

**BALD HEAD ISLAND TRANSPORTATION, INC.
DOCKET NO. A-41, SUB 7
FOR THE TEST YEAR ENDED DECEMBER 31, 2009
Breakeven Points for Fare Selection**

ANNUAL PASSES VS. BULK TICKETS

Breakeven Point # of rides - Annual Pass v. Bulk 80

Regular annual pass rate	\$1,850.00
Bulk 80 rate per ticket	\$15.00
# of annual rides must exceed for annual pass to be more economical	<u>123.3</u>

Average number of rides per annual pass 126.0

Breakeven Point # of rides - Annual Pass v. Bulk 40

Regular annual pass rate	\$1,850.00
Bulk 40 rate per ticket	\$17.50
# of annual rides must exceed for annual pass to be more economical	<u>105.7</u>

SENIOR PASSES

Price Point Test for Senior Pass v Bulk 80 (@ average senior usage)

Bulk 80 rate per ticket	\$15.00
Average senior ridership	67
Price where Senior Pass is more economical than Bulk 80	<u>\$1,005.00</u>
Regular annual pass rate	\$1,850.00
Senior discount off regular annual pass required to be economical	45.7%

Breakeven Point # of rides - Bulk 80 v. Senior Pass discount off annual pass rate

Regular annual pass rate	\$1,850.00
Senior pass as % of annual pass	10% discount
Discounted senior pass rate	<u>\$1,665.00</u>
Bulk 80 rate per ticket	\$15.00
# of rides must exceed for discounted senior pass to be more economical	<u>111.0</u>

Average number of rides per senior pass 67.0

Breakeven Point # of rides - Bulk 80 v. Senior Pass discount off annual pass rate

Regular annual pass rate	\$1,850.00
Senior pass as % of annual pass - current discount	50%
Discounted senior pass rate	<u>\$925.00</u>
Bulk 80 rate per ticket	\$15.00
# of rides must exceed for discounted senior pass to be more economical	<u>61.7</u>