

PACIFIC MERCHANT SHIPPING ASSOCIATION
RESPONSES TO PUGET SOUND PILOTS' DATA REQUEST NOS. 180-208

DATE PREPARED:	August 5, 2020	WITNESS:	Capt. Michael Moore, Vice President, PMSA
DOCKET:	TP-190976		
REQUESTER:	Puget Sound Pilots	RESPONDER:	Pacific Merchant Shipping Association, Capt. Michael Moore

PSP Data Request No. 196:

(a) By the testimony in Exh. MM-42T. 32: 17 – 33: 17, does PMSA contend that UTC Staff did not perform an audit of PSP's expenses as a part of this rate proceeding? (b) If PMSA does not so contend, is it PMSA's contention that UTC Staff's audit was insufficient? (c) Identify all critiques of Staff's audit that PMSA is asserting.

PMSA RESPONSE TO PSP DATA REQUEST NO. 196:

- (a) Yes, UTC Staff testimony does not allege to have completed an audit of PSP's expenses, rather the Staff performed a "cost study" as a component of their construction of a pro forma income statement in order to derive a revenue requirement. (Exh. DPK-1T at 6:6-15.)
- (b) Yes, PMSA's recommendation in this rate-hearing is to conduct a Performance Audit of PSP Expenses (Exh. MM-1Tr at 141). In no event is PMSA aware that UTC Staff conducted such an audit.
- (c) Capt. Moore's testimony at Exh. MM-42T at 32:1-33:24 and Exh. MM-1Tr at 141 expounds precisely on the insufficiency in this situation, where the prior BPC ratemaking process never identified or limited expenses to essential activities, therefore resulting in a UTC Staff cost study which PMSA believes is insufficient for determining whether PSP expenses are excessive or essential to the provision of their pilotage services or for the establishment of an expense baseline.