

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,
Complainant,**

v.

**PUGET SOUND PILOTS,
Respondent.**

Docket TP-

**TESTIMONY OF
WELDON T. BURTON, CPA
ON BEHALF OF PUGET SOUND PILOTS**

JUNE 29, 2022

TABLE OF CONTENTS

I. IDENTIFICATION OF WITNESS.....1

II. PURPOSE OF TESTIMONY.....2

III. CONCLUSION.....3

EXHIBIT LIST		
Exhibit No.	Description	Page Referenced
WTB-02	Curriculum Vitae of Weldon T. Burton	1
WTB-03	Puget Sound Pilots 2021 Statement of Operations	3

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2
3 **I. IDENTIFICATION OF WITNESS**

4 **Q: Please state your name, occupation, and business address.**

5 **A:** My name is Weldon T. Burton. I am a certified public accountant licensed in both
6 Washington and Oregon. My business address is 2 S. 56th Pl., Suite 201-E, Ridgefield, WA
7 98642.

8 **Q: Please describe your experience working for entities whose rates are set by the**
9 **UTC.**

10 **A:** I was first licensed as a CPA in Washington in 1975 and subsequently licensed in
11 Oregon in 1992. Shortly after receiving my CPA's license, I began working with logging
12 companies whose log hauling rates were set by the Washington Utilities and Transportation
13 Commission. In the mid-80s, I began working with regulated solid waste collection
14 companies subject to regulation by the UTC. My resume is Exhibit WTB-02.
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17 **Q: Do you have past experience with UTC-regulated companies involved in**
18 **maritime commerce?**

19 **A:** In 2019-20, I presented testimony regarding the regulatory accounting aspects for the
20 Puget Sound Pilots in their first general rate proceeding before the UTC. I have also filed
21 revised tariffs for a commercial ferry company regulated by the UTC and pre-filed testimony
22 in at least three cases where transportation carriers have filed for operating authority in
23 Washington under Title 81 RCW.
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2 **Q: Have you previously presented formal testimony before the UTC?**

3 A: Yes. I have presented testimony in UTC certificate application and rate cases on
4 annual basis dating back to 1984.

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6 **II. PURPOSE OF TESTIMONY.**

7 **Q: Please describe the purpose of your testimony in this proceeding.**

8 A: I am primarily responsible for presenting the regulatory accounting aspects of PSP's
9 rate case. To do so, I worked closely with PSP's regular accountant, Mark Hale, and their
10 auditor, Jessica Norris, of Shannon & Associates.
11

12
13 **Q: What is the primary focus of your testimony in this case?**

14 A: The presentation of the financial results of the Puget Sound Pilots for calendar year
15 2021 in a regulatory accounting format based upon PSP's audited financial statements for that
16 year.
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18
19 **Q: Please describe the accounting methodology that is commonly used by pilot
20 groups in the United States including PSP.**

21 A: PSP's financial statements are prepared on a modified accrual basis, rather than
22 Generally Accepted Accounting Principles (GAAP). This method is utilized by pilot
23 organizations like PSP, which is an unincorporated association of pilots that pools expenses
24 and distributes net income in equal shares, because these organizations are treated as
25 partnerships for tax purposes. The Association is responsible for a tax return showing all
26

1 income, expenses and net income distributed to each pilot, but does not pay taxes to IRS or
2 the state of Washington. The PSP tax return includes a K-1 issued to each pilot or pilot entity
3 showing net income, which is then reported on the individual pilot's entity or pilot entity's
4 tax return.

5
6 **Q: What exhibits have you prepared in connection with your testimony on behalf of**
7 **PSP?**

8 A: I have prepared Exhibit WTB-03 which displays the financial results for the Puget Sound
9 Pilots for calendar year 2021 in a regulatory accounting format.
10

11 **III. CONCLUSION.**
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13 **Q: Does this conclude your testimony?**

14 A: Yes.
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