

Exh. MM-4
Docket TP-220513
Witness: Michael Moore

**BEFORE THE STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND PILOTS,

Respondent.

Docket No. TP-220513

**EXHIBIT TO TESTIMONY OF
Captain Michael Moore
ON BEHALF OF
PACIFIC MERCHANT SHIPPING ASSOCIATION**

Callback Worksheet

FEBRUARY 10, 2023

DNI Callback Adjustment for Active, Working Pilots Worksheet*

Commission Order 09,

¶ 238, “PSP’s historical practice has overdistributed revenue during the year of a callback assignment under the assumption that later ratepayers will compensate the organization for this banked overtime. Yet a vessel calling on the Puget Sound pilotage district should not be compelled to pay pilotage rates that include non-working pilots who earned callback days from assignments that may have occurred years earlier.

“Unlicensed” Pilots are “non-working pilots” and should be Eliminated from DNI Adjustment

DNI Adjustment Worksheet

Callbacks in 2021 value per callback day: (PSP Response to UTC Staff DR 17)	\$599 per day
2021 Callbacks “Burned” by “Unlicensed” Pilots: (BPC, Summary of 2021 PSP Monthly Activity Reports)	559 days
Total 2021 Test Year “Callback day” payable to “Unlicensed” pilots: (\$599 per day x 559 days = \$669,682)	(\$334,841)
2021 Test Year, total “Callback day expense payable” Distributed to Pilots as DNI: (Exh. JJN-02 6:13)	\$389,350
Adjustment: Reduce Total Callback DNI by Unlicensed Pilot Distributions:	\$389,350
	- <u>\$334,841</u>
	\$54,509
2021 Active Pilot DNI Adjustment Total: \$54,509	
2021 Active Pilots 49.6 + 1 (President)	
2021 DNI Adjustment per Pilot \$1,077	

Accounting for the Callback Adjustment

This callback adjustment should be added to DNI as a Callback Adjustment to DNI. Because the AAL includes compensation for callbacks, DNI should be Credited by the “Expense” of Callbacks (DNI + Callbacks) and the DNI Deferred Revenue Account should be Debited when the value of an earned callback day is extinguished because a pilot “burns” the day.

Application of Callback Adjustment to DNI for Non-Working Pilots

Calculation of DNI + Callbacks As Adjusted in Adjustment = DNI + \$1,077

* NOTE: PMSA Disagrees with the Characterization of Callback Liabilities as an “Expense” in PSP’s Financials. However, since that is how the PSP Financials have been developed, it is impossible to Ascertain a Proper DNI using the PSP Financials without a proper adjustment for this “Expense.” PMSA waives no arguments by including Callback “Expense” in this and other DNI worksheets.