Exh. SS-8Tr
Docket TP-250574
Witness: Scott Sevall

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, **Complainant,** **v.** **PUGET SOUND PILOTS,** **Respondent.**	**DOCKET TP-250574**

CROSS-ANSWERING TESTIMONY OF

SCOTT SEVALL

STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Distributable Net Income, Number of Pilots, Vessel Projections, Retirement, Revenue Requirement, and Rate Design

February 2, 2026

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LIST OF EXHIBITS

Exh. SS-9r Revised Revenue Requirement

Exh. SS-10r Revised Rate Design

Exh. SS-11r Pilotage Expense Ratio Analysis

Exh. SS-12 Revised Target Assignment

Exh. SS-13r Revised Salary Survey

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Scott Sevall, and my business address is 621 Woodland Square Loop SE, Lacey, WA 98503. My business mailing address is P.O. Box 47250, Olympia, WA 98504-7250. My email address is scott.sevall@utc.wa.gov.

Q. Are you the same Scott Sevall who submitted response testimony in this docket on behalf of Staff on January 2, 2026?

A. Yes.

Q. Have you prepared exhibits in support of your testimony?

A. Yes. I have prepared Exh. SS-9 through Exh. SS-13, described above in my List of Exhibits. I am also providing revised exhibits SS-9r, SS-10r, SS-11r, and SS-13r.

II. SCOPE AND SUMMARY OF TESTIMONY

Q. Please summarize what you will be addressing in your testimony.

A. I will discuss Staff's revised revenue requirement and resulting rate design. I respond to PMSA's testimony regarding number of pilots to fund, vessel traffic, distributable net income, and retirement.

Q. Please summarize Staff's recommendations.

A. Staff recommends an additional annual revenue of ~~1,808,542~~1,958,415 (4.~~63~~ percent), which results in a revenue requirement of $~~45,506,661~~45,656,535. Staff also recommends the Commission fund 56 number of pilots with a DNI of $~~517,212~~524,069 ~~-~~and set that DNI as the benchmark going forward. Staff also recommends that the Commission require the Pilots to contribute 33 percent of the pension cost, or $2,245,503, and adopt Staff's proposed rates based on Staff's recommended revenue requirement and projected vessel traffic.

A. Revenue Requirement Formula

Q. Have you read the Pacific Merchant Shipping Association (PMSA) testimony regarding their proposed revenue requirement formula?

A. Yes. Captain Mike Moore testified to this.

Q. Does Staff have any concerns with the revenue requirement formula proposed by PMSA?

A. No. Witness Moore testifies to the same revenue requirement formula that Staff recommends.[1] Both PMSA and Staff currently oppose the addition of an operating margin to the revenue requirement formula.

Q. Is Staff's recommendation to the Commission unchanged?

[1] Moore, Exh. MM-1T at 40:11-13.

A. Yes. The Commission should set rates using the equation:

Revenue requirement = Expenses + Depreciation + Interest + TDNI

B. Number of Pilots to Fund

Q. Have you read PMSA's testimony regarding their proposed number of pilots to fund?

A. Yes. Captain Mike Moore testified to this.

Q. Do Staff have any concerns with the number of pilots PMSA recommend the Commission fund?

A. No. Witness Moore recommends funding 56 pilots and employing the same floor and ceiling framework that Staff did.[2]

Q. What are the parties' recommended number of pilots to fund?

A. The following table shows this.

TABLE 1

Number of Pilots to Fund		
PSP	Staff	PMSA
60	56	56

Q. Did Staff and PMSA calculate the number of pilots to fund the same way?

[2] Moore, Exh. MM-1T at 82:15-19.

A. The parties' basic formulas were similar if not the same, but some inputs, like vessel traffic, differed. However, the result and conclusion were the same. PMSA uses the most recent 12 months of assignment data, so I have updated my calculation; the update does not change Staff's recommendation. This is shown in exhibit SS-12.

Q. Do Staff maintain its original recommendation?

A. Yes. The Commission should fund the actual number of pilots, which is 56 according to the record so far. If the actual number of pilots were to change between now and the issuance of the final order, the Commission should adjust the number of funded pilots.

C. Distributable Net Income (DNI)

Q. Have you read the PMSA's testimony regarding their proposed DNI?

A. Yes. Captain Mike Moore testified to this.

Q. Do you have any concerns with the DNI that PMSA recommends the Commission fund?

A. Yes. The method employed by PMSA uses actual, historical DNI which is adjusted for medical, callback, and inflation expenses. However, the historical input used is based on the results from the DNI authorized prior to TP-220513.[3] Doing this ignores the Commission's decision in TP-220513, which determined a target DNI of

[3] Moore, Exh. MM-29.

$475,733, as PMSA is using DNI results which were determined prior to TP-220513.[4] This is why PMSA is recommending a lower TDNI than the Commission authorized in TP-220513, while recommending the Commission fund the same number of pilots at 56.[5] This is also illustrated in SS-1T Table 2 and why I testified that I do not believe using the historical average of DNI is appropriate to set DNI.[6]

Q. Do you believe the DNI approved by the Commission in this case could be lower than was previously approved?

A. Yes. If there is compelling evidence that the previous amount approved by the Commission was too high, then a decision to lower the DNI would be reasonable. However, simply pointing to the result prior to the Commissions' previous decision is not compelling, because the Commission has already addressed this in dockets TP-190976 and TP-220513 and made the determination as to a fair, just, and reasonable DNI. Including a number prior to these decisions would lower the weight of a Commission decision.

Q. Does PMSA provide any analysis which may be compelling to lower DNI?

A. I found the theory Captain Moore applied to his analysis provided in exhibit MM-16 useful as it calculates an income ratio to individuals in the local maritime industry. However, the picture being illustrated by exhibit MM-16 is incomplete as it is missing information for the years 2023 through 2025. This ratio analysis prompted

[4] *WUTC v. Puget Sound Pilots*, Docket TP-220513, Order 08, ¶ 32 (Aug.10, 2023) (Final Order 08).
[5] Final Order 08 at ¶ 32; Moore, Exh. MM-31.
[6] Sevall, Exh. SS-1T at 7:13-8:6.

me to try and gain clarity around total distributable net income (TDNI) by providing an expense ratio analysis of other pilotage grounds.

Q. How could expenses be added to the record regarding Total Distributable Net Income?

A. Because TDNI is part of the equation we are solving in every pilotage case that has been filed with the Commission.[7]

Revenue requirement = Expenses + Depreciation + Interest + TDNI

If the above formula is true, then we can solve for TDNI:

TDNI = Revenue Requirement – (Expenses + Depreciation + Interest).

Q. How do you propose to solve TDNI if we have not determined a revenue requirement?

A. I do this in SS-11 and rely on historical financial information taken from RLS-04 and other public financial information I found. I use the financial information to determine the relationship between revenue and expenses by calculating a revenue expense ratio. By doing this I can determine the average revenue to expense ratio across multiple pilotage grounds, calculate an average expense ratio, and calculate a standard deviation to help define a reasonable range.

Q. What advantages does this analysis provide?

[7] Final Order 08 at ¶ 3.

A. First, it takes the focus off "what an individual pilot made". Second, no inflation, cost of living, or workload adjustments are needed. Third, the ratio also appears to be relatively stable from year to year for each pilotage ground. For example, the Columbia River Pilots had an expense ratio of 34.33 percent in 2023 and an expense ratio of 33.78 percent in 2024.[8] In this same time the pilots earned drastically different DNIs, $527,435 in 2023 and $681,595 in 2024.[9] And another pilotage ground indicates the ratio is stable over even longer periods of time. In 2023 and 2024, the San Francisco Bar Pilots had expense ratios of 34.45 percent and 40.56 percent, respectively; the same pilotage group had expense ratios of ~~39.02~~38.54 percent and ~~34.88~~36.75 percent in 201~~23~~ and 201~~34~~, respectively.[10] The reason the expense ratio can hold steady even with large changes in DNI is because revenue and expenses are related. Meaning if more revenue is generated then more expenses would be incurred to provide service (assuming the increased revenue did not result solely from a rate increase). Furthermore, it appears the expense ratio is steady through time.

Q. What disadvantages does this analysis have?

A. The main disadvantage is that you still must adjust the financial information so the calculated expense ratios can be compared. In my analysis I tried to adjust medical, callback, and retirement to match the current Commission standard for what is allowed in expenses. However, there are financial statements I reviewed which lack

[8] Sevall, Exh. SS-11 Sch. 11.2.
[9] Sisung, Exh. RLS-04 at page 127.
[10] Sevall, Exh. SS-11 Sch. 11.2.

clarity. When I did not explicitly see the item to adjust, I did not adjust for it.

Q. What did your analysis conclude?

A. My analysis concluded that the average industry expense ratio is 40.7~~43~~ percent with a standard deviation of 11.6~~24~~ percent. Using one standard deviation plus/minus of the mean results in a reasonable range of 29.~~12~~09 percent to 52.37 percent. The table below illustrates how the reasonable range would affect the 2024 PSP financials.

TABLE 1

	Industry Average Expense Ratio	Calculated Expenses	Calculated TDNI	Number of Pilots	DNI
Industry Average Expense Ratio	40.71%	$ 17,771,195	$ 25,878,819	56.5	$ 458,032.19
Industry Average Expense Ratio plus one standard Deviation	52.35%	$ 22,851,454	$ 20,798,560	56.5	$ 368,116.11
Industry Average Expense Ratio minus one standard Deviation	29.07%	$ 12,690,937	$ 30,959,077	56.5	$ 547,948.27
Actual Expense Ratio	40.37%	$ 17,621,855	$ 26,028,159	56.5	$ 460,675.38

	Industry Average Expense Ratio	Calculated Expenses	Calculated TDNI	Number of Pilots	DNI
Industry Average Expense Ratio	40.74%	$ 17,784,999	$ 25,865,015	56.5	$ 457,787.88
Industry Average Expense Ratio plus one standard Deviation	52.37%	$ 22,858,221	$ 20,791,793	56.5	$ 367,996.33
Industry Average Expense Ratio minus one standard Deviation	29.12%	$ 12,711,776	$ 30,938,238	56.5	$ 547,579.43
Actual Expense Ratio	40.37%	$ 17,621,855	$ 26,028,159	56.5	$ 460,675.38

Q. Does this analysis change Staff's recommendation?

A. Yes. Staff recommends that the Commission determine a reasonable TDNI based on multiple analyses. Staff initially recommended a range of DNI between $~~486,475~~500,559 to $814,308.[11] However, that range should be analyzed against a reasonable expense ratio. As shown in Table 1 that would result in a range for 2024 of $368,116 to $547, 948. Table 2 shows the result.

[11] Sevall, Exh. SS-13 (Sch. 13.3 DNI) (simple average was calculated as $643,855 with a standard deviation of $170,453).

TABLE 2

			Reasonable Range			
Expense Ratio Range	$	368,116			$ 547,948	
Salary Survey Range			$ 486,475			$ 814,308
			$ 486,475	to	$ 547,948	

			Reasonable Range			
Expense Ratio Range	$	367,996			$ 547,579	
Salary Survey Range			$ 500,559			$ 814,308
			$ 500,559	to	$ 547,579	

Q. Does Staff provide a specific DNI from within that revised reasonable range?

A. Yes. Based on the range shown in Table 2, Staff recommends (~~486,475~~500,559 + ~~547,948~~547, 579)/2 = $~~517,212~~524,069 as it is the middle of the reasonable range. While taking multiple analyses may seem like comparing apples and oranges, this approach is reasonable as analyzing the same or similar proxy groups using different mathematical techniques is common practice at the Commission when the Commission determines a reasonable range for return on equity.[12] For example, when determining the appropriate return on equity in utility cases, the Commission frequently uses the results from multiple types of analysis (such as discounted cash flow, comparable earnings, risk premium, and capital asset pricing model analyses). [13]

With that said, there are expenses being contested in the current case. Depending on how the Commission decides contested expenses, Staff would encourage the Commission to evaluate the expense ratio resulting from their decision to make sure the ratio stays within the reasonable range.

[12] UW-240151 Final Order 08 para 56.
[13] *WUTC v. Avista Corp.*, Dockets UE 170485, UG-170486, UE-171221, and UG-171222, Order 7/2/2, at ¶ 60 (Apr. 26, 2018).

Q. Staff originally recommended that the Commission declare its decision as a benchmark. Does Staff maintain that recommendation?

A. Yes. Staff recommends that the Commission set its DNI decision as a benchmark and dictate the way the DNI benchmark will be updated for the next five years. As to that latter point, Staff recommends the increases to the benchmark be tied to the percentage of change relating to the average weekly earnings for the most recent 12 months as published by the U.S. Bureau of Labor Statistics in their reported Current Employment Statistics (CES).[14] Staff makes this benchmarking proposal because DNI has taken significant resources to determine in the first three cases, and the evidence used in the three litigated pilotage cases have overlapped and I don't see significant changes being reported. Staff does not intend this benchmark to preclude parties from proposing an alternative to the benchmark. But the benchmark should provide notice to all parties that any such proposal would need to have new and compelling evidence to justify it. The Commission should make clear that any costs associated with a proposal that does not result in changes to the benchmark may be found imprudent.

D. Retirement

Q. Have you read the PMSA's testimony regarding retirement?

A. Yes. Captain Mike Moore and Ms. Susan Katz Holman testified to this.

[14] Employment and Earnings Summary Table B.

Q. Do you have any concerns about Ms. Susan Katz Holman's testimony?

A. I do not have concerns about any topics that Ms. Holman discusses. However, I am concerned that PMSA and PSP are both hiring lawyers as consultants in this case. Final Order 09 required PSP to find a mutually agreed upon party to facilitate workshops and come to agreement on how to transition from the PayGo retirement plan.[15] Five years and two additional rate cases later, the parties have their own retirement specialists. This was not the intent of the Commission in ordering facilitated workshops.

Staff recommends that the Commission again require both parties to find an agreeable third party to facilitate forward movement in transitioning to a new retirement system. In addition, the Commission should require the parties to, within 90 days of the final order in this matter, provide the name of the party facilitator and a preliminary schedule of workshops. If the parties fail to do this then the Commission should assign an administrative law judge to arbitrate the identity of the third party facilitator and determine the preliminary schedule of workshops.

Q. Do you have any concerns about Captain Mike Moore's testimony?

A. Yes.

Q. What specific concerns do you have?

A. I have concerns that PMSA is trying to implement a retirement solution without stakeholder agreement. PMSA's proposal simply stops all funding of the PayGo

[15] *Wash. Utils. & Transp. Commission v. Puget Sound Pilots*, Docket TP-190976, Order 09, ¶ 192 (Nov. 25, 2020).

retirement and proposes an "employer match".[16] While I agree the future retirement plan adopted by PSP might be a defined contribution plan instead of a defined benefit plan, there will have to be a transition from the current plan to the future plan. It is not reasonable for the Commission to cut all funding to the current plan immediately. However, the need to have a transition plan highlights how important it is that both PSP and PMSA work together outside of an adjudicated case with a third-party facilitator to come to a formal agreement on what the future retirement is and how to transition.

Q. Has Staff changed its recommendation regarding retirement?

A. No. Staff maintains its original recommendation of disallowing 33 percent of the current PayGo liability, $2,245,503. But Staff adds to that recommendation the additional proposal discussed above: the Commission should require the parties to find an agreeable third party facilitator and report to the Commission within 90 days of the final order in this case letting the Commission know who they have selected and a preliminary schedule of workshops. If the parties fail to do this then the Commission should assign an administrative law judge to arbitrate the identity of the third-party facilitator and determine the preliminary schedule of workshops. Parties should be instructed to attempt to agree on what the future retirement system is and how to make the transition.

Q. Can you clarify why Staff's adjustment removes 33 percent of the current

[16] Moore, Exh. MM-1T at 11:6-11.

retirement liability?

A. Yes. My exhibit SS-6 discusses how retirement plans are funded. When retirement accounts are invested most of the current liability or obligated payout each year would come from interest or market returns. The returns on the funds contributed from prior years mean that neither the employer nor the employee must contribute as much to cover the current liability. This is why employees can contribute about 5 percent of their pay and employers contribute similarly. PayGo retirement does not have market returns. This is the system the Pilots still currently have and why it is considered expensive and risky. Currently the Tariff, which serves as the "employer" in this case, is funding the PayGo obligation minus any amount the Commission would disallow. My recommendation is that the Tariff should supply 2 cents for every 1 cent contributed by the employee (the pilot). Below, in table 3, is an example of the difference between what the employee would fund if the pension was a traditional funded pension which had market returns, and the current PayGo.

TABLE 3

	Current Liability	Market Return	Amount Covered by Contributions	Employee Contribution	Employeer Contribution
	100%	63%	37%	12%	25%
Funded	$ 6,804,555	$ 4,286,870	$ 2,517,685	$ 830,836	$ 1,686,849
	100%	0%	100%	33%	67%
PayGo	$ 6,804,555	$ -	$ 6,804,555	$ 2,245,503	$ 4,559,052

Given that the Pilots are the owners, and that they made the decision to implement and maintain a risky pension system, they should share in the risk and expense of their decision. Staff, accordingly, maintain its recommendation that the Commission disallow 33 percent of the PayGo liability for an adjustment that totals a reduction of -$2,245,503.

E. Vessel and Assignment Projections

Q. Have you read the PMSA's testimony regarding retirement?

A. Yes. Captain Mike Moore and Captain John Veentjer testify to this.

Q. Do you have any concerns with the testimony regarding vessel projections?

A. No. Captain John Veentjer provided good insight into the vessel traffic in the Puget Sound during the last few decades, and Captain Mike Moore discusses his frustration with PSP's vessel projections, particular with the lack of clarity in how PSP calculated them and the use of outdated information. Mr. Moore then gives a recommendation regarding vessel traffic and projects an assignment level for 2026.

Q. Is PMSA's recommendation different than what PSP proposed?

A. Yes. PMSA proposes to forecast assignments for 2026, using a trendline from the historical data provided by the marine exchange and applying it to the recent 12 months of pilot assignments to estimate assignments of 6,962 for 2026.

Q. Do you agree with PMSA's trend analysis projecting assignments?

A. Yes. This is very similar to the approach I used in TP-190976 with the Vessel Entry and Transit Report (VEAT Report) published by Washington Department of Ecology.[17]

[17] *Wash. Utils. & Transp. Commission v. Puget Sound Pilots*, Docket TP-190976, Sevall, Exh. SS-1T at 9:8-13 (May 27, 2020).

Q. In the past you provided a vessel projection, why did you not provide one in this case?

A. First, in reviewing the information provided and the current VEAT reports, I found the VEAT reports to be outdated, as the most recent report is from 2024 and PSP filed its case midway through 2025. Second, I was unsure as to how to accurately count articulated barges (ATB) which are accounted for in the VEAT report. Captain Carlson's testimony speaks about a portion of ATB assignments being discontinued.[18] It was not clear how to reconcile the ATB changes with the VEAT reports, especially with the information being two years old.

Q. Did you use the same assignments that PSP used?

A. In my initial price out and rate design I used the same assignments or occurrences presented in exhibit AML-03 sch. 2.02. In my initial calculation of the number of pilots to fund I used the assignments from exhibit IC-14. The reason I used both was that each projection was the most conservative projection in the record for what I was calculating. For example: exhibit IC-14, showed lower assignments than exhibit AML-03, so using exhibit IC-14 to calculate the number of pilots to fund would result in a more conservative number of pilots calculated. Exhibit AML-03 sch. 2.02 had a higher assignment or occurrences, which was more conservative in the price out because it spreads the rate increase across more assignments/occurrences, decreasing the rate impact.

[18] Iverson, Exh. IC-1T at 55:7-9.

Q. What is Staff's recommendation regarding vessel projections?

A Staff revises its recommendation to PMSA's 6,962 assignments. [19] This recommendation will be used in Staff's revised proposed rate design.

F. Revenue Requirement

Q. Have you read the PMSA's testimony regarding revenue requirement?

A. Yes. Captain Mike Moore testifies to this.

Q. Do you have any concerns regarding PMSA's revenue requirement proposal?

A. Yes. Currently PMSA has not made a revenue requirement recommendation. It has testified to individual adjustments.[20] PMSA did provide a comparison table, which I will update as PMSA did not have a position from Staff in their comparison.

TABLE 4

Line No.	Description	PSP Proposal	PMSA Proposal (3 yr)	PMSA Proposal (4 yr)	Staff Proposal
	TARGET DNI PER PILOT, TDNI				
1	Adjusted Test Year DNI	not provided	$468,330	$468,330	Agree with PMSA
2	Average Assignment Level	not provided	137.3	138.5	140.6
3	Rate Year (2026) Vessel Projection	not provided	6962	6962	6962
4	Authorized Funded Pilots	60	56	56	56
5	Authorized/Target Rate Year DNI per Pilot	$729,467	$436,893	$427,286	$ 512,212
6	Total DNI (TDNI)	$43,768,020	$24,466,008	$23,928,016	$ 28,683,872
7	Additional Retirement per Pilot	n/a	$36,000	$36,000	0
8	Total Additional Retirement	n/a	$2,016,000	$2,016,000	0
9	Total DNI + Additional Retirement	$43,768,020	$26,482,008	$25,944,016	$ 28,683,872
	REVENUE REQUIREMENT CALCULATION				
10	Pro Forma Results of Operations	n/a due to Op Margin	[PMSA: TBD]	[PMSA: TBD]	$ 44,570,677
11	**TDNI or TDNI + Retirement**	$43,768,020	$26,482,008	$25,944,016	$ 28,683,872
12	Revenue Increase (Before Gross-Up)	n/a due to Op Margin	[PMSA: TBD]	[PMSA: TBD]	$ 920,662
13	Gross-Up Factor	0.9782	0.9782	0.9782	Grossed up for B&O of 2.1%
14	Additional Annual Revenue Requirement	n/a due to Op Margin	[PMSA: TBD]	[PMSA: TBD]	$ 1,808,542
15	Current Authorized Revenue	$41,991,181	[PMSA: TBD]	[PMSA: TBD]	$ 43,650,015
16	Total Rate Year Authorized Revenue	$67,198,849			$ 45,506,661
17	Percentage Increase	60%	%	%	4.3%

[19] Moore, Exh. MM-1T at 141:16-21.
[20] Moore, Exh. MM-1T at 194:7-19.

Line No.	Description	PSP Proposal	PMSA Proposal (3 yr)	PMSA Proposal (4 yr)	Staff Proposal
	TARGET DNI PER PILOT, TDNI				
1	Adjusted Test Year DNI	not provided	$468,330	$468,330	Agree with PMSA
2	Average Assignment Level	not provided	137.3	138.5	140.6
3	Rate Year (2026) Vessel Projection	not provided	6962	6962	6962
4	Authorized Funded Pilots	60	56	56	56
5	Authorized/Target Rate Year DNI per Pilot	$729,467	$436,893	$427,286	$ 524,069
6	Total DNI (TDNI)	$43,768,020	$24,466,008	$23,928,016	$ 29,347,873
7	Additional Retirement per Pilot	n/a	$36,000	$36,000	0
8	Total Additional Retirement	n/a	$2,016,000	$2,016,000	0
9	Total DNI + Additional Retirement	$43,768,020	$26,482,008	$25,944,016	$ 29,347,873
	REVENUE REQUIREMENT CALCULATION				
10	Pro Forma Results of Operations	n/a due to Op Margin	[PMSA: TBD]	[PMSA: TBD]	$ 44,717,468
11	**TDNI or TDNI + Retirement**	$43,768,020	$26,482,008	$25,944,016	$ 29,347,873
12	Revenue Increase (Before Gross-Up)	n/a due to Op Margin	[PMSA: TBD]	[PMSA: TBD]	$ 939,067
13	Gross-Up Factor	0.9782	0.9782	0.9782	Grossed up for B&O of 2.1%
14	Additional Annual Revenue Requirement	n/a due to Op Margin	[PMSA: TBD]	[PMSA: TBD]	$ 1,958,415
15	Current Authorized Revenue	$41,991,181	[PMSA: TBD]	[PMSA: TBD]	$ 43,650,015
16	Total Rate Year Authorized Revenue	$67,198,849			$ 45,656,535
17	Percentage Increase	60%	%	%	4.6%

Q. What is Staff's recommended revenue requirement?

A. Staff recommends a revenue requirement of $~~45,506,661~~45,656,535, which represents an annual revenue increase of $~~1,808,542~~1,958,415, a 4.~~63~~ percent increase. This recommendation is the result of funding 56 pilots at Staff's recommended DNI of $~~517,211.50~~524,069, and the cumulation of adjustments which Ms. VanMeter and I testify to as shown in my exhibit SS-9r.

G. Rate Design

Q. Have you read the PMSA's testimony rate design requirement?

A. No, PMSA has not provided a rate design.

Q. Do you have any revisions to Staff's original rate design proposal?

A. Yes. Based on Staff's revised revenue requirement of $~~45,506,661~~45,656,535 and

adopting PMSA's assignments of 6,962. Staff has revised its proposed rate design. The revised rates are calculated in exhibit SS-10r and shown below.

TABLE 5

Item	*Service*	*Current Rate*	*PSP Proposed*	*Staff Proposed*
300	**Inter-Harbor Vessel Movements**			
	Gross Tonnage Charge			
	< 2,000 tons	846.00	$ 1,288.46	$ 929.88
	> 2,000 tons & < 20,000 tons	1,694.04	$ 2,580.02	$ 1,862.00
	> 20,000 tons & < 50,000 tons	0.07880	0.12001	0.08661
	> 50,000 tons & < 100,000 tons	0.07280	0.11087	0.08002
	> 100,000 tons	0.06690	0.10189	0.07353
	Service Time Charge (STC)			
	< 2,000 tons	156.32	$ 238.08	$ 171.82
	> 2,000 tons	293.91	$ 447.62	$ 323.05
310	**Harbor Shifts**			
	< 2,000 tons	726.00	$ 1,105.70	$ 797.98
	Vessels < 231.65 meters length	1,451.20	$ 2,210.18	$ 1,595.09
	Vessels > 231.65 meters length	1,694.04	$ 2,580.02	$ 1,862.00
	Service Time Charge (STC)			
	< 2,000 tons	156.32	$ 238.08	$ 171.82
	> 2,000 tons			
320	**Additional Pilot Charge**	-		
330	**Pilot Boat Charge/Port Angeles Expense Charge**	348.00	$ 700.00	$ 659.73
340	**Transportation Charge**	168.20	$ 233.93	$ 205.78
350	**Cancellation Charge**	1,694.04	$ 2,580.02	$ 1,862.00
360	**Delay, Detention, Stanby & Other**	293.91	$ 447.62	$ 323.05
	Delay			
	Standby			
	Detention			
	OtherDelay			
	Other Delay|Detention|Standby			
370	**Other Service Charges**			
	Dead Ship Charge			
	Carried Out of District Charge	1,000.00	$ 1,523.00	$ 1,099.15
	Charge for Additional Services Requested	293.91	$ 447.62	$ 323.05
380	**Special Surcharges**			
	BPC Training Stipend	19.00	$ 23.00	$ 23.00
	Capital Recovery Charge		$ 75.00	

Item	*Service*	*Current Rate*	*PSP Proposed*	*Staff Proposed*
300	**Inter-Harbor Vessel Movements**			
	Gross Tonnage Charge			
	< 2,000 tons	846.00	$ 1,288.46	$ 933.32
	> 2,000 tons & < 20,000 tons	1,694.04	$ 2,580.02	$ 1,868.90
	> 20,000 tons & < 50,000 tons	0.07880	0.12001	0.08693
	> 50,000 tons & < 100,000 tons	0.07280	0.11087	0.08031
	> 100,000 tons	0.06690	0.10189	0.07381
	Service Time Charge (STC)			
	< 2,000 tons	156.32	$ 238.08	$ 172.46
	> 2,000 tons	293.91	$ 447.62	$ 324.25
310	**Harbor Shifts**			
	< 2,000 tons	726.00	$ 1,105.70	$ 800.94
	Vessels < 231.65 meters length	1,451.20	$ 2,210.18	$ 1,600.99
	Vessels > 231.65 meters length	1,694.04	$ 2,580.02	$ 1,868.90
	Service Time Charge (STC)			
	< 2,000 tons	156.32	$ 238.08	$ 172.46
	> 2,000 tons			
320	**Additional Pilot Charge**	-		
330	**Pilot Boat Charge/Port Angeles Expense Charge**	348.00	$ 700.00	$ 659.73
340	**Transportation Charge**	168.20	$ 233.93	$ 205.78
350	**Cancellation Charge**	1,694.04	$ 2,580.02	$ 1,868.90
360	**Delay, Detention, Stanby & Other**	293.91	$ 447.62	$ 324.25
	Delay			
	Standby			
	Detention			
	OtherDelay			
	Other Delay|Detention|Standby			
370	**Other Service Charges**			
	Dead Ship Charge			
	Carried Out of District Charge	1,000.00	$ 1,523.00	$ 1,103.22
	Charge for Additional Services Requested	293.91	$ 447.62	$ 324.25
380	**Special Surcharges**			
	BPC Training Stipend	19.00	$ 23.00	$ 23.00
	Capital Recovery Charge		$ 75.00	

Q. Does this conclude your testimony?

A. Yes.