Exh. MM-36r
Docket TP-250574
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-250574

EXHIBIT TO TESTIMONY OF

Captain Michael Moore

ON BEHALF OF

PACIFIC MERCHANT SHIPPING ASSOCIATION

Additional Revenue Requirement Positions Comparison Chart

~~**January 2, 2026**~~

Revised March 6, 2026

Corrected cells D14 and E14

Comparison of Party Positions - Summary Chart (1/2/2026)

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	[Staff: TBD]
2	Average Assignment Level	not provided	137.3	138.5	[Staff: TBD]
3	Rate Year (2026) Vessel Projection	not provided	6972	6972	[Staff: TBD]
4	Authorized Funded Pilots	60	56	56	[Staff: TBD]
5	Authorized/Target Rate Year DNI per Pilot	$729,467	$436,893	$427,286	[Staff: TBD]
6	Total DNI (TDNI)	$43,768,020	$24,466,008	$23,928,016	[Staff: TBD]
7	Additional Retirement per Pilot	n/a	$36,000	$36,000	[Staff: TBD]
8	Total Additional Retirement	n/a	$2,016,000	$2,016,000	[Staff: TBD]
9	Total DNI + Additional Retirement	$43,768,020	$26,482,008	$25,944,016	[Staff: TBD]
	REVENUE REQUIREMENT CALCULATION				
10	Pro Forma Results of Operations	n/a due to Op Margin	[PMSA: TBD]	[PMSA: TBD]	[Staff: TBD]
11	**TDNI or TDNI + Retirement**	$43,768,020	$26,482,008	$25,944,016	[Staff: TBD]
12	Revenue Increase (Before Gross-Up)	n/a due to Op Margin	[PMSA: TBD]	[PMSA: TBD]	[Staff: TBD]
13	Gross-Up Factor	0.9782	0.9782	0.9782	0.9782
14	Additional Annual Revenue Requirement	n/a due to Op Margin	[PMSA: TBD]	[PMSA: TBD]	[Staff: TBD]
15	Current Authorized Revenue	$41,991,181	[PMSA: TBD]	[PMSA: TBD]	[Staff: TBD]
16	Total Rate Year Authorized Revenue	$67,198,849			
17	Percentage Increase	60%	%	%	%

Notes:

This summary follows the Commission's requirement in Order 08, ¶ 65.

Formula per Order 08, Attachment A:

- Additional Annual Revenue Requirement = TDNI – Pro forma Results of Operations × Gross-up Factor
- Percentage Increase = Additional Annual Revenue Requirement / Pro Forma Revenue

Gross-up Factor = 0.9782: Accounting for B&O Tax Liability on Increased Revenue

[PMSA: TBD] in Revenue Requirement Calculations reflects its final decision on expenses is pending Staff Testimony and Cross-Answering Testimony.

PSP's Actual Proposal using the Operating Margin renders the Attaachment A structure imperfect, because PSP creates new "below the line" accounting.

For example, ProForma Results of Operations= ($1,808,153) AML-03, Sch. 1.2, Row 96, Column "I" does not make sense for Attachment A chart.

For Apples-to-Apples, I used Total Rate Year Authorized Revenue of $67,198,849 from AML-03, Sch. 1.2, Row 109, Column N.

PSP proposes 60% increase using their new "Proposed Method" with 0.88 operating margin

Under the traditional "Current Method" formula from Order 08/09, the increase would be 53.5%

The difference ($2.7M) represents additional revenue from the operating margin concept

Both figures are taken directly from PSP's Exhibit AML-03, Schedule 1.2

PSP Proposal Sources:

Line	Value	Source
4	60 pilots	AML-03, O18
5	$729,467/pilot	AML-03, O17
6	$43,768,020 TDNI	AML-03, O19
15	$41,991,181 current	Order 08, Att. A, Line 67
16	$67,198,849 proposed	AML-03, Row 109, Col N
17	60% increase	Calculated