

**BEFORE THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,
Complainant,

v.

PUGET SOUND PILOTS,
Respondent.

Docket TP-220513

**REBUTTAL TESTIMONY OF
PHILIP ESSEX
ON BEHALF OF PUGET SOUND PILOTS**

MARCH 3, 2023

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1 **I. IDENTIFICATION OF WITNESS**

2 **Q: What is your name and current occupation?**

3 A: My name is Philip Essex, and I am the president of Moorsom Consulting Group, LLC.
4

5 **II. PURPOSE OF TESTIMONY**

6 **Q: Have you reviewed the testimony submitted by Phillip Morrell in this rate case?**

7
8 A: Yes, I have.
9

10 **Q: In Mr. Morrell's testimony, he compares the TEU carrying capacity of TOTE's**
11 **ORCA class ships with that of a container ship of similar GT ITC. Is this an appropriate**
12 **or relevant comparison?**

13 A: In my opinion, Mr. Morrell's comparison is irrelevant to an analysis of the vessels'
14 respective volumetric size and therefore to calculating the appropriate tonnage charge for
15 pilotage. The relative risk of piloting larger vessels is an appropriate basis on which to
16 differentiate pilotage charges according to a vessel's volumetric size (tonnage). As I explained
17 in my prior testimony, GT ITC is the most accurate measure of a vessel's volumetric size. This
18 is true regardless of a particular vessel's TEU or cargo carrying capacity. In other words, the
19 fact that a particular vessel design may allow for greater TEU capacity has no bearing on the
20 ship's volumetric size, which is the relevant proxy for assessing relative risk for the purpose of
21 setting pilotage rates.
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24 In one sense, the results of Mr. Morrell's apples-to-oranges comparison of the cargo
25 carrying capacity of a container ship to TOTE's roll-on/roll-off ("RO/RO") ORCA class ships
26 is not surprising. One would expect that a container ship constructed specifically for the

1 purpose of carrying TEU containers would have greater capacity than a similarly sized RO/RO
2 ship. However, the fact that these two ships have roughly equivalent GT ITC means by
3 definition that they are approximately the same size. Put differently, because pilots pilot the
4 whole ship (not just the cargo space) the most appropriate measure of pilotage is GT ITC
5 which, unlike GRT, does not exempt non-cargo spaces or spaces that are otherwise exempt, for
6 example, based on the inclusion of tonnage openings such as those that are located at the stern
7 of the ORCA class ships' main and second decks.

8
9 **Q: In his testimony, Mr. Morrell characterizes certain “exempted space” aboard the**
10 **ORCA class ships as non-cargo carrying. Do you agree with this characterization?**
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12 A: No, I do not. I have reviewed the ABS regulatory tonnage calculation for the ORCA
13 class ships prepared by D.W. Goebel in September of 2001. Mr. Goebel correctly exempts as
14 “open space” 17,953 tons on the ORCA class vessel’s main deck and an additional 15,050 tons
15 on the second deck. The aggregate total of these spaces – over 33,000 tons – translates into
16 over 3.3 million cubic feet of space that is exempt from GRT and represents the large majority
17 of the difference between the ORCA class vessels’ GRT and GT ITC. Looking at the inboard
18 profile of the vessels for a graphic depiction, it is clear that these two decks comprise
19 approximately half of the vessel’s hull.
20

21 It is inaccurate, however, for Mr. Morrell to suggest or imply that this space is not used
22 for cargo carrying. To the contrary, these two decks represent a substantial portion of the
23 ship’s cargo carrying capacity. In fact, more than 93% of the main deck volume and more than
24 95% of the second deck volume that are exempt from the ORCA class ships GRT, but not
25 GT ITC, are used for cargo carriage. These spaces are exempt from GRT based purely on
26

1 TOTE's use of tonnage openings, which as I described in my initial testimony are commonly
2 used by ship designers to reduce a ship's GRT based on a variety of regulatory advantages to
3 lowering a ship's tonnage. A copy of the relevant excerpt from the ORCA class ships' ABS
4 tonnage calculation with my notation added is attached to my testimony as Exh. PE-09.
5

6 **Q: Does Mr. Morrell's testimony in any way affect your opinion that GT ITC is a
7 more appropriate metric for setting pilotage rates than GRT?**

8 A: Mr. Morrell's testimony has no effect whatsoever on my conclusions. Again, my
9 understanding is that a ship's volumetric size correlates to the relative risk of piloting that ship,
10 which should in turn be reflected in tonnage-based pilotage rates. Proceeding from this
11 premise, it is beyond reasonable dispute that GT ITC is the more appropriate metric because it
12 provides a more consistent and accurate measure of the ship's volumetric size. That is true
13 regardless of a particular ship's cargo carrying capacity.
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17 **III. CONCLUSION**

18 **Q: Does this conclude your testimony?**

19 A: Yes.
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