

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,
Complainant,
v.
PUGET SOUND PILOTS,
Respondent.**

Docket TP-220513

**REBUTTAL TESTIMONY OF
JESSICA J. NORRIS
ON BEHALF OF PUGET SOUND PILOTS**

MARCH 3, 2023

TABLE OF CONTENTS

I. IDENTIFICATION OF WITNESS.....1

II. PURPOSE OF TESTIMONY.....1

III. CONCLUSION.....2

EXHIBIT LIST		
Exhibit No.	Description	Page Referenced
JJN-05	Preliminary partial draft of Puget Sound Pilots 2022 Audit	1

1 **I. IDENTIFICATION OF WITNESS**

2
3 **Q: Please state your name and position for the record.**

4 A: My name is Jessica J. Norris. I am a licensed Washington CPA with Shannon &
5 Associates, LLP.

6 **II. PURPOSE OF TESTIMONY.**

7 **Q: What is the purpose of your testimony?**

8 A: I am providing supplemental testimony regarding the status of the 2022 audit for the
9 Puget Sound Pilots with preliminary information from the draft audit that will be in final form
10 and submitted in advance of the April 5-6 hearing in this case. I am also providing testimony
11 responsive to the PMSA and UTC staff criticism of the inclusion of the expense for callbacks in
12 PSP projected revenue requirement.
13

14
15 **Q: In what form are you submitting a preliminary draft of key information from the**
16 **pending PSP audit?**

17 A: I am submitting three pages from the preliminary draft of the 2022 audit for the Puget
18 Sound Pilots. The three pages are Exh. JJN-05.
19

20
21 **Q: Please describe some of the most important year-end financial information for PSP**
22 **including pilot net income in 2022 and major cost categories including pension, insurances**
23 **and travel expense.**

24 A: With respect to distributable net income for each member of PSP, net income was
25 substantially below the UTC-approved DNI of \$410,075. In 2022, each fulltime pilot of 52.5
26

1 pilots earned \$335,523. In terms of major expenses, retirement costs totaled \$6,002,516, medical
2 insurance costs were \$1,739,895, insurance coverages cost \$204,499 and travel expense and
3 promotion totaled \$1,573,385.
4

5 **Q: What is your response to the testimony of UTC Staff and PMSA witnesses**
6 **criticizing PSP for including its accrued cost of callbacks in 2022 as an expense to be**
7 **recovered in the tariff revenue requirement?**

8 A: I agree that the callback expense should not be part of PSP's revenue requirement funded
9 by the UTC-approved tariff. As noted in my original testimony, PSP was careful to properly
10 implement full accrual method accounting to record callback day liabilities as set out in footnote
11 4 to the 2021 audit. As noted in the testimony of Weldon Burton, it was an inadvertent error on
12 the part of PSP that callback expense was included in the pro forma revenue requirement.
13
14

15 **Q: When do you project that your accounting firm will complete its work on the 2022**
16 **audit for PSP?**

17 A: At present, the bank account reconciliation is nearing completion and some small areas of
18 remaining audit work must be completed before the audit will be finalized. I project that we will
19 be finished with the audit by March 24, 2023 and I will submit that audit with a further
20 supplement to my testimony as soon possible in the month of March.
21
22

23 **III. CONCLUSION**

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

25 A: Yes.
26