



LONG LAW FIRM

BATON ROUGE • WASHINGTON, DC

MELISSA A. PESTALOZZI
MP@LongLaw.com

July 1, 2019

VIA EMAIL ONLY

Mr. Larry E. McNutt, Jr., Administrator
Louisiana Pilotage Fee Commission
Two United Plaza, Suite 702
Baton Rouge, Louisiana 70809

Re: Louisiana Pilotage Fee Commission Docket P06-005
Associated Branch Pilots for the Port of New Orleans, Ex Parte
In Re: Request for Tariff Redesign and for Increase in Allowed Expenses Pursuant
to La. R.S. 34:1122 and for Related Relief (LLF File: 946-000)

Dear Larry:

Enclosed please find the original pre-filed direct testimony of Captain Michael T.D. Miller, Lindsay J. Calub, CPA, MS, and William J. Barta, CPA, regarding the Associated Branch Pilots for the Port of New Orleans' submission of 2018 audited financial statements, pursuant to Order Nos. P06-005 and P16-002.

Should you require any further information regarding this filing, please do not hesitate to contact us.

Sincerely,

LONG LAW FIRM, L.L.P.

David L. Guerry
Jamie Hurst Watts
Melissa A. Pestalozzi

DLG/JHW/MP/dmt

Enclosures

cc: Captain Michael T.D. Miller
Eve Gonzalez

**BEFORE THE
LOUISIANA PILOTAGE FEE COMMISSION**

**ASSOCIATED BRANCH PILOTS
FOR THE PORT OF NEW ORLEANS,
EX PARTE**

DOCKET NO. P06-005

*In Re: Request for Tariff Redesign and for Increase in Allowed Expenses Pursuant to La.
Revised Statute 34:1122 and for Related Relief.*

PRE-FILED DIRECT TESTIMONY

OF

CAPTAIN MICHAEL T.D. MILLER

ON BEHALF OF

**ASSOCIATED BRANCH PILOTS FOR THE PORT OF NEW ORLEANS,
A LOUISIANA PARTNERSHIP**

July 1, 2019

1 **1. Q. Please state your name and business address.**

2 A. Captain Michael T.D. Miller, 3813 N. Causeway Blvd., Suite 100, Metairie,
3 Louisiana 70002.

4
5 **2. Q. Who do you represent and in what capacity?**

6 A. I represent the Associated Branch Pilots for the Port of New Orleans, duly
7 organized pursuant to La. R.S. 34:943 and 34:963 as a Louisiana partnership (hereinafter
8 the “Bar Pilots” or the “Association”). In May 2016, I was elected President of the Bar
9 Pilots. As President, I oversee all operations of our partnership, which currently has 48
10 pilot partners. I am an appointed member of the Louisiana Pilotage Fee Commission
11 representing pilot interests.

12
13 **3. Q. Have you ever submitted testimony to a state regulatory agency before?**

14 A. Yes, I have submitted testimony to the Louisiana Pilotage Fee Commission (“Fee
15 Commission”) in this docket and in Docket Nos. P06-005, P15-007 and P16-002.

16
17 **4. Q. What is the purpose of your testimony in this proceeding before the Fee
18 Commission?**

19 A. The purpose of my testimony in this proceeding is to introduce the Bar Pilots’ 2018
20 year-end audited financial statements and to introduce the other witnesses providing
21 testimony for the Bar Pilots. Fee Commission Order No. P06-005 initially approved an
22 annual true-up mechanism of the Bar Pilots’ projected and actual annual expenses that
23 requires the filing of audited year-end expenses for the preceding year on or about July 1.
24 This expense true-up mechanism was extended pursuant to Fee Commission Order No.
25 P16-002. I will also testify about the variances between the Bar Pilots’ projected and
26 audited expenses for 2018.

27
28
29

1 **5. Q. What is the significance of Order Nos. P06-005 and P16-002?**

2 A. Order No. P06-005 established the mechanism for the annual estimating, recording
3 and accounting of recoverable expenses which has provided transparency and certainty for
4 more than ten years. As stated in response to Question 4, the expense true-up mechanism
5 initially approved in Order No. P06-005 was extended by Order No. P16-002.
6

7 **6. Q. Who else will testify for the Bar Pilots?**

8 A. Lindsay J. Calub, CPA, MS, representing Duplantier, Hrapmann, Hogan & Maher,
9 LLP, the Bar Pilots' independent financial statement auditor, will introduce the
10 Independent Auditor's Report concerning the Bar Pilots' 2018 year-end audited financial
11 statements. William J. Barta, CPA, a regulatory accounting and tariff design expert, will
12 provide testimony as to the appropriateness of the Bar Pilots' decisions and manner of
13 regulatory reporting with respect to their 2018 expenses.
14

15 **7. Q. Please summarize the Bar Pilots' submission of their 2018 year-end audited
16 financial statements.**

17 A. In summary, the Bar Pilots' submission of 2018 year-end audited financial
18 statements is the final step in a series of filings made with respect to their recoverable
19 expenses for 2018. The Bar Pilots first submitted a budget of projected expenses for 2018
20 on November 1, 2017. The Bar Pilots then submitted 2018 year-end, unaudited preliminary
21 financials on February 15, 2019. The Bar Pilots now submit their 2018 year-end audited
22 financial statements, as audited by Duplantier, Hrapmann, Hogan & Maher, LLP, and
23 reviewed by Mr. Barta, which reveal that the Bar Pilots' total expenses were \$24,615 less
24 than their budgeted expenses of \$9,840,822 for a total favorable variance of 0.25%, as
25 described in response to Question 8 below.
26

27 In his Pre-Filed Direct Testimony, Mr. Calub discusses the unmodified audit opinion issued
28 by Duplantier, Hrapmann, Hogan & Maher, LLP, that concludes there are no material
29 misstatements in the Bar Pilots' 2018 year-end financials and that they are correct and
30 accurate. Mr. Barta addresses the effects of the results of the comparison of projected

1 expenses and audited expenses for 2018, and he offers his opinion as to the appropriateness
2 of the Bar Pilots' characterization of the expenses.

3
4 **8. Q. Please describe the variances between the audited expenses for 2018 and the**
5 **projected expenses for 2018. Specifically, which expenses were less than the**
6 **budgeted amount and which exceeded the budgeted amount?**

7 A. As stated above, the Bar Pilots' 2018 actual expenses were less than their projected
8 expenses by \$24,615, resulting in a modest variance of 0.25%. Included in this variance is
9 an unbudgeted Interest Expense totaling \$32,610 related to implementation of the HVAC
10 repair project at the Venice Pilot Station Project. Excluding this Interest Expense, the Bar
11 Pilots' 2018 actual expenses were under budget by \$57,225, or 0.58%.

12
13 In 2018, the Bar Pilots successfully managed expenses related to Continuing Education
14 and Training (savings of \$146,486 or 70%) due to revamped continuing education
15 programs and related arrangements. Additionally, a favorable renewal in early 2018 of
16 property insurance and liability insurance coverages resulted in a decrease of Risk
17 Management and Insurance expenses (savings of \$158,785 or 12%). Professional Dues for
18 the Bar Pilots were reduced during 2018 and thus were less than budgeted (savings of
19 \$50,990 or 26%).

20
21 These favorable variances were offset by some categories with unfavorable variances.
22 Among the primary expense categories that were ultimately more than projected were Pilot
23 Stations, in the amount of \$143,838 or 11.02%. The largest variance under this category
24 was fuel for the generators at the Southwest Pass pilot station. Contributors were increased
25 diesel fuel prices during the year and an additional fuel burn associated with load banking
26 equipment added to the generators to extend their lives. Board and Lodging is up on the
27 cost associated with feeding workers involved in the Venice HVAC Project.

1 Additionally, the Transportation category (an overage of \$56,905 or approximately 20.5%)
2 increased due to moving workers to and from the Southwest Pass Pilot Station Renovation
3 Project and more repositioning runs for pilots to meet the needs of the vessel traffic.
4 Additionally, expenses in the General and Administrative category were also higher than
5 budgeted (an overage of \$24,727 or approximately 12%).
6

7 **9. Q. Is this the final submission by the Bar Pilots with respect to their 2018**
8 **expenses?**

9 A. Yes. Absent further direction from the Fee Commission, this submission of the Bar
10 Pilots' 2018 year-end audited financial statements completes the reporting obligations with
11 respect to recoverable expenses for 2018.
12

13 **10. Q. Will the amount of the over-recovery for the actual expenses incurred during**
14 **2018 be credited to industry and, if so, how?**

15 A. The Bar Pilots' expense true-up mechanism requires a downward adjustment to
16 2020 projected expenses to the extent of any over-recovered expenses for 2018, in this
17 case, in the amount of \$24,615. However, because Order P16-002 expires as of December
18 31, 2019, the Bar Pilots' expense true-up mechanism will expire if not extended.
19

20 **11. Q. Please describe the Pilot Fee Commission Expense Schedule attached to your**
21 **testimony.**

22 A. As recommended by the Uniform Financial Review ("UFR") Committee and
23 approved by the Fee Commission, attached to my testimony as Exhibit MTDM-1 is the
24 Pilot Fee Commission Expense Schedule setting forth the Bar Pilots' 2018 audited
25 expenses in the UFR format.
26
27

1 **12. Q. Do you have any comments related to the Independent Auditor's Report?**

2 A. Yes. In the Notes to Financial Statements, specifically Note 4 concerning the
3 Pension Surcharge Fund, the Bar Pilots' independent financial statement auditor provides
4 an explanation for miscalculated pension payment amounts that resulted in immaterial
5 overpayments to pension recipients and a related immaterial overcharge to industry over a
6 four-year period. This matter was previously addressed in the Bar Pilots' submission of
7 2017 audited financial statements in July 2018. The amount of the miscalculated pension
8 payments to retirees totaled only 1.04% of total pension payments issued during the four-
9 year period. The amounts of overpayments to Bar Pilots retirees have been fully refunded
10 as of June 2019.

11

12 **13. Q. Does this conclude your testimony?**

13 A. Yes.

BEFORE THE
LOUISIANA PILOTAGE FEE COMMISSION

ASSOCIATED BRANCH PILOTS
FOR THE PORT OF NEW ORLEANS,
EX PARTE

DOCKET NO. P06-005

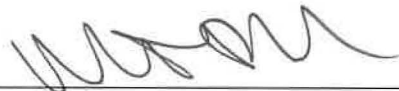
In Re: Request for Tariff Redesign and for Increase in Allowed Expenses Pursuant to La. Revised Statute 34:1122 and for Related Relief.

AFFIDAVIT

STATE OF LOUISIANA

PARISH OF JEFFERSON

I, Captain Michael T.D. Miller, being first duly sworn, state that I have reviewed the above and foregoing testimony, and that the testimony is true and accurate to the best of my knowledge, information and belief.



CAPTAIN MICHAEL T.D. MILLER

SWORN TO AND SUBSCRIBED before me this 25th day of June, 2019.

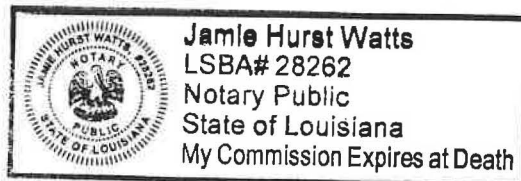


Notary Public

Name: _____

Notary ID/LSBA No. _____

My commission expires _____.





The Associated Branch Pilots
Of The Port Of New Orleans

PRELIMINARY & UNAUDITED

PILOT FEE COMMISSION EXPENSE SCHEDULE
For the Twelve Months Ended December 31, 2018

Category Subcategory	2018 Budget		2018 Actual		Variance		
	Sub-Category Amounts	Category Total	Sub-Category Amounts	Category Total	Sub-Category Amounts	Category Total	% Variance
1. Pilot Compensation		-		-		-	0.00%
2. Employee Salaries, Wages, & P/R Taxes		1,987,400		1,941,844		45,556	2.29%
3. Pensions & Pension Plans		293,000		246,023		46,977	16.03%
a. Pilot pension expense	-	-	-	-	-	-	0.00%
b. Employee pension expense	293,000	-	246,023	-	46,977	-	16.03%
4. Group Hospitalization & Benefits		1,920,426		1,888,143		32,283	1.68%
a. Pilot health insurance and benefits	1,584,000	-	1,643,180	-	(59,180)	-	-3.74%
b. Employee health insurance and benefits	336,426	-	244,963	-	91,463	-	27.19%
c. Retiree health insurance and benefits	-	-	-	-	-	-	0.00%
5. Pilot Stations		1,305,066		1,448,904		(143,838)	-11.02%
a. Fuel for Generators	336,000	-	470,213	-	(134,213)	-	-39.94%
b. Maintenance & Repairs	171,100	-	191,394	-	(20,294)	-	-11.86%
c. Property Taxes	72,900	-	61,495	-	11,405	-	15.64%
d. Services	38,285	-	37,751	-	534	-	1.39%
e. Utilities	90,700	-	88,446	-	2,254	-	2.49%
f. Board & Lodging	440,081	-	494,705	-	(54,624)	-	-12.41%
g. Other	156,000	-	104,900	-	51,100	-	32.76%
6. Administrative Offices		98,460		103,768		(5,308)	-5.39%
a. Rent & Leases	73,860	-	73,560	-	300	-	0.41%
b. Property Taxes	600	-	2,523	-	(1,923)	-	-320.50%
c. Services	-	-	-	-	-	-	0.00%
d. Utilities	24,000	-	27,685	-	(3,685)	-	-15.35%
e. Other	-	-	-	-	-	-	0.00%
7. Vessel Expenses		-		-		-	0.00%
a. Fuel	-	-	-	-	-	-	0.00%
b. Maintenance & Repairs	-	-	-	-	-	-	0.00%
c. Property Taxes	-	-	-	-	-	-	0.00%
d. Operating Costs	-	-	-	-	-	-	0.00%
8. Communications, Dispatch, & IT		685,247		668,342		16,906	2.47%
a. Pilot Laptops	191,470	-	193,442	-	(1,972)	-	-1.03%
b. Other	493,777	-	474,900	-	18,877	-	3.82%
9. General & Administrative		214,200		253,087		(38,887)	-18.15%
10. Continuing Education & Training		209,000		62,514		146,486	70.09%
11. Professional Services		427,496		510,215		(82,719)	-19.35%
a. Legal	102,000	-	292,026	-	(190,026)	-	-186.30%
b. Regulatory	256,496	-	150,027	-	106,469	-	41.51%
c. Accounting & Auditing	59,500	-	48,136	-	11,364	-	19.10%
d. Other	9,500	-	20,026	-	(10,526)	-	-110.80%
12. Professional Dues		198,000		147,010		50,990	25.75%
13. Risk Management & Insurance		1,310,747		1,151,962		158,785	12.11%
a. Property Insurance	958,630	-	897,037	-	61,593	-	6.43%
b. Liability Insurance (includes Pilot License)	231,337	-	193,787	-	37,550	-	16.23%
c. Vessel Hull Insurance	-	-	-	-	-	-	0.00%
d. Other	120,780	-	61,138	-	59,642	-	49.38%
14. Transportation		277,800		334,705		(56,905)	-20.48%
a. Pilot Repositioning	168,000	-	222,025	-	(54,025)	-	-32.16%
b. Other	109,800	-	112,680	-	(2,880)	-	-2.62%
15. Boards of Commissioners & Examiners		61,380		181,482		(120,102)	-195.67%
16. Taxes & Licenses		600		159		441	73.50%
17. Income Taxes		-		-		-	0.00%
18. Rent & Lease Expense		-		-		-	0.00%
19. Interest Expense		-		32,609		(32,609)	100.00%
20. Depreciation Expense		27,000		20,437		6,563	24.31%
21. Extraordinary Items		825,000		825,003		(3)	0.00%
Total		9,840,822		9,816,207		24,615	0.25%

Reconciliation:

Recoverable Expenses from Income Statement	9,753,381
Add: Interest Expense	32,609
Add: Interest Expense (Insurance factoring in Risk Management 13.d)	18,636
Add: Interest Expense (PPU loan interest for Pilot Laptops in 8.a)	11,581
Total Recoverable Expenses	9,816,207
Difference B/W PFC Schedule and Income Statement	(0)

**BEFORE THE
LOUISIANA PILOTAGE FEE COMMISSION**

**ASSOCIATED BRANCH PILOTS
FOR THE PORT OF NEW ORLEANS,
EX PARTE**

DOCKET NO. P06-005

*In Re: Request for Tariff Redesign and for Increase in Allowed Expenses Pursuant to La.
Revised Statute 34:1122 and for Related Relief.*

PRE-FILED DIRECT TESTIMONY

OF

LINDSAY J. CALUB, CPA, MS

ON BEHALF OF

**ASSOCIATED BRANCH PILOTS FOR THE PORT OF NEW ORLEANS,
A LOUISIANA PARTNERSHIP**

July 1, 2019

1 **1. Q. Please state your name and business address.**

2 A. My name is Lindsay J. Calub. My business address is 1615 Poydras Street, Suite
3 2100, New Orleans, Louisiana 70112.

4
5 **2. Q. Who do you represent and in what capacity?**

6 A. I am testifying on behalf of the Associated Branch Pilots for the Port of New
7 Orleans (hereinafter the “Association” or “Bar Pilots”). I am the Managing Partner of
8 Duplantier, Hrapmann, Hogan & Maher, LLP, which was retained by the Bar Pilots in
9 2019.

10
11 **3. Q. What is your educational and professional experience?**

12 A. I graduated from the University of New Orleans in 1982 with a Bachelor of Science
13 Degree in Accounting and again in 1989 with a M.S. in Accounting Taxation. In 1983, I
14 became a Certified Public Accountant and I joined Duplantier, Hrapmann, Hogan &
15 Maher, LLP where I continue to practice and now serve as the Managing Partner.

16
17 **4. Q. Have you ever submitted testimony to a state regulatory agency before?**

18 A. I have not.

19
20 **5. Q. What is the purpose of your testimony in this proceeding before the Fee
21 Commission?**

22 A. As the Bar Pilots’ independent financial statement auditor, Duplantier, Hrapmann,
23 Hogan & Maher, LLP audited the Bar Pilots’ year-end Financial Statements as of
24 December 31, 2018 and issued an Independent Auditor’s Report dated June 21, 2019,
25 which is attached hereto as Exhibit “LJC -1.” The purpose of my testimony is to introduce
26 this report as part of the Bar Pilots’ submission of their 2018 audited financial statements.

27

1 **6. Q. Please summarize the findings determined from the Bar Pilots' 2018 year-end**
2 **audited financial statements.**

3 A. Duplantier, Hrapmann, Hogan & Maher, LLP issued an unmodified opinion in the
4 Independent Auditor's Report dated June 21, 2019 which is the highest level of assurance
5 that an independent financial statement auditor can provide with respect to the
6 management's presentation of its financial statements. This opinion concludes that the
7 financial statements present fairly and in all material respects, the Bar Pilots' financial
8 position and the results of its operations and cash flows in conformity with generally
9 accepted accounting principles ("GAAP").
10

11 **7. Q. Please describe your efforts and methods in reaching the summary described**
12 **above.**

13 A. As stated in the Independent Auditor's Report, Duplantier, Hrapmann, Hogan &
14 Maher, LLP conducted the audit in accordance with the auditing standards generally
15 accepted in the United States. These are the standards promulgated by the American
16 Institute of Certified Public Accountants ("AICPA"). These standards require that
17 reasonable assurance that the financial statements do not have any material misstatements
18 be obtained, that the evidence supporting the financial statements be examined (on a test
19 basis) and that the accounting principles used and applied by management be assessed.
20 These standards have been met, as stated in the Independent Auditor's Report.
21

22 **8. Q. Does this conclude your testimony?**

23 A. Yes.

**BEFORE THE
LOUISIANA PILOTAGE FEE COMMISSION**

**ASSOCIATED BRANCH PILOTS
FOR THE PORT OF NEW ORLEANS,
EX PARTE**

DOCKET NO. P06-005

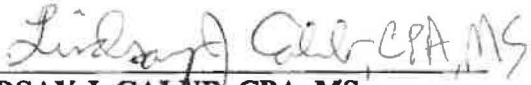
In Re: Request for Tariff Redesign and for Increase in Allowed Expenses Pursuant to La. Revised Statute 34:1122 and for Related Relief.

AFFIDAVIT

STATE OF LOUISIANA

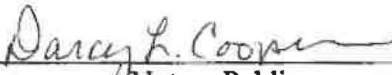
PARISH OF ORLEANS

I, Lindsay J. Calub, CPA, MS, being first duly sworn, state that I have reviewed the above and foregoing testimony, and that the testimony is true and accurate to the best of my knowledge, information and belief.



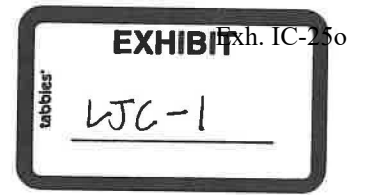
LINDSAY J. CALUB, CPA, MS

SWORN TO AND SUBSCRIBED before me this 25th day of June, 2019.



Notary Public

Name: Darcy L. Cooper
Notary ID/LSBA No. Notary Public ID #87529
My commission expires Louisiana Statewide Jurisdiction
My Commission is for Life



ASSOCIATED BRANCH PILOTS OF THE
PORT OF NEW ORLEANS, LOUISIANA
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

ASSOCIATED BRANCH PILOTS OF THE
 PORT OF NEW ORLEANS, LOUISIANA

REPORT TO INDEX

DECEMBER 31, 2018

	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT	1 - 2
FINANCIAL STATEMENTS:	
CONSOLIDATED BALANCE SHEET.....	3 -4
CONSOLIDATED STATEMENT OF EARNINGS.....	5
CONSOLIDATED STATEMENT OF PILOTS’ EQUITY	6
CONSOLIDATED STATEMENT OF CASH FLOWS.....	7
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	8 - 18



**Duplantier
Hrapmann
Hogan &
Maher, LLP**

INDEPENDENT AUDITOR'S REPORT

Lindsay J. Calub, CPA, LLC
Guy L. Duplantier, CPA
Michelle H. Cunningham, CPA
Dennis W. Dillon, CPA
Grady C. Lloyd, III CPA

June 21, 2019

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA

To the Board of Directors and Pilots
Associated Branch Pilots of the Port
of New Orleans, Louisiana

Michael J. O' Rourke, CPA
David A. Burgard, CPA
Clifford J. Giffin, Jr., CPA
William G. Stamm, CPA

We have audited the accompanying consolidated financial statements of the Associated Branch Pilots of the Port of New Orleans, Louisiana, and subsidiaries, which comprise the consolidated balance sheet as of December 31, 2018, and the related consolidated statements of earnings, pilots' equity, and cash flows for the year then ended, and the related notes to the financial statements.

A.J. Duplantier, Jr., CPA
(1919-1985)

Felix J. Hrapmann, Jr., CPA
(1919-1990)

William R. Hogan, Jr., CPA
(1920-1996)

James Maher, Jr., CPA
(1921-1999)

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

New Orleans
1615 Poydras Street,
Suite 2100
New Orleans, LA 70112
Phone: (504) 586-8866
Fax: (504) 525-5888

Northshore
1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

Houma
247 Corporate Drive
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Napoleonville
5047 Highway 1
P.O. Box 830
Napoleonville, LA 70390
Phone: (985) 369-6003
Fax: (985) 369-9941

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

www.dhhmcpa.com

Members
American Institute of
Certified Public Accountants
Society of LA CPAs

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Associated Branch Pilots of the Port of New Orleans, Louisiana, and subsidiaries as of December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles in the United States of America.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

ASSOCIATED BRANCH PILOTS
OF THE PORT OF NEW ORLEANS, LOUISIANA
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2018

	PILOTS' ACCOUNTS	SWP RENOVATONS S/C FUND	CAPITAL S/C FUND	PENSION S/C FUND
ASSETS				
Current Assets				
Cash	\$ 2,321,602	\$ 868,925	\$ 1,272,393	\$ 1,313,427
Accounts receivable - trade	3,380,608	99,876	79,701	571,853
Due from other funds	28,857	66,648	80,178	377,305
Due from related parties	68,335	-	-	-
Prepaid insurance	261,209	-	-	-
Due from affiliate	127,377	-	-	-
Other current assets	101,608	-	-	-
Total current assets	<u>6,289,596</u>	<u>1,035,449</u>	<u>1,432,272</u>	<u>2,262,585</u>
Property & Equipment				
Buildings & improvements	29,027	-	235,242	-
Furniture, fixtures & equipment	2,564,144	-	1,357,875	-
New SWP barge & improvements	-	8,148,125	5,246,711	-
Accounting & operational software	9,973	-	306,121	-
Land	-	-	-	-
Less: Accumulated Depreciation	(1,390,350)	(1,580,670)	(5,267,676)	-
Net property & equipment	<u>1,212,794</u>	<u>6,567,455</u>	<u>1,878,273</u>	<u>-</u>
Other Assets				
Investments in related party	228,675	-	-	-
Investments in subsidiaries	55,000	-	-	-
Total Assets	<u>\$ 7,786,065</u>	<u>\$ 7,602,904</u>	<u>\$ 3,310,545</u>	<u>\$ 2,262,585</u>

The accompanying notes are an integral part of these financial statements.

VTS S/C FUND	KATRINA S/C FUND	TOTAL ASSOCIATED BRANCH PILOTS	MILE 12 PROPERTIES, LLC	MILE 12 ELECTRONICS, LLC	ELIMINATIONS	TOTAL CONSOLIDATED ENTITY
\$ 4,324	\$ 468,000	\$ 6,248,671	\$ 80,021	\$ 17,529	\$ -	\$ 6,346,221
-	71,958	4,203,996	-	-	-	4,203,996
-	218	553,206	-	-	(553,206)	-
-	-	68,335	-	-	-	68,335
-	-	261,209	92,051	2,253	-	355,513
-	-	127,377	108,173	56,146	(291,696)	-
-	-	101,608	-	246,969	-	348,577
<u>4,324</u>	<u>540,176</u>	<u>11,564,402</u>	<u>280,245</u>	<u>322,897</u>	<u>(844,902)</u>	<u>11,322,642</u>
-	-	264,269	7,530,842	-	-	7,795,111
260,199	-	4,182,218	527,923	-	-	4,710,141
-	-	13,394,836	-	-	-	13,394,836
-	-	316,094	-	-	-	316,094
-	-	-	500,000	-	-	500,000
(260,199)	-	(8,498,895)	(2,745,150)	-	-	(11,244,045)
-	-	9,658,522	5,813,615	-	-	15,472,137
-	-	228,675	-	-	-	228,675
-	301,466	356,466	-	-	(356,466)	-
<u>\$ 4,324</u>	<u>\$ 841,642</u>	<u>\$ 21,808,065</u>	<u>\$ 6,093,860</u>	<u>\$ 322,897</u>	<u>\$ (1,201,368)</u>	<u>\$ 27,023,454</u>

ASSOCIATED BRANCH PILOTS
OF THE PORT OF NEW ORLEANS, LOUISIANA
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2018

	PILOTS' ACCOUNTS	SWP RENOVATONS S/C FUND	CAPITAL S/C FUND	PENSION S/C FUND
LIABILITIES AND PILOTS' EQUITY:				
Current liabilities				
Accounts payable	\$ 160,206	\$ -	\$ -	\$ -
Note payable	295,305	-	-	-
Line of credit	-	-	-	-
Other current liabilities	15,042	-	-	-
Due to pension plan	224,068	-	-	-
Due to other funds	524,349	-	20,000	-
Due to affiliate	115,651	-	-	-
Due to related party	567,382	-	-	-
Current maturities of long-term debt	778,623	533,772	528,830	-
Due to pilots	2,335,580	-	-	-
Total current liabilities	<u>5,016,206</u>	<u>533,772</u>	<u>548,830</u>	<u>-</u>
Long-term debt				
Less: current maturities	1,368,910	6,303,451	-	-
Total Liabilities	<u>6,385,116</u>	<u>6,837,223</u>	<u>548,830</u>	<u>-</u>
Pilots' equity:				
Unrestricted	1,400,949	765,681	2,761,715	2,262,585
Total Pilots' Equity	<u>1,400,949</u>	<u>765,681</u>	<u>2,761,715</u>	<u>2,262,585</u>
Total Liabilities & Pilots' Equity	<u>\$ 7,786,065</u>	<u>\$ 7,602,904</u>	<u>\$ 3,310,545</u>	<u>\$ 2,262,585</u>

The accompanying notes are an integral part of these financial statements.

VTS S/C FUND	KATRINA S/C FUND	TOTAL ASSOCIATED BRANCH PILOTS	MILE 12 PROPERTIES, LLC	MILE 12 ELECTRONICS, LLC	ELIMINATIONS	TOTAL CONSOLIDATED ENTITY
\$ -	\$ -	\$ 160,206	\$ -	\$ 9	-	\$ 160,215
-	-	295,305	-	-	-	295,305
-	-	-	-	75,000	-	75,000
-	-	15,042	-	-	-	15,042
-	-	224,068	-	-	-	224,068
-	-	544,349	-	8,857	(553,206)	-
-	-	115,651	176,045	-	(291,696)	-
-	-	567,382	-	-	-	567,382
-	-	1,841,225	268,733	90,000	-	2,199,958
-	-	2,335,580	-	-	-	2,335,580
-	-	<u>6,098,808</u>	<u>444,778</u>	<u>173,866</u>	<u>(844,902)</u>	<u>5,872,550</u>
-	-	7,672,361	1,092,916	94,031	-	8,859,308
-	-	<u>13,771,169</u>	<u>1,537,694</u>	<u>267,897</u>	<u>(844,902)</u>	<u>14,731,858</u>
4,324	841,642	8,036,896	4,556,166	55,000	(356,466)	12,291,596
4,324	841,642	8,036,896	4,556,166	55,000	(356,466)	12,291,596
<u>\$ 4,324</u>	<u>\$ 841,642</u>	<u>\$ 21,808,065</u>	<u>\$ 6,093,860</u>	<u>\$ 322,897</u>	<u>\$ (1,201,368)</u>	<u>\$ 27,023,454</u>

ASSOCIATED BRANCH PILOTS
OF THE PORT OF NEW ORLEANS, LOUISIANA
CONSOLIDATED STATEMENT OF EARNINGS
DECEMBER 31, 2018

	PILOTS' ACCOUNTS	SWP RENOVATONS S/C FUND	CAPITAL S/C FUND	PENSION S/C FUND
INCOME:				
Pilot fees from the Tariff	\$ 38,747,830	\$ -	\$ -	\$ -
Fees from surcharges	-	953,372	893,700	5,736,722
Total Income	<u>38,747,830</u>	<u>953,372</u>	<u>893,700</u>	<u>5,736,722</u>
EXPENSES:				
Retired pilots' pension expense	-	-	-	5,739,330
Salaries, wages, & P/R taxes	1,946,271	-	-	-
Group insurance & benefits	1,888,144	-	-	-
Legal & professional	494,325	-	-	71,904
Board & lodging	494,705	-	-	-
Repositioning & marine transport	222,025	-	-	-
Insurance & risk management	1,133,326	-	-	-
Continuing education & training	62,514	-	-	-
Depreciation - emergency repair	825,000	-	-	-
Depreciation - other	20,440	603,478	328,074	-
Telephone & utilities	255,357	-	-	-
Maintenance & repairs	388,868	-	-	-
Employees pension	246,023	-	-	-
Dues - professional & trade	147,010	-	-	-
Fuel for generators	470,213	-	-	-
Navigational computers	130,652	-	-	-
Other operating expenses	1,028,508	(2,000)	602	-
Total Operating Expenses	<u>9,753,381</u>	<u>601,478</u>	<u>328,676</u>	<u>5,811,234</u>
NON RECOVERABLE EXPENSES:				
Pilots' pension	1,795,893	-	-	-
Other non recoverable expenses	405,698	-	-	-
Total Expenses	<u>11,954,972</u>	<u>601,478</u>	<u>328,676</u>	<u>5,811,234</u>
OPERATING INCOME (LOSS)	<u>26,792,858</u>	<u>351,894</u>	<u>565,024</u>	<u>(74,512)</u>
OTHER INCOME (EXPENSES):				
Interest & dividend income	-	313	3,975	-
Interest expense	(62,826)	(270,858)	(58,592)	-
Net Other Income (Expenses)	<u>(62,826)</u>	<u>(270,545)</u>	<u>(54,617)</u>	<u>-</u>
NET EARNINGS (LOSS)	<u>\$ 26,730,032</u>	<u>\$ 81,349</u>	<u>\$ 510,407</u>	<u>\$ (74,512)</u>

The accompanying notes are an integral part of these financial statements.

VTS S/C FUND	KATRINA S/C FUND	TOTAL ASSOCIATED BRANCH PILOTS	MILE 12 PROPERTIES, LLC	MILE 12 ELECTRONICS, LLC	TOTAL CONSOLIDATED ENTITY
\$ -	\$ -	\$ 38,747,830	\$ -	\$ -	\$ 38,747,830
-	405,304	7,989,098	-	-	7,989,098
-	405,304	46,736,928	-	-	46,736,928
-	-	5,739,330	-	-	5,739,330
-	-	1,946,271	-	-	1,946,271
-	-	1,888,144	-	-	1,888,144
-	-	566,229	-	-	566,229
-	-	494,705	-	-	494,705
-	-	222,025	-	-	222,025
-	-	1,133,326	-	-	1,133,326
-	-	62,514	-	-	62,514
-	-	825,000	-	-	825,000
-	-	951,992	202,113	-	1,154,105
-	-	255,357	-	-	255,357
-	-	388,868	-	-	388,868
-	-	246,023	-	-	246,023
-	-	147,010	-	-	147,010
-	-	470,213	-	-	470,213
-	-	130,652	-	-	130,652
-	-	1,027,110	1,569	-	1,028,679
-	-	16,494,769	203,682	-	16,698,451
-	-	1,795,893	-	-	1,795,893
-	-	405,698	-	-	405,698
-	-	18,696,360	203,682	-	18,900,042
-	405,304	28,040,568	(203,682)	-	27,836,886
-	-	4,288	-	-	4,288
-	(35,829)	(428,105)	(47,807)	-	(475,912)
-	(35,829)	(423,817)	(47,807)	-	(471,624)
\$ -	\$ 369,475	\$ 27,616,751	\$ (251,489)	\$ -	\$ 27,365,262

ASSOCIATED BRANCH PILOTS
OF THE PORT OF NEW ORLEANS, LOUISIANA
CONSOLIDATED STATEMENT OF PILOTS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

	PILOTS' ACCOUNTS	SWP RENOVATONS S/C FUND	CAPITAL S/C FUND	PENSION S/C FUND
PILOTS' EQUITY - January 1	\$ 733,437	\$ 684,332	\$ 2,085,605	\$ 2,337,097
Prior period adjustment	<u>242,773</u>	<u>-</u>	<u>165,703</u>	<u>-</u>
PILOTS' EQUITY - January 1, as restated	<u>976,210</u>	<u>684,332</u>	<u>2,251,308</u>	<u>2,337,097</u>
Net earnings (loss) for the year	<u>26,730,032</u>	<u>81,349</u>	<u>510,407</u>	<u>(74,512)</u>
Capital contributions	-	-	-	-
Capital contributed by pilots	840,587	-	-	-
Capital distributed to pilots	<u>(840,227)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Capital Contributed	<u>360</u>	<u>-</u>	<u>-</u>	<u>-</u>
Distributions to pilots	<u>(26,305,653)</u>	<u>-</u>	<u>-</u>	<u>-</u>
PILOTS' EQUITY - December 31	<u>\$ 1,400,949</u>	<u>\$ 765,681</u>	<u>\$ 2,761,715</u>	<u>\$ 2,262,585</u>

The accompanying notes are an integral part of these financial statements.

VTS S/C FUND	KATRINA S/C FUND	TOTAL ASSOCIATED BRANCH PILOTS	MILE 12 PROPERTIES, LLC	MILE 12 ELECTRONICS, LLC	ELIMINATIONS	TOTAL CONSOLIDATED ENTITY
\$4,324	\$ 472,167	\$ 6,316,962	\$ 4,500,748	\$ 55,000	\$ (55,000)	\$ 10,817,710
-	-	408,476	5,441	-	-	413,917
4,324	472,167	6,725,438	4,506,189	55,000	(55,000)	11,231,627
-	369,475	27,616,751	(251,489)	-	-	27,365,262
-	-	-	301,466	-	(301,466)	-
-	-	840,587	-	-	-	840,587
-	-	(840,227)	-	-	-	(840,227)
-	-	360	301,466	-	(301,466)	360
-	-	(26,305,653)	-	-	-	(26,305,653)
<u>\$4,324</u>	<u>\$ 841,642</u>	<u>\$ 8,036,896</u>	<u>\$ 4,556,166</u>	<u>\$ 55,000</u>	<u>\$ (356,466)</u>	<u>\$ 12,291,596</u>

ASSOCIATED BRANCH PILOTS
OF THE PORT OF NEW ORLEANS, LOUISIANA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR ENDED DECEMBER 31, 2018

	PILOTS' ACCOUNTS	SWP RENOVATIONS S/C FUND	CAPITAL S/C FUND	PENSION S/C FUND
CASH FLOW FROM OPERATING ACTIVITIES:				
Net earning (loss) for the year	\$ 26,730,032	\$ 81,349	\$ 510,407	\$ (74,512)
Adjust to reconcile net earnings to net cash provided from operations:				
Depreciation	845,440	603,478	328,074	-
(Increase) decrease in current assets				
Accounts receivable	(47,299)	(24,360)	(11,226)	55,252
Due from other funds	(19,965)	44,381	186,600	509,858
Due from related parties	(16,569)	-	-	-
Prepaid insurance	(29,341)	-	-	-
Due from affiliate	(26,089)	-	-	-
Other current assets	(925,910)	-	-	-
Increase (decrease) in current liabilities				
Accounts payable	176,615	-	-	-
Other current liabilities	(43,329)	-	-	-
Due to pension plan	11,904	-	-	-
Due to other funds	524,349	-	20,000	-
Due to affiliate	115,651	-	-	-
Due to related party	36,017	-	-	-
Due to Pilots	238,534	-	-	-
Net cash provided (used) by operations	<u>27,570,040</u>	<u>704,848</u>	<u>1,033,855</u>	<u>490,598</u>
CASH FLOW FROM INVESTING ACTIVITIES:				
Acquisition of property and equipment	-	-	(133,212)	-
Investment in Mile 12 Properties, LLC	-	-	-	-
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>(133,212)</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES:				
Contributions	840,587	-	-	-
Distributions	(27,145,880)	-	-	-
Debt borrowings	432,163	-	-	-
Debt reduction	(260,620)	(514,043)	(537,742)	-
Net cash provided (used) by financing activities	<u>(26,133,750)</u>	<u>(514,043)</u>	<u>(537,742)</u>	<u>-</u>
Net increase (decrease) in cash	1,436,290	190,805	362,901	490,598
Cash, January 1	<u>885,312</u>	<u>678,120</u>	<u>909,492</u>	<u>822,829</u>
Cash, December 31	<u>\$ 2,321,602</u>	<u>\$ 868,925</u>	<u>\$ 1,272,393</u>	<u>\$ 1,313,427</u>

The accompanying notes are an integral part of these financial statements.

VTS S/C FUND	KATRINA S/C FUND	TOTAL ASSOCIATED BRANCH PILOTS	MILE 12 PROPERTIES, LLC	MILE 12 ELECTRONICS, LLC	TOTAL CONSOLIDATED ENTITY
\$ -	\$ 369,475	\$ 27,616,751	\$ (251,489)	\$ -	\$ 27,365,262
-	-	1,776,992	202,113	-	1,979,105
-	(40,596)	(68,229)	-	-	(68,229)
-	46,716	767,590	-	-	767,590
-	-	(16,569)	-	-	(16,569)
-	-	(29,341)	(13,965)	(1,722)	(45,028)
-	-	(26,089)	(2,438)	(41,561)	(70,088)
-	-	(925,910)	-	88,377	(837,533)
-	-	176,615	-	-	176,615
-	-	(43,329)	-	(6,892)	(50,221)
-	-	11,904	-	-	11,904
-	-	544,349	48,668	-	593,017
-	-	115,651	26,089	-	141,740
-	-	36,017	-	-	36,017
-	-	238,534	-	-	238,534
-	375,595	30,174,936	8,978	38,202	30,222,116
-	-	(133,212)	-	-	(133,212)
-	(301,466)	(301,466)	-	-	(301,466)
-	(301,466)	(434,678)	-	-	(434,678)
-	-	840,587	301,466	-	1,142,053
-	-	(27,145,880)	-	-	(27,145,880)
-	-	432,163	-	4,741	436,904
-	-	(1,312,405)	(251,614)	(88,640)	(1,652,659)
-	-	(27,185,535)	49,852	(83,899)	(27,219,582)
-	74,129	2,554,723	58,830	(45,697)	2,567,856
4,324	393,871	3,693,948	21,191	63,226	3,778,365
\$ 4,324	\$ 468,000	\$ 6,248,671	\$ 80,021	\$ 17,529	\$ 6,346,221

ASSOCIATED BRANCH PILOTS OF
THE PORT OF NEW ORLEANS, LOUISIANA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations

Associated Branch Pilots of the Port of New Orleans, Louisiana, and subsidiaries (the Association) is a voluntary association of licensed pilots, commissioned by the State of Louisiana, whose principal purpose is the piloting of deep-draft vessels through all the mouths and passes of the Mississippi River and other areas within jurisdiction of Associated Branch Pilots of the Port of New Orleans.

Principles of Consolidation

The consolidated financial statements include the accounts of the Associated Branch Pilots of the Port of New Orleans, Louisiana (the "Parent") and its wholly-owned subsidiaries: Mile 12 Properties, L.L.C. and Mile 12 Electronics, L.L.C. All material intercompany transactions have been eliminated.

Basis of Accounting

The accounting records of the Association are maintained on the accrual basis of accounting. Revenues are recorded and recognized when earned and expenses are recorded and recognized when incurred.

Accounts Receivable

Management believes that all accounts receivable as of December 31, 2018 are fully collectible; therefore, no allowance for doubtful accounts has been recorded. Uncollectible accounts are written off when they are determined to be uncollectible. The Association has a long history of collection of its accounts receivable with very little write-off.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates that effect the financial statements. Accordingly, actual results could differ from those estimates.

Revenue Recognition

Pilot fee and surcharges are recorded at the time of service (accrual basis) at tariff rates, which are regulated by the Louisiana Pilotage Fee Commission.

ASSOCIATED BRANCH PILOTS OF
THE PORT OF NEW ORLEANS, LOUISIANA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and Equipment

The Association capitalizes all expenditures for property and equipment in excess of \$5,000. Property and equipment are stated at cost. Depreciation is provided for by the straight-line method over the estimated useful lives of the assets.

Building	39 years
Building Improvements	3-15 years
Furniture & Equipment	3-10 years
Barge & Improvements	19-24 years
Financial Software	3 years

Income Taxes

The Association is taxed as a partnership for Federal and Louisiana state income taxes. Therefore, taxable income is allocated to the Pilots individually for income tax purposes. Accordingly, no provision for income taxes has been included in the financial statements.

Cash and Cash Equivalents

For the purpose of preparing the statement of cash flows, currency on hand, deposits, money market accounts and certificates of deposit with maturity of three (3) months or less, are considered cash.

Investments:

Investments in related parties are being accounted for under the cost method. The investments are carried at cost since there are no readily determinable fair market values. Under the cost method, a long-term investment is recorded at cost and carried at that amount until it is sold or otherwise disposed of or until it is written down. A write-down from original cost is appropriate when dividends received represent a liquidating dividend, that is, a dividend received in excess of earnings subsequent to the investment date or when the investment is deemed to be impaired. Otherwise, any dividends received should be recorded as investment income.

Subsequent Events

The subsequent events of the Association were evaluated through the date the financial statements were available to be issued which is June 21, 2019.

ASSOCIATED BRANCH PILOTS OF
THE PORT OF NEW ORLEANS, LOUISIANA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

2. LONG-TERM DEBT:

Capital S/C Fund – SWP Pilot Station

In 2004, the Association completed a new pilot station for Southwest Pass at a cost of \$5,150,000. It was outfitted with equipment costing \$715,000. The new station was placed in service in 2004.

The station is financed by a long-term loan that is serviced locally. The loan is for 15 years with principal and interest paid monthly. The interest rate is a variable market rate capped at 6.6%. This loan is collateralized by the station and its equipment, other buildings and improvements of the Capital Surcharge Fund and an assignment of the capital surcharge revenue. The amount due at December 31, 2018 was \$528,830 and had an interest rate of 3.84%. The loan matures November 2, 2019.

SWP Renovation Fund – Southwest Pass Pilot Station

In October of 2015 the Association commenced a project to renovate and upgrade the pilot station at Southwest Pass. The project has been substantially completed at a cost of \$8.1 million.

Initial financing of the project was provided by a long-term loan from a local bank of \$1,600,000. This loan is for 10 years with principal and interest paid monthly. This loan matures November 15, 2025. Main financing of the project was provided by a long-term bank loan from the same local bank of \$6,420,700. That loan is for 15 years with principal and interest also paid monthly. This loan matures November 15, 2030.

Both of these loans are collateralized by the assignment of the SWP Renovation surcharge that was authorized by the Louisiana Pilotage Fee Commission for the purpose of providing for the debt service. At December 31, 2018 the amount due on the initial loan was \$1,167,880 and the amount due on the main loan was \$5,669,343. Both loans had an interest rate of 3.81% as of December 31, 2018.

Pilots' Accounts – Venice Pilot Station HVAC Emergency Repair Project

In August of 2018, the Association began emergency HVAC repairs at the pilot station in Venice, Louisiana (Mile 12 Properties, LLC). Substantial completion was reached on December 31, 2018, with punch-list follow-up continuing into 2019. The cost of the project, as of December 31, 2018 was \$1,959,888 with additional anticipated invoices from engineers and the contractor totaling \$141,000, including retainage, to be received in 2019. The replacement of the unit was financed by \$2,400,000 in long-term debt.

ASSOCIATED BRANCH PILOTS OF
THE PORT OF NEW ORLEANS, LOUISIANA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

2. LONG-TERM DEBT: (Continued)

Pilots' Accounts – Venice Pilot Station HVAC Emergency Repair Project (Continued)

This emergency repair project is financed by a long-term bank loan that is serviced locally. The loan is for 3 years with principal and interest paid monthly. The loan matures August 2021. The loan is uncollateralized. The amount due at December 31, 2018 was \$2,147,533 and had an interest rate of 3.99%.

Mile 12 Properties, LLC – Venice Pilot Station

In December of 2007, the Association placed in service a new pilot station in Venice, Louisiana (Mile 12 Properties, LLC). The total cost of the facility was \$8,459,312, which includes land costing \$500,000 and furnishings and equipment costing \$479,942. The construction of the station was financed in part by \$3,400,000 in long-term debt.

This station is financed by a long-term bank loan that is serviced locally. The loan is for 15 years with principal and interest paid monthly. The loan matures June 30, 2023. The loan is collateralized by the station, its furniture and equipment, and the Katrina surcharge. The Katrina surcharge was established for the purpose of providing funds for the debt service. The amount due at December 31, 2018 was \$1,361,649, and the interest rate was 3.80%.

Mile 12 Electronics, LLC

The Association borrowed \$280,000 in 2017 to finance the Technology Assets acquired in 2017. The loan is for 36 months with principal and interest paid monthly. The amount due at December 31, 2018 was \$184,031. The loan matures November 1, 2020 and has an interest rate of 4.10%.

The Association had a line of credit with a limit of \$500,000. The line of credit is due upon lender's demand. If no demand is made, the line of credit is due December 31, 2020. At December 31, 2018, the balance due was \$75,000 with an interest rate of 5.25%.

ASSOCIATED BRANCH PILOTS OF
THE PORT OF NEW ORLEANS, LOUISIANA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

2. LONG-TERM DEBT: (Continued)

The following is a summary of future principal maturities:

	Pilots' Accounts	Capital Surcharge	SWP Renovation	Mile 12 Properties, LLC	Mile 12 Electronics, LLC	Total
2019	\$ 778,623	\$528,830	\$ 533,772	\$ 268,733	\$ 90,000	\$ 2,199,958
2020	810,265	-	553,592	287,016	94,031	1,744,904
2021	558,645	-	575,509	306,543	-	1,440,697
2022	-	-	597,601	327,398	-	924,999
2023	-	-	620,541	171,959	-	792,500
Thereafter	-	-	3,956,208	-	-	3,956,208
Total	\$2,147,533	\$528,830	\$6,837,223	\$ 1,361,649	\$ 184,031	\$11,059,266

3. NOTE PAYABLE:

The Association borrowed \$874,000 in April 2018 to pay the annual insurance premiums. The loan is for 12 months with principal and interest paid monthly. The note is due April 20, 2019. At December 31, 2018, the balance due was \$295,305 with an interest rate of 3.80%.

4. RETIREMENT PLAN:

The Association has a qualified retirement plan. This plan provides for a 14% non-elective contribution for pilots and qualified employees, as well as a provision for elective contributions. The Association also has a non-qualified plan for retired pilots, which is funded by a pension surcharge.

Payments to these plans in 2018 were as follows:

	Pilots' Accounts	Pension Surcharge	Total
Qualified Plan - 401 (k)	\$ 1,961,358	\$ -	\$1,961,358
Non-qualified Plan	-	5,739,330	5,739,330
Administrative Costs	61,410	71,904	133,314
Total	\$2,022,768	\$5,811,234	\$7,834,002

ASSOCIATED BRANCH PILOTS OF
THE PORT OF NEW ORLEANS, LOUISIANA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

4. RETIREMENT PLAN: (Continued)

Payments to the qualified plan made on behalf of the pilots and associated administrative costs are classified as non-recoverable expenses.

It was recently discovered that during the past 3 years, pension payment amounts due to pensioners were miscalculated due to human error resulting in a non-material overpayment to pension recipients. This non-material error will be corrected over twelve months commencing June of 2018 by a reduction of payments to pensioners and a corresponding reduction in the Pension Surcharge rate effective July 1, 2018.

5. CONCENTRATION OF CREDIT RISK:

The Association provides services to mostly international vessels. Pilotage services are provided to these vessels on the credit of a local agent designated by the vessel. At December 31, 2018 five (5) of the forty-five (45) agencies constituted 46.49% of the outstanding accounts receivable.

The Association has deposits with their primary banks that exceed the Federal Deposit Insurance Corporation (FDIC) insured limits of \$250,000. At December 31, 2018, the amount of cash on deposit that exceeded the FDIC coverage limits was \$5,968,210.

6. LEASES:

The Association leased an automobile for its president. The amount charged to expense under the lease in 2018 was \$11,647.

The minimum future lease payments for the next five (5) years are as follows:

2019	\$ 14,016
2020	14,016
2021	4,672
2022	-
2023	-
Total	<u>\$ 32,704</u>

ASSOCIATED BRANCH PILOTS OF
THE PORT OF NEW ORLEANS, LOUISIANA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

7. APPROPRIATED FUNDS:

Effective October 1, 1999 the Public Service Commission of the State of Louisiana authorized the Association to collect surcharges for a) capital improvement costs, b) the non-qualified pension plan expense, and c) the expense of participating in the Vessel Trafficking System. Effective August 30, 2006, the Louisiana Pilotage Fee Commission authorized the Association to collect a surcharge for the construction of a new pilot station in Venice, LA to replace the pilot station in Pilottown, Louisiana that was destroyed by Hurricane Katrina. Effective August 28, 2015 the Louisiana Pilotage Fee Commission authorized the Association to collect a surcharge for the renovation and upgrade of the Southwest Pass pilot station.

The Association segregates these surcharge revenues into separate funds: Capital, Pension, VTS, Katrina, and SWP Renovation and appropriates the expenditure of those funds to the purpose for which they were authorized.

Capital Surcharge Fund

The capital surcharge was originally established to provide a source of funds for capital improvements for the Association. These funds were appropriated to fixed asset acquisitions, building improvements, capital repairs, and debt service on money borrowed in conjunction with those acquisitions and improvements. The capital surcharge revenue is currently assigned to the long-term debt of the Capital Surcharge Fund and is expected to remain so for the life of the loan.

Pension Surcharge Fund

The pension surcharge was authorized to provide funds to pay retired pilots under the Association's non-qualified retirement plan. This plan pays retired pilots and certain qualifying widows between 17% and 50% (depending upon date of retirement) of current income per active pilot and as well as health insurance cost. Surcharges are collected to pay current retirement obligations and are adjusted periodically to meet expenditures.

VTS Surcharge Fund

The VTS surcharge was authorized to provide funds to acquire radar equipment and pay other expenses for participating in the Vessel Trafficking System. The Association is not currently incurring expenses involved with the Vessel Trafficking System and therefore is not currently collecting a VTS charge.

ASSOCIATED BRANCH PILOTS OF
THE PORT OF NEW ORLEANS, LOUISIANA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

7. APPROPRIATED FUNDS: (Continued)

Katrina Surcharge Fund

The Katrina surcharge was established to provide funds for the payment of the long-term debt on the Venice pilot station (Mile 12 Properties, LLC) and is currently assigned to that debt service.

SWP Renovation Fund

The SWP Renovation surcharge was established to provide funds for costs incurred and for the payment of the long-term debt incurred for the renovation and upgrade of the Southwest Pass pilot station. The surcharge revenue is currently assigned to the debt service.

8. RELATED PARTY TRANSACTIONS:

The Association members are also owners of a boat launch service company. The launch service company's primary source of revenue is providing launch service for boarding pilots on vessels in transit. Fees for these services are charged by the boat company directly to the vessel through the vessel's agent.

The boat company provides launch services to the Association for pilot repositioning and transportation of pilots, non-pilots and equipment between Venice and Southwest Pass for which it does charge the Association. Charges during the year were \$222,025 for pilot repositioning; \$219,015 for non-pilot transportation; and \$46,800 for transportation associated with pilot station maintenance. These charges were classified as recoverable expenses. Charges for other pilot transportation for the year were \$70,200 were classified as non-recoverable expenses. The amount due from this related party was \$55,106 as of December 31, 2018.

The Association allows the use of its facilities to house boat company personnel through a master service agreement with Maritime Pilots Services, Inc. (MPSI). The Association received \$300,000 under this agreement in 2018 which was classified as a reduction of board and lodging expense.

In addition, through the master service agreement, the Association contracted administrative and operational services and related expenses with MPSI. Total amount paid to MPSI during 2018 for these services was \$2,762,489. The amount due to this related party was \$563,153 as of December 31, 2018.

ASSOCIATED BRANCH PILOTS OF
THE PORT OF NEW ORLEANS, LOUISIANA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

8. RELATED PARTY TRANSACTIONS: (Continued)

In addition, as part of the master service agreement, the Association also leases office space in a building owned by the boat launch service company. Rent expense during the year was \$73,560. The lease terms are at fair market value, but considering the total square footage actually used by the Association, it appears the terms are somewhat less than fair market value.

The Association and MPSI are commonly controlled and owned by the pilots. The Association has invested \$228,675 in MPSI as of December 31, 2018. This investment is accounted for using the cost method of accounting for investments. No distributions related to this investment were received during the year 2018.

9. RESTATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS:

During the year ended December 31, 2018, the Association identified six balance sheet accounts in the Pilots' Operating Fund and the Capital Surcharge Fund that had been misstated during prior periods. The corrections made to the affected balance sheet accounts resulted in a restatement to increase pilots' equity as of January 1, 2018 by \$413,917.

**BEFORE THE
LOUISIANA PILOTAGE FEE COMMISSION**

**ASSOCIATED BRANCH PILOTS
FOR THE PORT OF NEW ORLEANS,
EX PARTE**

DOCKET NO. P06-005

*In Re: Request for Tariff Redesign and for Increase in Allowed Expenses Pursuant to La.
Revised Statute 34:1122 and for Related Relief.*

PRE-FILED DIRECT TESTIMONY

OF

WILLIAM J. BARTA, CPA

ON BEHALF OF

**ASSOCIATED BRANCH PILOTS FOR THE PORT OF NEW ORLEANS,
A LOUISIANA PARTNERSHIP**

July 1, 2019

1 **1. Q. Please state your name and business address.**

2 A. My name is William Barta, and my business address is 2088 Sylvania Drive,
3 Decatur, Georgia 30033.

4
5 **2. Q. What is your occupation?**

6 A. I am the founder of Henderson Ridge Consulting, Inc., a regulatory consulting firm.
7 The firm's practice focuses on the technical and policy issues that confront regulatory
8 authorities with responsibility for oversight of the regulated utilities, associations and/or
9 organizations under their jurisdiction.

10

11 **3. Q. Please provide a summary of your education and professional experience.**

12 A. I graduated in 1978 from The Lindenwood Colleges where I received a Bachelor
13 of Arts degree, cum laude, with a study emphasis in accounting. After working for nearly
14 two years as a staff accountant in private industry, I enrolled in the graduate business
15 program at Emory University and, in 1982, received my Masters of Business
16 Administration with concentrations in finance and marketing.

17

18 After graduating from Emory University in 1982, I joined the Bell System as an Account
19 Executive. In 1983, I transferred to AT&T Communications where I provided a broad
20 range of accounting regulatory support functions to the nine state Southern Region.

21

22 From 1986 through 1988, I held various positions in the regulatory departments of Contel
23 Corporation, an independent local exchange carrier. My responsibilities ranged from tariff
24 support to ratemaking and rate design issues to line of business feasibility studies.

25

26 In April 1988, I joined the firm of J. Kennedy and Associates, Inc., a regulatory and
27 economic consulting firm. As a Manager at Kennedy and Associates, I directed or
28 supported the ratemaking investigations of major telecommunications and electric utilities.
29 My work covered rate design, revenue requirements analysis, and the determination of the

1 appropriate cost of capital and other issues associated with traditional rate base/rate of
2 return regulation. Since founding my firm in 1996, I have participated in numerous
3 regulatory proceedings initiated in response to the competitive restructuring of the
4 telecommunications and electric utility industries. Over the years, I have been involved in
5 several engagements on behalf of the Louisiana Public Service Commission (“LPSC” or
6 “the Commission”) that examined the operations of regulated utilities. In my most recent
7 projects with the Commission, the areas of review have covered: the rate applications of
8 electric distribution cooperatives and wastewater utilities, the request of Atmos Energy
9 Corporation to consolidate the two Louisiana rate divisions; the Purchased Gas Adjustment
10 audits of the CenterPoint Energy Louisiana divisions and the Atmos Energy Corporation
11 Louisiana Division; and the compliance audit of Lafayette Utilities System for fiscal year
12 2017.

13
14 **4. Q. Do you hold any professional certifications?**

15 A. Yes. I am a Certified Public Accountant with an active license to practice in the
16 State of Georgia. Exhibit No. WJB-1 provides more detailed information on my
17 experience.
18

19 **5. Q. Have you ever submitted testimony to a regulatory agency before?**

20 A. Yes. In Louisiana, I have submitted testimony to the Louisiana Public Service
21 Commission and to the Louisiana Pilotage Fee Commission (“Fee Commission”). I have
22 also submitted testimony to regulatory agencies in California, Florida, Georgia, Nevada,
23 North Carolina, Ohio, South Carolina, and Tennessee. Exhibit No. WJB-1 provides more
24 detailed information on the proceedings and the jurisdictions where I have been qualified
25 as an expert.

26
27 **6. Q. Who do you represent in this proceeding?**

28 A. I represent the Associated Branch Pilots for the Port of New Orleans, duly
29 organized pursuant to La. R.S. 34:943 and 34:963 as a Louisiana partnership (hereinafter
30 the “Bar Pilots” or the “Association”).

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

7. Q. What is the purpose of your testimony in this proceeding before the Fee Commission?

A. I have been retained to testify as to the appropriateness of the Bar Pilots' 2018 audited year-end expenses, as allowed by La. R.S. 34:1122.

8. Q. Please describe what you have done to prepare yourself for your testimony in this matter.

A. I have reviewed the provisions of La. R.S. 34:1122 from the perspective of a regulatory accountant, not as a lawyer. I reviewed that statute to gain an understanding of the ordinary and necessary operating and administrative expenses that the Bar Pilots may have the opportunity to recover through approved tariffs.

I have also reviewed the Bar Pilots' 2018 projected expenses and 2018 preliminary unaudited financials, as well as the Independent Auditor's Report issued by Duplantier, Hrapmann, Hogan & Maher, LLP, the Bar Pilots' independent financial statement auditor.

9. Q. What observations have you made regarding the 2018 year-end audited financial statements of the Bar Pilots?

A. It is important to recognize the purpose and scope of a financial statement audit. The purpose of an audit of an entity's financial statements is to add credibility to the assertions of management that the organization's financial statements fairly represent its position and performance over the stated period of review. The scope of the financial statement audit includes considerable planning and risk assessment, internal controls testing, and the application of substantive procedures prior to the finalization of the audit report. The external financial statement auditor ultimately issues an independent opinion on whether or not the financial statements are relevant, accurate, complete, and fairly presented. The stakeholders of the organization – the shareholders, creditors, customers, and/or regulators – can rely upon the independent auditor's opinion as to the accuracy of

1 the presentation of the financial statements.
2

3 As the independent financial statement auditor of the Bar Pilots, Duplantier, Hrapmann,
4 Hogan & Maher, LLP, has audited the financial statements prepared by the Association for
5 the twelve months ending December 31, 2018. The audit was conducted in accordance
6 with generally accepted auditing standards and obtained reasonable assurance that the
7 financial statements are free of material misstatement. Duplantier, Hrapmann, Hogan &
8 Maher, LLP, issued an unqualified opinion with respect to the financial statements, which
9 is the highest level of assurance that an independent auditor can provide. Based upon the
10 Independent Auditor's Report, an interested party reviewing the Bar Pilots' financial
11 results for the twelve months ending December 31, 2018 can be reasonably assured that
12 the financial statements are relevant, accurate, complete, and are fairly presented.
13

14 **10. Q. Did you compare the results presented in the Bar Pilots' 2018 year-end audited**
15 **financial statements with the projection of 2018 expenses and the 2018 preliminary**
16 **unaudited financials that have already been submitted as part of this proceeding?**

17 A. Yes. The actual expenses incurred by the Bar Pilots during 2018 were less than the
18 projected expenses by \$24,615 and result in a variance of 0.25%. The variance of 0.25%
19 is minimal and indicates that with respect to overall operations, the Bar Pilot management
20 has accurately projected the level of operating expenses for the year 2018 and, more
21 importantly, has been able to manage those costs. Captain Miller, the President of the
22 Association, provides more detail on the variances of individual expense accounts in his
23 Pre-Filed Direct Testimony.
24
25

1 **11. Q. Since the actual operating expenses incurred during 2018 are less than the**
2 **level projected by the Bar Pilots, does this mean there is an over-recovery of costs?**

3 A. Yes, the amount of the over-recovery of the Bar Pilots' operating expenses for 2018
4 is \$24,615.

5
6 **12. Q. Are the Bar Pilots expected to adjust for the over-recovered amount and if**
7 **so, through what process?**

8 A. The Bar Pilots' expense true-up mechanism, originally approved in Order P06-005,
9 and as extended pursuant to Order P16-002, requires a downward adjustment to the 2020
10 projected expenses to the extent of any over-recovered expenses during 2018, in this case,
11 in the amount of \$24,615. However, Order P16-002 expires as of December 31, 2019 and
12 along with it, the expense true-up mechanism.

13
14 **13. Q. Given your experience in regulatory accounting and practices, do you have an**
15 **opinion as to the merits of the Bar Pilots' expense true-up mechanism?**

16 A. Yes. The true-up mechanism approved by the Fee Commission has been a
17 regulatory success with respect to treating the minimal under and/or over-recoveries of the
18 Bar Pilots' operating expenses for prior fiscal years relative to their projected expenses.
19 The true-up mechanism has served as a reasonable, cost-effective, and equitable approach
20 to ensure that there is no overall under or over-recovery of approved tariff costs. In this
21 regard, the true-up mechanism provides a level of certainty with respect to the level of
22 annual expenses for the Bar Pilots and its industry customers. When the Fee Commission
23 approved the true-up mechanism, all parties envisioned that it would operate exactly in this
24 manner – to be applied annually for necessary adjustments when actual operating expenses
25 fell short of or exceeded the projected level of costs.

26
27 **14. Q. What conclusions have you reached with respect to the 2018 audited expenses?**

28 A. The actual and allowed expenses of \$9,821,283 incurred by the Bar Pilots during
29 the year 2018 are recoverable under La. R.S. 34:1122 as ordinary and necessary

1 administrative and operating expenses.

2
3 **15. Q. Do you have any observations concerning the Bar Pilots' Pension Surcharge**
4 **Fund as discussed in the auditor's Notes to Financial Statements?**

5 A. Yes. As initially discussed in connection with their submission of 2017 audited
6 financial statements, the Bar Pilots identified a miscalculation that resulted in
7 overpayments to some pension recipients and these pension recipients have agreed to
8 refund the overpayments. The amount of the overpayments is immaterial with respect to
9 the overall Pension Obligations of the Bar Pilots and the recovery of the Pension Surcharge
10 from industry. This issue is also addressed in the Notes to Financial Statements,
11 specifically Note 4, concerning the Pension Surcharge Fund and in Captain Miller's Pre-
12 Filed Direct Testimony.

13
14 The steps taken by the Bar Pilots concerning this accounting error are reasonable and have
15 been implemented in a timely fashion. It should be noted that the measures proposed by
16 the Bar Pilots to flow back the overcollection of pension surcharge amounts represent
17 standard practices in the regulated utility industry. In fact, it is common for a regulated
18 utility to reduce a surcharge or a recurring monthly charge (e.g. fuel adjustment clause rate)
19 in the event unintentional overcharges stemming from clerical and/or accounting errors are
20 discovered.

21
22 **16. Q. Does this conclude your testimony?**

23 A. Yes.
24

BEFORE THE
LOUISIANA PILOTAGE FEE COMMISSION

ASSOCIATED BRANCH PILOTS
FOR THE PORT OF NEW ORLEANS
EX PARTE

DOCKET NO. P06-005

In Re: Request for Action to Extend Expense True-Up Mechanism Approved by Fee Commission Order P06-005 and for Related Approvals

AFFIDAVIT

STATE OF GEORGIA

DEKALB COUNTY

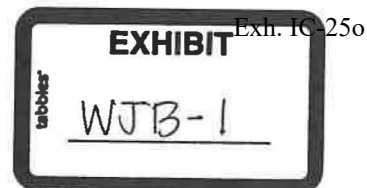
I, William J. Barta, CPA, being first duly sworn, state that I have reviewed the above and foregoing testimony, and that the testimony is true and accurate to the best of my knowledge, information and belief.

William J Barta
WILLIAM J. BARTA, CPA

SWORN TO AND SUBSCRIBED before me this 26th day of June, 2019.



Ella Hubbard
Notary Public
Name: Ella Hubbard
Notary ID/LSBA No.
My commission expires 12/27/2019



WILLIAM J. BARTA
Principal, Henderson Ridge Consulting, Inc.

EDUCATION

Emory University	M.B.A. (1982)
Marketing and Finance	
The Lindenwood Colleges	B.A. with Honors (1978)
Business Administration and Accounting	

PROFESSIONAL CERTIFICATION

Certified Public Accountant

PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants
Georgia Society of Certified Public Accountants

EMPLOYMENT HISTORY

1996 - present	Henderson Ridge Consulting	Principal
1988 - 1995:	J. Kennedy and Associates	Manager
1986 - 1988:	Contel Corporation	Financial Planning Coordinator
1982 - 1986:	AT&T	Financial Analyst and Account Executive
1981	Simmons, U.S.A.	Special Projects Staff (summer internship)
1979 - 1980:	Gould, Inc.	Senior Accountant
1978 - 1979:	SCNO Barge Lines, Inc.	Staff Accountant

REPRESENTATIVE EXPERIENCE

Electric Utility Industry:

- Monitoring of competitive solicitation process of electric utility's Request For Proposals for long-term, supply-side resources, including Power Purchase Agreements
- Evaluation of proposed long-term Power Purchase Agreements to meet capacity deficits
- Certification of electric utility's self-build generating facilities as serving the public interest
- Prudence audits of electric utility's generating plant environmental compliance retrofit projects
- Economic evaluations of Waste Heat Recovery joint ventures
- Evaluation of Advanced Metering System programs and deployment plans
- Earnings investigations of investor-owned utilities and distribution cooperatives
- Assessment of renewable energy resource projected benefits
- Nuclear siting and licensing expenditure verification
- Nuclear decommissioning revenue requirement development
- Storm restoration cost evaluation, ratemaking treatment, and revenue requirement development

Exhibit No. WJB-1
Page 2 of 12

- Long term power supply Request For Proposal and bid evaluation process
- Verification of avoided cost calculation and payments to Qualified Facilities
- Fuel Adjustment Clause audits
- Demand Side Management program analyses
- Strategic Resource Plan evaluation
- Integrated Resource Plan evaluation
- Merger evaluations
- Sole mediator in contractual disputes involving construction and build-out issues and disagreements regarding rates for the provision of equipment and services
- Joint use pole rate development on behalf of investor-owned electric utilities, distribution cooperatives, and municipalities

Telecommunications Industry:

- Earnings investigations of Bell Operating Companies and independent local exchange carriers
- Universal Service Fund cost proxy models evaluations
- Developed rules and designed cost model to implement state Universal Service Fund
- Collocation rate design
- Local Number Portability rate design
- Developed model to establish resale discount to be charged wholesale carriers
- Unbundled Network Element rate development model evaluation
- Contract Service Arrangement and predatory pricing studies
- Worked with municipalities in Tennessee and Louisiana to implement accounting practices and regulatory safeguards for entry into competitive telecommunications and information services markets

Water and Wastewater Utility Industries:

- Developed prospective financial statements and designed rates on behalf of a wastewater utility seeking a Certificate of Convenience and Necessity
- Earnings investigations of regulated water and wastewater utilities
- Monitored and evaluated capital improvement programs and assessed reasonableness of capital expenditures in coordination with the Department of Health and Hospitals
- Reviewed utilities' existing capital structure, long term financing alternatives, operations and maintenance expense levels, and affiliate transactions

Audit Services:

- Compliance audits
- Reactive audits
- Affiliate transaction audits
- Y2K compliance audits
- Management audits
- Avoided Cost Audits for Payments to Qualifying Facilities

Exhibit No. WJB-1
Page 3 of 12

- Purchased Gas Adjustment audits
- Fuel Adjustment Clause audits
- Environmental Adjustment Clause audits

Exhibit No. WJB-1
Page 4 of 12

Expert Testimony and/or Appearances

<u>Date</u>	<u>Case No.</u>	<u>Jurisdiction</u>	<u>Company</u>	<u>Subject Matter</u>
Jul 1989	333-272	Louisiana	South Central Bell Telephone & Telegraph	Realized and projected rates of return.
Aug 1989	U-17970	Louisiana	AT&T Communications	Earnings investigation, network modernization, and alternative regulation.
Oct 1989	U-17282	Louisiana	Gulf States Utilities	Operating expense analysis and nonregulated joint venture evaluation.
Jan 1990	U-17282	Louisiana	Gulf State Utilities	Regulatory treatment of gain on sale of utility property.
Jul 1991	4004-U	Georgia	GTE Telephone	Network modernization and depreciation rescription.
Oct 1991	U-17282	Louisiana	Gulf States Utilities	Results of comprehensive management audit.
Dec 1992	U-17949 Subdocket A	Louisiana	South Central Bell Telephone and Telegraph	Network technology and modernization and construction program evaluation.
Dec 1992	U-19904	Louisiana	Entergy/Gulf States	Non-fuel O&M merger related synergies.
Mar 1993	93-01-E1 EFC	Ohio	Ohio Power Company	Accounting and regulatory treatment of the sale of an affiliate's investment.

Exhibit No. WJB-1
Page 5 of 12

Expert Testimony and/or Appearances - continued

<u>Date</u>	<u>Case No.</u>	<u>Jurisdiction</u>	<u>Company</u>	<u>Subject Matter</u>
Mar 1993	U-19994	Louisiana	Entergy/Gulf States	Merger related synergies.
Aug 1993	U-19972	Louisiana	Ringgold Telephone Company	Earnings investigation, network modernization, and construction program.
Oct 1993	U-17735	Louisiana	Cajun Electric Power	Earnings investigation.
May 1994	U-20178	Louisiana	Louisiana Power & Light Company	Analysis of Least Cost Integrated Resource Plan and Demand Side Management programs.
Oct 1994	5258-U	Georgia	Southern Bell Telephone & Telegraph	Price regulation and incentive rate plan review.
Jun 1995	3905-U	Georgia	Southern Bell Telephone & Telegraph	Rate design and alternative regulation.
Jun 1996	96-02-002	California	Pacific Bell Telephone & Telegraph	ISDN TSLRIC study evaluation
Aug 1996	U-22020 (Direct)	Louisiana	BellSouth Telecomm. Inc.	Avoided retail cost study
Sep 1996	U-22020 (Rebuttal)	Louisiana	BellSouth Telecomm. Inc.	Avoided retail cost study
Oct 1997	97-01262 (Direct)	Tennessee	BellSouth Telecomm. Inc.	Permanent pricing for local interconnection and UNEs
Oct 1997	97-01262 (Rebuttal)	Tennessee	BellSouth Telecomm. Inc.	Permanent pricing for local interconnection and UNEs

Exhibit No. WJB-1
Page 6 of 12

Expert Testimony and/or Appearances - continued

Nov 1997	97-00888	Tennessee		Universal service policy issues
Dec 1997	P-100, Sub 133b	North Carolina		Universal service FLEC models
Dec 1997	P-100, Sub 133d	North Carolina		Permanent pricing for local interconnection and UNEs
Jan 1998	P-100, Sub 133b (Rebuttal)	North Carolina		Universal service FLEC models
Mar 1998	P-100, Sub 133d (Rebuttal)	North Carolina		Permanent pricing for local interconnection and UNEs
Mar 1998	P-100, Sub 133g	North Carolina		Universal service policy issues
Mar 1998	97-07488 (Direct)	Tennessee	Electric Power Board of Chattanooga	Affiliate transactions
Aug 1998	980696-TP (Direct)	Florida		Universal service FLEC models
Sep 1998	980696-TP (Rebuttal)	Florida		Universal service FLEC models
Sep 1998	U-22252, Subdocket D (Initial)	Louisiana		Avoided retail cost study for CSAs/SBAs
Sep 1998	97-07488 (Rebuttal)	Tennessee	Electric Power Board of Chattanooga	Affiliate transactions

Exhibit No. WJB-1
Page 7 of 12

Expert Testimony and/or Appearances - continued

Sep 1998	U-22252 Subdocket D (Final)	Louisiana	BellSouth	Avoided retail cost study for CSAs/SBAs
Jul 1999	10288-U	Georgia	Accucomm Telecomm, Inc.	Compliance audit results and affiliate transactions
Aug 1999	990649-TP	Florida (Direct)		Unbundled network element policy issues
Sep 1999	990649-TP	Florida (Rebuttal)		Unbundled network element policy issues
Mar 2000	99-00909	Tennessee (Direct)	Memphis Light, Gas & Water	Affiliate transactions
Mar 2000	U-24714	Louisiana (Direct)	BellSouth	Interim, deaveraged rates for unbundled network elements
Jun 2000	990649-TP	Florida (Direct)		Unbundled network element technical issues
Jul 2000	990649-TP	Florida (Rebuttal)		Unbundled network element technical issues
Aug 2000	P-100, Sub 133d	North Carolina		Unbundled network element policy and technical issues
Aug 2000	990649-TP	Florida (Supplemental Rebuttal)		Unbundled network element technical issues
Nov 2000	00-00523	Tennessee (Direct)		Rural universal service policy and technical issues
Nov 2000	00-00523	Tennessee (Rebuttal)		Rural universal service policy and technical issues

Exhibit No. WJB-1
Page 8 of 12

Expert Testimony and/or Appearances – continued

Dec 2000	99-11035	Nevada (Direct)		Collocation rates
Mar 2001	99-00909	Tennessee (Rebuttal)	Memphis Light, Gas & Water	Affiliate transactions
Apr 2001	99-11035	Nevada (Supplemental)		Collocation rates
Mar 2002	000075-TP	Florida (Direct)	Generic	Default intercarrier compensation mechanism
Mar 2002	000075-TP	Florida (Rebuttal)	Generic	Default intercarrier compensation mechanism
May 2002	15304-U	Georgia (Direct)	Chickamauga Telephone Corporation	Affiliate transactions and earnings review
Nov 2002	P-7, Sub 825 P-10, Sub 479 P-19, Sub 277 P-55, Sub 1013	North Carolina		Price regulation plans for Sprint, Verizon, and BellSouth
Jan 2003	97-239-C	South Carolina		Universal service support for rural ILECs
May 2003	U-26845	Louisiana	Dixie EMC	Earnings investigation
Nov 2003	03-00438	Tennessee	Jackson Energy	Affiliate transactions
June 2004	U-27636	Louisiana	LLWC	Earnings investigation
Aug 2005	U-28608	Louisiana	Pointe Coupee EMC	Earnings investigation
Feb 2006	U-29203	Louisiana	Entergy Gulf States	Storm restoration recovery
Mar 2006	U-28916	Louisiana	Entergy Gulf States	Formula Rate Plan results
Aug 2006	U-27985	Louisiana	WTU	Earnings investigation
Aug 2006	U-27986	Louisiana	AWT	Earnings investigation
Nov 2006	P06-005	Louisiana	Bar Pilots of NOLA	Tariff design

Exhibit No. WJB-1
Page 9 of 12

Expert Testimony and/or Appearances – continued

Jan 2007	U-29203	Louisiana	Entergy	Storm restoration recovery
Mar 2007	U-29203	Louisiana	Entergy	Storm restoration recovery
Apr 2007	U-28916	Louisiana	Entergy Gulf States	Formula Rate Plan review
Nov 2007	P06-005	Louisiana	Bar Pilots of NOLA	Financial projections
Mar 2008	U-28916	Louisiana	Entergy Gulf States	Formula Rate Plan review
Apr 2008	U-30328	Louisiana	Beauregard EMC	Earnings investigation
Jun 2008	U-30455	Louisiana	Washington-St. Tammany	Earnings investigation
Jul 2008	P06-005	Louisiana	Bar Pilots of NOLA	Financial results and tariff design
Sep 2008	P08-001	Louisiana	Bar Pilots of NOLA	Compensation levels
Nov 2008	P06-005	Louisiana	Bar Pilots of NOLA	Financial projections
Mar 2009	U-25962	Louisiana	Greater Ouachita Water Company	Earnings investigation
Mar 2009	U-30690	Louisiana	Baton Rouge Water Company	Earnings investigation
Jul 2009	P06-005	Louisiana	Bar Pilots of NOLA	Financial results and tariff design
Oct 2009	U-28916	Louisiana	Entergy Gulf States	Support of Formula Rate Plan
Nov 2009	U-30864	Louisiana	Density Utilities	Earnings investigation
Nov 2009	06-00819	Florida	Tampa Electric Company (Direct)	Joint use pole dispute
Nov 2009	P06-005	Louisiana	Bar Pilots of NOLA	Financial projections
Dec 2009	U-30981	Louisiana	Entergy	Storm restoration recovery
Feb 2010	06-00819	Florida	Tampa Electric Company (Rebuttal)	Joint use pole dispute

Exhibit No. WJB-1
Page 10 of 12

Expert Testimony and/or Appearances – continued

Jul 2010	P06-005	Louisiana	Bar Pilots of NOLA	Financial results and tariff design
Jul 2010	U-31237	Louisiana	Entergy	Nuclear facility decommissioning revenue requirement
Nov 2010	P06-005	Louisiana	Bar Pilots of NOLA	Financial projections
Jan 2011	U-31125	Louisiana	Entergy	River Bend 3 siting and licensing certification
Jul 2011	P06-005	Louisiana	Bar Pilots of NOLA	Financial results and tariff design
Jul 2011	10-CVS-1172	North Carolina	Town of Landis	Pole Attachment Rate Dispute
Nov 2011	P06-005	Louisiana	Bar Pilots of NOLA	Financial projections
Jun 2012	U-31893	Louisiana	Density Utilities	Formula Rate Plan review
Jul 2012	P06-005	Louisiana	Bar Pilots of NOLA	Financial results and tariff design
Jul 2012	U-32222	Louisiana	Washington-St. Tammany EMC	Long term PSSA evaluation
Jul 2012	U-32224	Louisiana	Claiborne EMC	Long term PSSA evaluation
Nov 2012	P06-005	Louisiana	Bar Pilots of NOLA	Financial projections
Jan 2013	U-32540	Louisiana	Beauregard EMC	Formula Rate Plan design
May 2013	U-32631	Louisiana	Cleco Power, LLC	Change of control (MISO) Public interest determination
Jul 2013	P06-005	Louisiana	Bar Pilots of NOLA	Financial results and tariff design
Aug 2013	U-32803	Louisiana	Greater Ouachita Water Company	Change of ownership public interest determination and revenue requirements analysis
Sep 2013	U-32764	Louisiana	Entergy	Storm restoration cost recovery

Exhibit No. WJB-1
Page 11 of 12

Oct 2013	U-32839	Louisiana	Cleco Power, LLC	Change of control (MISO) and implementation issues
Nov 2013	P06-005	Louisiana	Bar Pilots of NOLA	Financial projections
Jul 2014	U-32977	Louisiana	DEMCO	Storm Recovery Rider
Jul 2014	P06-005	Louisiana	Bar Pilots of NOLA	Financial results and tariff design
Sep 2014	U-33191	Louisiana	SLECA	Storm Recovery Rider
Nov 2014	P06-005	Louisiana	Bar Pilots of NOLA	Financial projections
Jul 2015	U-33593	Louisiana	Cleco Power LLC	Waste Heat Recovery Project
Jul 2015	P06-005	Louisiana	Bar Pilots of NOLA	Financial results and tariff design
Jul 2015	P15-006	Louisiana	Bar Pilots of NOLA	Support of Settlement of Compensation Issues and Reporting Requirements
Aug 2015	U-32996	Louisiana	CenterPoint Energy	Cost of Capital/ROE
Aug 2015	U-32998	Louisiana	CenterPoint Energy	Cost of Capital/ROE
Oct 2015	U-33593	Louisiana	Cleco Power LLC	Waste Heat Recovery Project
Nov 2015	P06-005	Louisiana	Bar Pilots of NOLA	Financial projections
Mar 2016	U-33908	Louisiana	Beauregard EMC	FRP extension review
Jul 2016	P06-005	Louisiana	Bar Pilots of NOLA	Financial results and tariff design
Oct 2016	U-32676	Louisiana	Entergy Louisiana	FAC expense recovery
Oct 2016	U-33779	Louisiana	Concordia EMC	Base Rate Review and Approval of Formula Rate Plan
Nov 2016	P06-005	Louisiana	Bar Pilots of NOLA	Financial projections
Dec 2016	P06-005	Louisiana	Bar Pilots of NOLA	Amended tariff filing

Exhibit No. WJB-1
Page 12 of 12

Feb 2017	U-34303	Louisiana	Entergy Louisiana	Certification of long-term PPA
Mar 2017	U-34283	Louisiana	Entergy Louisiana	Certification of power plant
May 2017	U-34283	Louisiana	Entergy Louisiana	Support of Settlement
Jul 2017	P06-005	Louisiana	Bar Pilots of NOLA	Financial projections
Aug 2017	U-34401	Louisiana	Entergy Louisiana	Certification of PPA
Nov 2017	P06-005	Louisiana	Bar Pilots of NOLA	Financial projections
May 2018	U-34369	Louisiana	SWEPCO	Prudence determination of environmental retrofits
Jul 2018	U-34369	Louisiana	SWEPCO	Support of Settlement
Jul 2018	U-34676	Louisiana	JDEC	Base Rate Review and Approval of Formula Rate Plan
Jul 2018	P06-005	Louisiana	Bar Pilots of NOLA	Financial Results and tariff design
Nov 2018	P06-005	Louisiana	Bar Pilots of NOLA	Financial projections