

BOLES LAW FIRM –
BATON ROUGE, LLC

JANET S. BOLES
janet@jboleslaw.com

7914 Wrenwood Boulevard, Suite A
Baton Rouge, Louisiana 70809
Telephone: 225.924.2686
Facsimile: 225.926.5425

WILLIAM B. KIRTLAND
bkirtland@jboleslaw.com

November 1, 2019

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

RE: Louisiana Pilotage Fee Commission – Docket No. P13-001
New Orleans-Baton Rouge Steamship Pilots Association
BLF File No. 5361

Dear Mr. McNutt:

Enclosed please find the original filed testimony of Captain Stephen Hathorn, Steven Bourquard, CPA and Kevin Neyrey, CPA, regarding the New Orleans-Baton Rouge Steamship Pilots Association's ("NOBRA") submission of projected expenses for the year 2020, pursuant to Fee Commission Order No. P13-001, issued on November 14, 2013 in the above-referenced docket, and the expense true-up mechanism thereby implemented, renewal of which is pending in Docket No. P18-001.

The expense true-up tariff adjustments contained in this filing will not take effect until NOBRA's expense true-up mechanism is renewed or other action is taken by the Fee Commission. The expense true-up tariff calculations contained herein are based on a January 1, 2020 implementation date. In the event the tariff adjustment is implemented after January 1, 2020 the tariff would need to be revised. Accordingly, NOBRA hereby reserves its rights to submit a revised tariff.

A separate Cost of Living ("COLA") filing is also being submitted. The tariff adjustments contained in the COLA filing will take effect on January 1, 2020.

Should you have any questions concerning this filing, or should you need additional information, please do not hesitate to contact us.

With every good wish, I am,

Sincerely,



JANET S. BOLES
WILLIAM B. KIRTLAND

WBK

Enclosures

cc: Captain Stephen Hathorn
Captain Louis M. Wattigney, Jr.
Captain Johnny D. Doyle
Kevin Neyrey, CPA
Dennis Tizzard, CPA
Steven Bourquard, CPA
Art Lentini, Esquire
John Litchfield, Esquire

**BEFORE THE
LOUISIANA PILOTAGE FEE COMMISSION**

**NEW ORLEANS - BATON ROUGE
STEAMSHIP PILOTS ASSOCIATION**

DOCKET NO. P13-001

In Re: Request for Action on Tariff Redesign Resulting in an Upward Adjustment to Recover an Increase in Target Compensation and other Recoverable Expenses pursuant to La R.S. 34: 1122, Elimination of Vessel Traffic Service Surcharge; Implementation of a True-Up Mechanism; Implementation of a Cost of Living Adjustment Mechanism; Increase in Transportation Tariff; Implementation of a Charge for a Second Pilot on Ships of a Certain Scale; and for Related Relief.

**FILED DIRECT TESTIMONY
OF
CAPTAIN STEPHEN HATHORN
ON BEHALF OF
NEW ORLEANS – BATON ROUGE STEAMSHIP PILOTS
ASSOCIATION**

November 1, 2019

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

A. Captain Stephen Hathorn, 2805 Harvard Avenue, Suite 102, Metairie, Louisiana 70006.

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

A. I represent the New Orleans - Baton Rouge Steamship Pilots Association (“NOBRA”), a non-profit corporation, duly organized pursuant to La. R.S. 34:1043. Since 2013, I have held the position of President of NOBRA. As President I oversee all operations of our Association. I am also an appointed member of the Louisiana Pilotage Fee Commission (“Fee Commission” or “LPFC”).

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

A. Yes.

4. Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to introduce NOBRA’s projected expenses for 2020, pursuant to the expense true-up mechanism implemented in LPFC Order No. P13-001, renewal of which is pending in Docket No. P18-

001. LPFC Order No. P13-001 approved an annual true-up mechanism of NOBRA's projected and actual annual expenses that requires NOBRA to file projected expenses for the upcoming year on or about November 1 of each year.

5. Q. Is NOBRA currently authorized to implement the expense true-up tariff adjustments detailed in this filing?

A. No. The last expense true-up tariff adjustment currently authorized under NOBRA's expense true-up mechanism took place on January 1, 2019. Renewal of NOBRA's expense true-up mechanism is pending in Docket No. P18-001. The expense true-up tariff adjustments detailed herein will not take effect until NOBRA's expense true-up mechanism is renewed or other action is taken by the Fee Commission. The expense true-up tariff calculations contained herein are based on a January 1, 2020 implementation date. In the event the tariff adjustment is implemented after January 1, 2020 the tariff would need to be revised. Accordingly, NOBRA is hereby reserving its rights to submit a revised tariff.

6. Q. Will NOBRA's Cost of Living Adjustment ("COLA") take effect on January 1, 2020?

A. Yes. NOBRA's COLA adjustment is separate and apart from its expense true-up mechanism. The COLA adjustment and accompanying tariff is being submitted in a separate filing. The COLA adjustment and tariff submitted therewith will go into effect on January 1, 2020.

7. Q. Who else will testify for NOBRA?

A. Steven Bourquard, Jr., CPA, NOBRA's Business Manager, will provide more detailed testimony regarding NOBRA's projected 2020 expenses and Kevin Neyrey, CPA, a partner in the public accounting firm of Ericksen Krentel, L.L.P., will provide testimony as to the appropriate characterization of expenses; the adjustments in target compensation; the overall revenue requirements; and the resulting adjustments to NOBRA's tariff.

8. Q. Are NOBRA's expenses for 2020 projected to increase or decrease?

A. Based upon the anticipated actual expenses for 2019 and adjusting for forecasted changes, NOBRA has projected its 2020 expenses will increase

by 5.10%, or \$699,355. Mr. Bourquard will testify as to the detailed data that supports this increase in projected expenses.

9. Q. Please summarize NOBRA's overall revenue requirement for 2020?

A. NOBRA's overall revenue requirement, including target compensation, increased 2.707%, or \$1,887,928, and totals \$69,750,716.

10.Q. Does the format of NOBRA's projected expenses conform to the format recommended by the Uniform Financial Reporting Committee and adopted by the Fee Commission?

A. Yes. NOBRA's filing utilizes the format recommended by the Uniform Financial Reporting Committee and adopted by the Fee Commission for reporting of financial data.

11. Q. Do the figures referenced in Mr. Bourquard and Mr. Neyrey's testimony equate to an increase or decrease in the overall tariff rates as sought by NOBRA?

A. The increase in NOBRA's 2020 projected expenses, together with the 2020 COLA filing in LPFC Docket No. P13-001, made herewith, adjusted for the under-recovery of expenses in 2018, adjusted for the reverse of 2017

expense over-recovery included in prior year requirement, results in an overall tariff adjustment increase of 2.707% in NOBRA's tariff. However, this tariff will not go into effect until the expense true-up mechanism is renewed or other action is taken by the Fee Commission. As noted above, the tariff calculations are based on a January 1, 2020 implementation date and would need to be recalculated if the tariff adjustment is implemented after that date.

12. Q. Does this conclude your testimony?

A. Yes.

BEFORE THE
LOUISIANA PILOTAGE FEE COMMISSION

NEW ORLEANS - BATON ROUGE
STEAMSHIP PILOTS ASSOCIATION

DOCKET NO. P13-001

In Re: Request for Action on Tariff Redesign Resulting in an Upward Adjustment to Recover an Increase in Target Compensation and other Recoverable Expenses pursuant to La R.S. 34: 1122, Elimination of Vessel Traffic Service Surcharge; Implementation of a True-Up Mechanism; Implementation of a Cost of Living Adjustment Mechanism; Increase in Transportation Tariff; Implementation of a Charge for a Second Pilot on Ships of a Certain Scale; and for Related Relief.

AFFIDAVIT

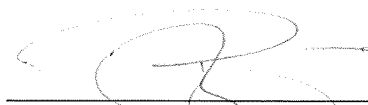
STATE OF LOUISIANA

PARISH OF JEFFERSON

I, Captain Stephen Hathorn, 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 STEPHEN HATHORN

SWORN TO AND SUBSCRIBED before me on this 29th day of October, 2019.


#77196
NOTARY PUBLIC
BRIAN J. C. S. S. S.

**BEFORE THE
LOUISIANA PILOTAGE FEE COMMISSION**

**NEW ORLEANS - BATON ROUGE
STEAMSHIP PILOTS ASSOCIATION**

DOCKET NO. P13-001

In Re: Request for Action on Tariff Redesign Resulting in an Upward Adjustment to Recover an Increase in Target Compensation and other Recoverable Expenses pursuant to La R.S. 34: 1122, Elimination of Vessel Traffic Service Surcharge; Implementation of a True-Up Mechanism; Implementation of a Cost of Living Adjustment Mechanism; Increase in Transportation Tariff; Implementation of a Charge for a Second Pilot on Ships of a Certain Scale; and for Related Relief.

**FILED DIRECT TESTIMONY
OF
STEVEN BOURQUARD, CPA
ON BEHALF OF
NEW ORLEANS – BATON ROUGE STEAMSHIP PILOTS
ASSOCIATION**

November 1, 2019

1. Q. Please state your name and business address

A. Steven Bourquard, 2805 Harvard Avenue, Metairie, Louisiana 70006.

2. Q. What is your occupation?

A. I am a Certified Public Accountant. Since September 2011, I have held the position of Business Manager for the New Orleans - Baton Rouge Steamship Pilots Association (“NOBRA”). As Business Manager, I am responsible for supervising the day-to-day accounting needs of NOBRA. I am also responsible for gathering and computing annual and comparative analysis, revenue data and forecasts.

3. Q. What is your educational and professional background?

A. I earned a Bachelor of Science in Business Administration with an emphasis in Finance from the University of Southern Mississippi. I am a Certified Public Accountant. I have been employed as NOBRA’s Business Manager for eight (8) years. Prior to working for NOBRA, I served in various financial management positions, most recently as Project Control Analyst for Camp, Dresser, McKee, Inc. I held that position for five (5) years.

4. Q. On whose behalf are you testifying?

A. I am testifying on behalf of NOBRA.

5. Q. Have you ever provided testimony in any previous regulatory or legal proceedings?

A. Yes, I have submitted filed testimony in Louisiana Pilotage Fee Commission (“Fee Commission” or “LPFC”) Docket No. P13-001.

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

A. The purpose of my testimony is to provide the financial information that supports NOBRA’s 2020 projected expenses.

7. Q. Did you assist Mr. Neyrey in his preparation of *Exhibit “KN-2”* by providing expense projections and an analysis?

A. Yes. As Business Manager I am familiar with the day-to-day operations of NOBRA and various factors which may affect its expense projections.

8. Q. Are the total 2020 expenses projected to increase or decrease?

A. The total 2020 expenses are projected to increase by 5.10% or \$699,355.

In calculating its 2020 projected expenses, NOBRA examined its 2019 anticipated actual expenses and adjusted those based upon forecasted expense changes in 2020.

9. Q. Which expenses are projected to increase and which are projected to decrease in 2020?

A. As indicated on *Exhibit "KN-2, Schedule A"*, prepared by Mr. Neyrey, the following expenses are projected to increase in 2020: Group Hospitalization & Benefits; Communications, Dispatch, & IT; Risk Management & Insurance; and Boards of Commissioners & Examiners.

The following expenses are projected to remain unchanged: Employee Salaries, Wages & P/R Taxes; Employee Pension Expense; Administrative Offices; General & Administrative; Continuing Education & Training; Professional Services; Professional Dues; Transportation Other; Taxes & Licenses; and Extraordinary Items – Apprenticeship Expense.

Group Hospitalization and Benefits expenses are projected to increase by 5.70%, or \$386,437.00 in 2020. This is a variable expense based upon the aggregate annual claims and is therefore subject to fluctuations. This expense was calculated by annualizing the 2019 actual expenses.

Communications, Dispatch & IT expenses are projected to increase 13.55% or \$231,246.00 in 2020. This increase was primarily the result of an increased pilot compliment and the pilot laptop and radio expenses associated with those additional pilots.

Risk Management & Insurance expenses are projected to increase by 7.51% or \$8,100.00. This is primarily the result of an increased pilot compliment and the drug testing costs associated with those additional pilots.

Boards of Commissioners and Examiners expenses are projected to increase 12.30%, or \$73,572.00 for 2020. This is a variable expense and is subject to fluctuations. This expense was calculated by annualizing the 2019 actual expenses.

10. Q. Does this conclude your testimony?

A. Yes.

BEFORE THE
LOUISIANA PILOTAGE FEE COMMISSION

NEW ORLEANS - BATON ROUGE
STEAMSHIP PILOTS ASSOCIATION

DOCKET NO. P13-001


In Re: Request for Action on Tariff Redesign Resulting in an Upward Adjustment to Recover an Increase in Target Compensation and other Recoverable Expenses pursuant to La R.S. 34: 1122, Elimination of Vessel Traffic Service Surcharge; Implementation of a True-Up Mechanism; Implementation of a Cost of Living Adjustment Mechanism; Increase in Transportation Tariff; Implementation of a Charge for a Second Pilot on Ships of a Certain Scale; and for Related Relief.

AFFIDAVIT

STATE OF LOUISIANA


PARISH OF Jefferson

I, Steven Bourquard, Certified Public Accountant, 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.



STEVEN BOURQUARD

SWORN TO AND SUBSCRIBED before me on this 29th day of October, 2019.



NOTARY PUBLIC
Brian J. Cizel

**BEFORE THE
LOUISIANA PILOTAGE FEE COMMISSION**

**NEW ORLEANS - BATON ROUGE
STEAMSHIP PILOTS ASSOCIATION**

DOCKET NO. P13-001

In Re: Request for Action on Tariff Redesign Resulting in an Upward Adjustment to Recover an Increase in Target Compensation and other Recoverable Expenses pursuant to La R.S. 34: 1122, Elimination of Vessel Traffic Service Surcharge; Implementation of a True-Up Mechanism; Implementation of a Cost of Living Adjustment Mechanism; Increase in Transportation Tariff; Implementation of a Charge for a Second Pilot on Ships of a Certain Scale; and for Related Relief.

**FILED DIRECT TESTIMONY
OF
KEVIN NEYREY, CPA
ON BEHALF OF
NEW ORLEANS – BATON ROUGE STEAMSHIP PILOTS
ASSOCIATION**

November 1, 2019

1. Q. Please state your name and business address

A. Kevin Neyrey, 4227 Canal Street, New Orleans, Louisiana 70119.

2. Q. What is your occupation?

A. I am a Certified Public Accountant. I am the Managing Partner in the firm of Ericksen Krentel, L.L.P., Certified Public Accountants and Consultants (“EK”).

3. Q. What is your educational and professional background?

A. I am a 1977 graduate of Southeastern Louisiana University, where I received a Bachelor of Science in Accounting. I received a Masters in Business Administration from Tulane University in 1980 and a Master of Science in Accounting-Taxation Option from the University of New Orleans in 1989. Before joining EK in 1984, I spent two (2) years working with a local CPA firm in Denver, Colorado and two (2) years working for a national CPA firm in New Orleans. I have extensive experience in the analysis of complex tax and business issues in the real estate, oil and gas, and land fill industries. Additionally, I provide business valuation, forensic accounting, commercial damage and general business consulting services.

4. Q. Do you hold any professional certifications?

A. Yes. I hold the following professional designations:

- C.P.A. Licensed in Louisiana in 1982;
- C.F.F. Designated as Certified in Financial Forensics by the American Institute of Certified Public Accountants;
- P.F.S. Designated a Personal Financial Specialist by the American Institute of Certified Public Accountants;
- A.E.P. Designated as Accredited Estate Planner by the National Association of Estate Planners and Councils.

5. Q. Are you a member of any professional organizations?

A. Yes. I am a former Chairman of the Litigation Services Committee-Louisiana Society of CPAs; a member and past President of New Orleans Estate Planning Council; a former Chairman of the New Orleans Chapter Louisiana Certified Public Accountants Taxation Committee; and, a former member of the Board of the National Association of Estate Planners and Councils.

6. Q. On whose behalf are you testifying?

A. I am testifying on behalf of the New Orleans - Baton Rouge Steamship Pilots Association (“NOBRA”).

7. Q. Have you ever provided testimony in any previous regulatory or legal proceedings?

A. Yes, I have testified before the Louisiana Pilotage Fee Commission (“Fee Commission” or “LPFC”) in LPFC Docket No. P-13-001. In addition, I have submitted filed testimony in LPFC Docket Nos. P16-001 and P18-001. Further, I have testified as an expert in the area of accounting in numerous cases and have published articles and given speeches in the area of accounting. Attached as *Exhibit “KN-1”* is my curriculum vitae, which outlines the proceedings in which I have participated.

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

A. The purpose of my testimony is to provide the financial information and calculations that support the adjustment of NOBRA’s tariff for 2020.

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

A. I have reviewed the expense projections and analysis prepared by Steven Bourquard, CPA, NOBRA’s Business Manager. Mr. Bourquard’s projections and analysis support NOBRA’s projected expenses. Based

upon these expense projections and analysis I have prepared and itemized NOBRA's 2020 projected expenses, which are attached hereto as *Exhibit "KN-2, Schedule A"*. I have also reviewed the 2018 projected expenses and audited financial statements. Based upon this information, I have prepared a Comparison of 2018 Estimated Recoverable Expenses to 2018 Actual Recoverable Expenses, which is attached hereto as *Exhibit "KN-2, Schedule B"*. In addition, I have reviewed La. R.S. 45:1122 regarding recoverable expenses and reviewed LPFC Order No. P13-001.

10.Q. Is NOBRA currently authorized to implement the expense true-up tariff adjustments detailed in this filing?

A. No. The last expense true-up tariff adjustment currently authorized under NOBRA's expense true-up mechanism took place on January 1, 2019. Renewal of NOBRA's expense true-up mechanism is pending in Docket No. P18-001. The expense true-up tariff adjustments detailed herein will not take effect until NOBRA's expense true-up mechanism is renewed or other action is taken by the Fee Commission. The expense true-up tariff calculations contained herein are based on a January 1, 2020 implementation date. In the event the tariff adjustment is implemented

after January 1, 2020 the tariff would need to be revised. Accordingly, NOBRA is hereby reserving its rights to submit a revised tariff.

11.Q. Will NOBRA's Cost of Living Adjustment ("COLA") take effect on January 1, 2020?

A. Yes. NOBRA's COLA adjustment is separate and apart from its expense true-up mechanism. The COLA adjustment and accompanying tariff is being submitted in a separate filing. The COLA adjustment and tariff submitted therewith will go into effect on January 1, 2020.

12. Q. Have you formatted NOBRA's 2020 projected expenses in conformity with the format recommended by the Uniform Financial Reporting ("UFR") Committee and adopted by the Fee Commission?

A. Yes. *Exhibit "KN-2, Schedule A"*, NOBRA's 2020 Estimated Recoverable Expenses, excluding target compensation, are presented in the format developed by the UFR Working Group, approved by the UFR Committee and the Fee Commission.

13. Q. Do the 2020 expenses reflected in *Exhibit “KN-2, Schedule A”* result in an increase or decrease in the expense portion of the tariff?

A. The expenses reflected in *Exhibit “KN-2, Schedule A”* represent a 5.10% increase in expenses projected for 2020, in the amount of \$699,355. This increase, when coupled with the results of the 2018 audited financial statements that resulted in an under-recovery in the amount of \$404,958 and the reverse of 2017 expense over-recovery of \$108,621 included in prior year requirement results in a 1.739% increase in expense component of the overall revenue requirement under the 2020 tariff.

14. Q. Have you calculated the adjustments for NOBRA’s 2020 target compensation?

A. Yes. Pursuant to LPFC Order No. P13-001, NOBRA is submitting a separate filing reflecting adjustments to its target compensation, which includes the authorized cost of living adjustment (“COLA”). Schedules 1 and 2, submitted therewith, detail the adjustments to NOBRA’s 2020 target compensation. Applying these adjustments results in a 2020 target compensation for each NOBRA pilot of \$473,591, which requires a 0.968% increase in the overall revenue requirement under the 2020 tariff.

A tariff I prepared is being submitted with that filing, as Schedule 3, which will go into effect on January 1, 2020.

15. Q. Do the 2020 revenue requirements reflected in *Exhibit “KN-2”* result in an increase or decrease in the revenue portion of the 2020 tariff?

A. The increase in 2020 projected expenses, adjusted for the under-recovery of 2018 expenses, adjusted to reverse 2017 expense over-recovery included in prior year requirement together with the increase in target compensation results in a 2.707% increase in the overall revenue requirement. These calculations are shown in *Exhibit “KN-2”*, entitled New Orleans – Baton Rouge Steamship Pilots Association Calculation of Change in Revenue Requirement for 2020.

16. Q. Have you adjusted NOBRA’s tariff to reflect the increase in NOBRA’s overall revenue requirement?

A. Yes. The adjustments have been made in the attached tariff (*Exhibit “KN-3”*). However, this tariff will not go into effect until the expense true-up mechanism is renewed or other action is taken by the Fee Commission. As noted above, the tariff calculations are based on a January 1, 2020

implementation date and would need to be recalculated if the tariff adjustment is implemented after that date.

17. Q. Does this conclude your testimony?

A. Yes.

CURRICULUM VITAE KEVIN M. NEYREY

BACKGROUND

Mr. Neyrey is the Managing Partner of Ericksen Krentel, LLP, Certified Public Accountants and Consultants, ("EK") and he is the Partner in charge of the Tax Services Section. Before joining EK in 1984, he spent two years working with a local CPA firm in Denver, Colorado and two years working for a national CPA firm in New Orleans. He is a Certified Public Accountant licensed to practice in Louisiana. Mr. Neyrey has extensive experience in the analysis of complex tax and business issues in a number of industries. He also has considerable experience with estate and trust tax and administrative matters. Additionally, he provides business valuation, forensic accounting, commercial damage and general business consulting services. Mr. Neyrey bills by the hour at the rate of \$270.00 per hour.

PROFESSIONAL DESIGNATIONS

- C.P.A. Licensed in Louisiana in 1982
- C.F.F. Designated as Certified in Financial Forensics by the American Institute of Certified Public Accountants
- P.F.S. Designated a Personal Financial Specialist by the American Institute of Certified Public Accountants
- A.E.P. Designated as Accredited Estate Planner by the National Association of Estate Planners and Councils

EDUCATION

- Master of Science in Accounting – Taxation Option – University of New Orleans, 1989
- Masters in Business Administration – Tulane University, 1980
- Bachelor of Science in Accounting – Southeastern Louisiana University, 1977

PROFESSIONAL ASSOCIATIONS

- American Institute of CPAs
- Louisiana Society of CPAs
- New Orleans Estate Planning Council
- National Association of Estate Planners and Councils

COMMITTEE AND BOARD APPOINTMENTS

- Former Chairman of the Litigation Services Committee – Louisiana Society of CPAs
- Former member of the Board - National Association of Estate Planners and Councils
- Member and past President New Orleans Estate Planning Council
- Former Chairman of the New Orleans Chapter LCPA Taxation Committee

PUBLICATIONS

- "Tax Savings on New Equipment," Ericksen, Krentel & LaPorte Newsletter, First Quarter, 2003
- "Lease or Buy," Work Boat Magazine, November 2001.
- "The Changing Face of the CPA Profession," Ericksen, Krentel, Canton & LaPorte Newsletter, Fall 2000.
- "How New Tax Law Changes Will Affect You!"; Louisiana Realtor Magazine, Winter 1994.

SELECTED SPEECHES

- "Making Sense of the Tax Cuts and Jobs Act", Client Seminar, February 27, 2018.
- "Planning After the American Taxpayer Relief Act", New Orleans Estate Planning Council, March 18, 2013.
- "Business Interruption Workshop," Louisiana CPA Society 2008 Litigation Services Workshop, November 6, 2008, Kenner, LA.
- "Business Interruption Losses," Louisiana Claims Association, 9th Annual Educational Conference and Trade Expo, May 16, 2003, New Orleans, LA.
- "Understanding and Using Business Valuations", American Society of Women Accountants, Continuing Education Seminar, November 9, 2001, New Orleans, LA.

TRIAL AND DEPOSITION APPEARANCES

Cases in which expert trial testimony was given:

- Mindy Brickman Patron v. David Lee Patron, 08-8548, Civil District Court, Parish of Orleans, State of Louisiana
- Drennan v. Drennan, 633-646, Twenty-Fourth Judicial District Court, Parish of Jefferson, State of Louisiana
- Colleen Castagnos Cheramie v. Craig A. Cheramie, 625-280, Twenty-Fourth Judicial District Court, Parish of Jefferson, State of Louisiana
- Audrey Reynaud v. Keith Reynaud, 09 NS 531, Juvenile Court, Parish of Jefferson, State of Louisiana
- Adib Eldayri v. Yousef Salem, et al, 05-2159, Civil District Court, Parish of Orleans, State of Louisiana
- Succession of Odel J. Romaine, 95-11854, Civil District Court, Parish of Orleans, State of Louisiana
- Simpson v. Goodman, 94-14073, Twenty-Second Judicial District Court, Parish of St. Tammany, State of Louisiana

Cases in which expert deposition testimony was given:

- Chad Adams v. Christopher P. Adams, et al, 659-392, Twenty-Fourth Judicial District Court, Parish of Jefferson, State of Louisiana
- Drennan v. Drennan, 633-646, Twenty-Fourth Judicial District Court, Parish of Jefferson, State of Louisiana
- Janet V. Burch and Calvin M. Johnson, as Co-Curators, On Behalf of Vivian Gerard Burch v. George Burch and Bryan Burch, Twenty-Fourth Judicial District Court, Parish of Jefferson, State of Louisiana
- Coca-Cola Enterprises, Inc. v. Carl E. Woodward, et al, 635-290, Twenty-Fourth Judicial District Court, Parish of Jefferson, State of Louisiana
- Rodrigue Studios, L.L.C. v. America First Insurance Co., 06-8271, United States District Court, Eastern District of Louisiana, Section "J".
- Adib Eldayri v. Yousef Salem, et al, 05-2159, Civil District Court, Parish of Orleans, State of Louisiana
- James Presley, et al v. Air Products and Chemicals, Inc., Circuit Court of Santa Rosa County, Florida, Case No. 05-2159
- Owen M. Stanley, Jr. v. Jessie J. Anthony, Jr., et al, 98-134-"B", Thirty Fourth Judicial District Court, Parish of St. Bernard, State of Louisiana
- Dileo v. Dileo, 551-790, Twenty-Fourth Judicial District Court, Parish of Jefferson, State of Louisiana
- Succession of John W. Simpson, 11200 Twenty-Second Judicial District Court, Parish of St. Tammany, State of Louisiana

**New Orleans - Baton Rouge Steamship Pilots Association
Calculation of Change in Revenue Requirement for 2020**

Recap of 2019 Revenue Requirement Per Stipulated Agreement

2019 revenue required to be generated by tariff for compensation	\$ 56,155,937
2019 revenue required to be generated by tariff for expenses	+ 13,594,779
2019 total revenue required to be generated by tariff	<u>\$ 69,750,716</u>

Calculation of Change in Revenue Requirement for Expense Component

2019 revenue requirement for expenses	\$ 13,594,779
Reverse 2017 expense over recovery included in prior year requirement	+ 108,621
Increase in 2020 estimated expenses compared to 2019 estimated expenses ¹	+ 699,355
2020 estimated recoverable expenses ¹	14,402,755
Adjust for 2018 actual expenses greater than 2018 estimated expenses ²	+ 404,958
2020 revenue requirement for expenses	14,807,713
2019 revenue requirement for expenses	- 13,594,779
Increase in 2019 revenue requirement for expenses	<u>\$ 1,212,934</u>

Calculation of 2020 Revenue Requirement for Compensation and Expenses

2019 total revenue required to be generated by tariff	\$ 69,750,716
2020 increase in compensation	+ 674,994
2020 increase in revenue requirement for expenses	+ 1,212,934
2020 revenue requirement for compensation and expenses	<u>\$ 71,638,644</u>

Calculation of Percentage Change in Tariff for Compensation Component

Change in compensation component of revenue requirement for 2020	\$ 674,994
2019 total revenue required to be generated by tariff	÷ 69,750,716
2020 percentage increase in tariff for compensation component	<u>0.968%</u>

Calculation of Percentage Change in Tariff for Expense Component

Change in expense component of revenue requirement for 2020	\$ 1,212,934
2019 total revenue required to be generated by tariff	÷ 69,750,716
2020 percentage increase in tariff for expense component	<u>1.739%</u>

Calculation of Total Percentage Change in Tariff for Compensation and Expenses

Change in compensation component of revenue requirement for 2020	\$ 674,994
Change in expense component of revenue requirement for 2020	+ 1,212,934
Total change in revenue requirement for 2020	\$ 1,887,928
Total 2019 revenue requirement	÷ 69,750,716
Total percentage increase in tariff for 2020	<u>2.707%</u>

¹ See attached Schedule A

² See attached Schedule B

New Orleans - Baton Rouge Steamship Pilots Association
 Calculation of Change in 2020 Revenue Requirement
 2020 Estimated Recoverable Expenses

Schedule A

Pilot Association Recoverable Expenses	2020 Estimated		2019 Estimated		\$ Change		% Change	
	Sub-Category Amounts	Category Total	Sub-Category Amounts	Category Total	Sub-Category Amounts	Category Total	Sub-Category Amounts	Category Total
1. Pilot Compensation		\$ -		\$ -		\$ -		0.00%
2. Employee Salaries, Wages & P/R Taxes		1,446,339		1,446,339		-		0.00%
3. Pensions & Pension Plans		225,475		225,475		-		0.00%
a. Pilot pension expense	-		-		-		0.00%	
b. Employee pension expense	225,475		225,475		-		0.00%	
4. Group Hospitalization & Benefits		7,162,236		6,775,799		386,437		5.70%
a. Pilot health insurance and benefits	4,843,101		4,605,339		237,762		5.16%	
b. Employee health insurance and benefits	534,170		515,750		18,420		3.57%	
c. Retiree health insurance and benefits	1,784,965		1,654,710		130,255		7.87%	
5. Pilot Stations		-		-		-		0.00%
a. Fuel for Generators	-		-		-		0.00%	
b. Maintenance & Repairs	-		-		-		0.00%	
c. Property Taxes	-		-		-		0.00%	
d. Services	-		-		-		0.00%	
e. Utilities	-		-		-		0.00%	
f. Board & Lodging	-		-		-		0.00%	
6. Administrative Offices		150,068		150,068		-		0.00%
a. Rent & Leases	124,500		124,500		-		0.00%	
b. Property Taxes	8,286		8,286		-		0.00%	
c. Services	-		-		-		0.00%	
d. Utilities	17,282		17,282		-		0.00%	
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		1,938,004		1,706,758		231,246		13.55%
a. Pilot Laptops	1,248,651		1,037,205		211,446		20.39%	
b. Other	689,353		669,553		19,800		2.96%	
9. General & Administrative		273,543		273,543		-		0.00%
10. Continuing Education & Training		992,529		992,529		-		0.00%

New Orleans - Baton Rouge Steamship Pilots Association
 Calculation of Change in 2020 Revenue Requirement
 2020 Estimated Recoverable Expenses

Schedule A

Pilot Association Recoverable Expenses	2020 Estimated		2019 Estimated		\$ Change		% Change	
	Sub-Category Amounts	Category Total	Sub-Category Amounts	Category Total	Sub-Category Amounts	Category Total	Sub-Category Amounts	Category Total
11. Professional Services		958,475		958,475		-		0.00%
a. Legal	652,475		651,475		1,000		0.15%	
b. Regulatory	147,000		147,000		-		0.00%	
c. Accounting & Auditing	159,000		160,000		(1,000)		-0.63%	
d. Other	-		-		-		0.00%	
12. Professional Dues		297,736		297,736		-		0.00%
13. Risk Management & Insurance		116,000		107,900		8,100		7.51%
a. Property Insurance	10,547		10,547		-		0.00%	
b. Liability Insurance (includes Pilot License)	5,800		5,800		-		0.00%	
c. Vessel Hull Insurance	-		-		-		0.00%	
d. Other	99,653		91,553		8,100		8.85%	
14. Transportation		122,202		122,202		-		0.00%
a. Pilot Transportation	-		-		-		0.00%	
b. Other	122,202		122,202		-		0.00%	
15. Boards of Commissioners & Examiners		671,835		598,263		73,572		12.30%
16. Taxes & Licenses		18,313		18,313		-		0.00%
17. Income Taxes		-		-		-		0.00%
18. Rent & Lease Expense		-		-		-		0.00%
19. Interest Expense		-		-		-		0.00%
20. Depreciation Expense		-		-		-		0.00%
21. Extraordinary Items - Apprentice Expense		30,000		30,000		-		0.00%
Total Recoverable Expenses		\$ 14,402,755		\$ 13,703,400		\$ 699,355		5.10%
Reconciling Items								
R1.								
R2.								
R3.								
R4.								
R5.								
Total Expenses Per Audit								

**New Orleans - Baton Rouge Steamship Pilots Association
 Calculation of Change in 2020 Revenue Requirement
 Comparison of 2018 Estimated Expenses to 2018 Actual Expenses**

Schedule B

Pilot Association Recoverable Expenses	2018 Estimated		2018 Actual		Difference - Over / (Under) Estimate			
	Sub-Category Amounts	Category Total	Sub-Category Amounts	Category Total	Sub-Category Amounts	Category Total	Sub-Category % difference	Category % difference
1. Pilot Compensation	\$ -	\$ -	-	-	\$ -	(15,083)		0.00%
2. Employee Salaries, Wages & P/R Taxes		1,404,212		1,389,129		(15,083)		-1.07%
3. Pensions & Pension Plans		218,908		217,295		(1,613)		-0.74%
a. Pilot pension expense	-	-	-	-	-	-	0.00%	
b. Employee pension expense	218,908		217,295		(1,613)		-0.74%	
4. Group Hospitalization & Benefits		6,611,825		6,772,998		161,173		2.44%
a. Pilot health insurance and benefits	4,493,890		4,686,064		192,174		4.28%	
b. Employee health insurance and benefits	503,269		517,636		14,367		2.85%	
c. Retiree health insurance and benefits	1,614,666		1,569,298		(45,368)		-2.81%	
5. Pilot Stations		-		-		-		0.00%
a. Fuel for Generators	-		-		-		0.00%	
b. Maintenance & Repairs	-		-		-		0.00%	
c. Property Taxes	-		-		-		0.00%	
d. Services	-		-		-		0.00%	
e. Utilities	-		-		-		0.00%	
f. Board & Lodging	-		-		-		0.00%	
6. Administrative Offices		150,068		147,524		(2,544)		-1.70%
a. Rent & Leases	124,500		124,500		-		0.00%	
b. Property Taxes	8,286		8,449		163		1.97%	
c. Services	-		-		-		0.00%	
d. Utilities	17,282		14,575		(2,707)		-15.66%	
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		1,416,529		1,634,775		218,246		15.41%
a. Pilot Laptops	960,065		1,035,327		75,262		7.84%	
b. Other	456,464		599,448		142,984		31.32%	
9. General & Administrative		247,538		236,257		(11,281)		-4.56%
10. Continuing Education & Training		954,355		902,633		(51,722)		-5.42%

Schedule B

New Orleans - Baton Rouge Steamship Pilots Association
Calculation of Change in 2020 Revenue Requirement
Comparison of 2018 Estimated Expenses to 2018 Actual Expenses

Pilot Association Recoverable Expenses	2018 Estimated		2018 Actual		Difference - Over / (Under) Estimate			
	Sub-Category Amounts	Category Total	Sub-Category Amounts	Category Total	Sub-Category Amounts	Category Total	Sub-Category % difference	Category % difference
11. Professional Services		840,000		905,354		65,354		7.78%
a. Legal	700,000		622,397		(77,603)		-11.09%	
b. Regulatory	-		147,218		147,218		100.00%	
c. Accounting & Auditing	140,000		135,739		(4,261)		-3.04%	
d. Other	-		-		-		0.00%	
12. Professional Dues		287,780		279,656		(8,124)		-2.82%
13. Risk Management & Insurance		119,242		93,429		(25,813)		-21.65%
a. Property Insurance	10,547		9,334		(1,213)		-11.50%	
b. Liability Insurance (includes Pilot License)	19,120		16,230		(2,890)		-15.12%	
c. Vessel Hull Insurance	-		-		-		0.00%	
d. Other	89,575		67,865		(21,710)		-24.24%	
14. Transportation		122,202		117,292		(4,910)		-4.02%
a. Pilot Transportation	-		-		-		0.00%	
b. Other	122,202		117,292		(4,910)		-4.02%	
15. Boards of Commissioners & Examiners		481,371		549,687		68,316		14.19%
16. Taxes & Licenses		3,600		10,401		6,801		188.92%
17. Income Taxes		-		-		-		0.00%
18. Rent & Lease Expense		-		-		-		0.00%
19. Interest Expense		-		-		-		0.00%
20. Depreciation Expense		-		1,658		1,658		100.00%
21. Extraordinary Items		19,500		24,000		4,500		23.08%
Total Recoverable Expenses		\$ 12,877,130		\$ 13,282,088		\$ 404,958		3.14%
Reconciling Items								
R1. Advertising				34,864				
R2. Meals & Entertainment				97,909				
R3. Professional Fees - Other				501,000				
R4. Pilot pension expenses				16,600,594				
R5. Pilot transportation				5,005,305				
Total Expenses Per Audit				\$ 35,521,760				

**New Orleans - Baton Rouge Steamship Pilots Association
Tariff Revisions Effective 1/1/2020**

<u>Components of Tariff</u>	Tariff Effective 1/1/2019	% Change ¹	Tariff Effective 1/1/2020
Draft (minimum draft 20')	\$106.61	2.707%	\$109.50
Detention			
A 1 through 3 hours	\$461.21	2.707%	\$473.69
B 4th hour	\$538.17	2.707%	\$552.74
C 5th or more	\$631.83	2.707%	\$648.93
Shifting			
A Between mile 104.0 - 127.9	\$1,159.42	2.707%	\$1,190.80
B Between mile 128.0 -201.6	\$1,283.93	2.707%	\$1,318.68
C Between mile 201.7 - 233.9	\$1,159.42	2.707%	\$1,190.80
Tonnage			
A Vessels of at least 21,000 dwt Plus	\$235.33	2.707%	\$241.70
B Vessels greater than 21,000 dwt, but less than 60,000 dwt	\$45.07	2.707%	\$46.29
C Vessels greater than or equal to 60,000 dwt	\$51.33	2.707%	\$52.72
Dock, Undock, Head down, and Turning			
A Vessels less than 300 feet length over all	\$590.35	2.707%	\$606.33
B Vessels between 300 and 599 feet	\$648.38	2.707%	\$665.93
C Vessels at least 600 feet	\$724.45	2.707%	\$744.06
Discharge			
A Mile 90.5 - 106.0	\$759.43	2.707%	\$779.99
B Mile 106.1 - 222.0	\$870.39	2.707%	\$893.95
C Mile 222.1 - 232.2	\$759.43	2.707%	\$779.99
Mileage			
A Vessels less than 21,000 dwt	\$24.97	2.707%	\$25.65
B Vessels between 21,000 and 59,999 dwt	\$29.37	2.707%	\$30.16
C Vessels greater than or equal to 60,000 dwt	\$33.77	2.707%	\$34.68
Head Down	\$175.25	2.707%	\$179.99
Compass Adjusting	\$175.25	2.707%	\$179.99
Communication Charge	\$8.48	2.707%	\$8.71

¹ This % change includes consideration of the cost of living (COLA) change in compensation and the change in revenue requirement for expenses recoverable through tariff

BEFORE THE
LOUISIANA PILOTAGE FEE COMMISSION

NEW ORLEANS - BATON ROUGE
STEAMSHIP PILOTS ASSOCIATION

DOCKET NO. P13-001

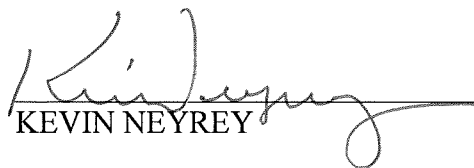
In Re: Request for Action on Tariff Redesign Resulting in an Upward Adjustment to Recover an Increase in Target Compensation and other Recoverable Expenses pursuant to La R.S. 34: 1122, Elimination of Vessel Traffic Service Surcharge; Implementation of a True-Up Mechanism; Implementation of a Cost of Living Adjustment Mechanism; Increase in Transportation Tariff; Implementation of a Charge for a Second Pilot on Ships of a Certain Scale; and for Related Relief.

AFFIDAVIT

STATE OF LOUISIANA

PARISH OF Jefferson

I, Kevin Neyrey, Certified Public Accountant, being first duly sworn, state that I have reviewed the above and foregoing testimony and the exhibits attached thereto, and that the testimony and exhibits are true and accurate to the best of my knowledge, information and belief.


KEVIN NEYREY

SWORN TO AND SUBSCRIBED before me on this 31 day of October, 2019.


NOTARY PUBLIC



OFFICIAL SEAL
WILLIAM BOLES KIRTLAND
BAR ROLL # 33220
STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE
My Commission is for Life