



November 1, 2019

VIA ELECTRONIC MAIL ONLY: mcnutt@lpfc.la.gov

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

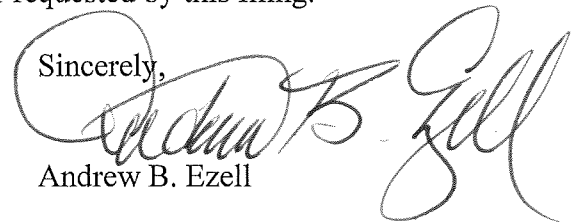
Re: Lake Charles Pilots, Inc.
Louisiana Pilotage Fee Commission Docket No. P11-001
In Re: Request for Funding for Physical Oceanographic Real-Time
System (PORTS®) and Related Relief Pursuant to La. R.S. 34:1122

Re: Lake Charles Pilots, Inc.
Louisiana Pilotage Fee Commission Docket No. P12-001
In Re: Request for Funding of Revenue Shortfall, Adjustment of
Current Capital Improvement Surcharge, Adjustment of Annual
Pilot Target Compensation and Related Relief Pursuant to La. R.S.
34:1122

Dear Mr. McNutt:

Enclosed please find the original pre-filed direct testimony of Captain Brett A. Palmer and Mr. Danny L. Williams, CPA, regarding Lake Charles Pilots Inc.'s submission of projected expenses for the year 2020, pursuant to Order No. P11-001, dated March 8, 2012 and Order No. P12-001, dated September 13, 2012. This is an informational and compliance filing only in connection with the implementation of the true-up mechanism adopted by the Commission in Order No. P11-001. No Commission action is required or requested by this filing.

Sincerely,



Andrew B. Ezell

cc: Captain Brett A. Palmer
Ms. Karen Smith
Mr. Danny L. Williams, CPA

**BEFORE THE
LOUISIANA PILOTAGE FEE COMMISSION**

**ASSOCIATED BRANCH PILOTS FOR THE PORT OF LAKE CHARLES,
DULY INCORPORATED AS LAKE CHARLES PILOTS, INC., EX PARTE**

DOCKET NO. P11-001

*In Re: Request for funding for Physical Oceanographic Real-Time System (PORTS®) and
Related Relief Pursuant to La. R.S. 34:1122*

AND

DOCKET NO. P12-001

*In Re: Request for Funding of Revenue Shortfall, Adjustment of Current Capital
Improvement Surcharge, Adjustment of Annual Pilot Target Compensation and Related
Relief, all Pursuant to La. R.S. 34:1122*

PRE-FILED DIRECT TESTIMONY

OF

CAPTAIN BRETT A. PALMER

ON BEHALF OF

**ASSOCIATED BRANCH PILOTS FOR THE PORT OF LAKE CHARLES,
DULY INCORPORATED AS LAKE CHARLES PILOTS, INC.**

November 1, 2019

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

A. Captain Brett A. Palmer, 4902 Ihles Road, Lake Charles, Louisiana 70605

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

A. I represent the Associated Branch Pilots for the Port of Lake Charles, duly incorporated as Lake Charles Pilots, Inc., a Louisiana corporation (hereafter "LCPI"). Since June 1, 2014, I have held the position of President of LCPI. As President, in addition to being a working pilot, I manage all operations of LCPI, which currently has seventeen (17) pilot members. I have been a state commissioned pilot since September 1993. From July 2002 to June 2014, I served as Chairman of the Board of Pilot Commissioners and Examiners of the Port of Lake Charles. From July 2005 to June 2014, I was an inaugural pilot member of the Louisiana Board of River Pilot Review and Oversight. I am also a commissioned member of the Louisiana Pilotage Fee Commission (the "Commission"), and have served in that capacity since August 22, 2014.

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

A. Yes, I have provided pre-filed testimony before the Commission in this proceeding and in Docket Nos. P07-001, P10-002, P15-001 and P16-003.

4. Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present LCPI's projected expenses for 2020, as required by Commission Order No. P11-001, to include target average annual compensation for 17 pilots as provided in Commission Order No. P15-001. Pursuant to Order No. P11-001, the Commission approved an annual true-up mechanism of LCPI's projected annual expenses, based on the prior year's annualized expenses and any known and measurable changes in those expenses. Commission Order No. P12-

001 also provides for, among other things, the annual adjustment of pilot compensation expense by the five (5) year rolling average of the Consumer Price Index. The true-up mechanism requires LCPI to file projected expenses for the upcoming year in November of the current year, which is the basis for this filing.

5. Q. Who else will testify for LCPI?

A. Mr. Danny L. Williams, CPA, of Langley Williams & Company, LCPI's independent accounting firm, will provide more detailed testimony regarding LCPI's projected 2020 expenses and the appropriateness of those projections.

6. Q. Please summarize LCPI's projected operating and administrative expenses for 2020, including the annual upward adjustment of pilot compensation.

A. In summary, LCPI's projected operating and administrative expenses for 2020, exclusive of the required increase in pilot compensation, totals \$14,452,300 or \$247,263 more than last year. This results in a 1.7407% increase in total expense recovery for 2020 over the required expense recovery in 2019 (\$14,078,438) after subtracting the over-recovery of costs in 2018 pursuant to the true-up of 2018 expenses (\$206,634), subtracting the decrease in 2019 annualized expenses over those projected (\$186,161) and adding the increase in known and measurable expenses for 2020 (\$640,058). When coupled with the increase in the 2020 revenue requirement for pilot compensation (\$89,505), or 0.6301%, the total percentage increase in annual revenue for 2020 is 2.3708%. Mr. Williams' testimony will provide the detailed data that supports LCPI's 2020 projected increase in expenses.

7. Q. What are the major drivers of the increase in operating and administrative expenses in 2020? Have any expenses materially declined?

A. Projected operating and administrative expenses for 2020 total \$7,212,340, which results in an increase of \$453,898, or 6.7160% over those projected in 2019 (\$6,758,442). The increase in projected expenses for 2020 results from significant, but necessary increases in the areas of Employee Salaries, Wages and Payroll Taxes, Group Hospitalization and Benefits, Pilot Stations, Administrative Offices, Communications and Dispatch and IT, General and Administrative, Risk Management and Insurance, and Interest Expense. LCPI projects that Employee Salaries, Wages and Payroll Taxes to increase by \$251,970, relating primarily to the necessary hiring of two (2) new pilot apprentices due to impending pilot retirements. An additional increase in this expense item will result from the scheduled increase in second-year salary for the current pilot apprentice. Group Hospitalization and Benefits did not significantly increase in 2019. However, due to a projected 10% increase in costs, coupled with the cost increase related to providing coverage for the additional pilot apprentices, LCPI expects this expense to increase by \$180,164, or 15.03%, in 2020. Pilot station expenses are expected to increase by \$59,581, or 27.73%, due to required general maintenance, increased board and lodging costs and essential dredging around the west side dock. Administrative Office expense will also increase by \$48,083, or 46.50%, due to required general maintenance and an upgrade to the pilot dispatch program to move to cloud storage. LCPI also projects that Communications, Dispatch and IT expense will increase by \$69,018 or 36.53% due to necessary software upgrades for pilot navigational units, the purchase of two (2) new radios and the purchase of two (2)

personal navigational units for the new pilot apprentices. General and Administrative Office expense is expected to increase by \$5,668, or 17.82%, primarily due to required general maintenance. An increase in the Risk Management and Insurance expense of \$32,608, or 10.46%, will be realized due to the addition of the new pilot boat to required coverages, which will also increase the premium for umbrella coverage. Finally, Interest Expense will increase by \$6,215 or 20.59%, due to the refinancing of the pilot office building.

Significant reductions are expected in LCPI's Professional Services and Transportation expenses for 2020. It is expected that Professional Services will decrease by \$81,750 because LCPI does not foresee the need to file a rate proceeding in 2020 and incur the related expenses. Another significant expense reduction will be realized in the Transportation Expense line item. These expenses are projected to decrease by \$217,558, or 57.55%, due to the completion of repairs to the I-210 bridge, which eliminates the need for pilots to utilize a water taxi to access berths above and below the bridge.

8. Q. What was the effect of the "true-up" of 2018 expenses?

A. We projected our 2018 expenses to be \$6,333,114, and our audited expenses for 2018 totaled \$6,126,480, or \$206,634 less than projected. Accordingly, that amount will be deducted from the projected 2020 revenue requirement.

9. Q. Does this conclude your testimony?

A. Yes.

**BEFORE THE
LOUISIANA PILOTAGE FEE COMMISSION**

**ASSOCIATED BRANCH PILOTS FOR THE PORT OF LAKE CHARLES,
DULY INCORPORATED AS LAKE CHARLES PILOTS, INC., EX PARTE**

DOCKET NO. P11-001

*In Re: Request for funding for Physical Oceanographic Real-Time System (PORTS®) and
Related Relief Pursuant to La. R.S. 34:1122*

AND


DOCKET NO. P12-001

*In Re: Request for Funding of Revenue Shortfall, Adjustment of Current Capital
Improvement Surcharge, Adjustment of Annual Pilot Target Compensation and Related
Relief, all Pursuant to La. R.S. 34:1122*

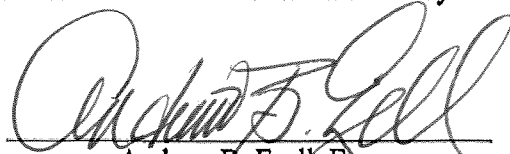
AFFIDAVIT

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

I, Captain Brett A. Palmer, 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 Brett A. Palmer

SWORN TO AND SUBSCRIBED before me this 1st day of November, 2019.


Andrew B. Ezell, Esq.
La. Bar Roll No. 05414
My Commission Expires at Death

**BEFORE THE
LOUISIANA PILOTAGE FEE COMMISSION**

**ASSOCIATED BRANCH PILOTS FOR THE PORT OF LAKE CHARLES,
DULY INCORPORATED AS LAKE CHARLES PILOTS, INC., EX PARTE**

DOCKET NO. P11-001

*In Re: Request for funding for Physical Oceanographic Real-Time System (PORTS®) and
Related Relief Pursuant to La. R.S. 34:1122*

AND

DOCKET NO. P12-001

*In Re: Request for Funding of Revenue Shortfall, Adjustment of Current Capital
Improvement Surcharge, Adjustment of Annual Pilot Target Compensation and Related
Relief, all Pursuant to La. R.S. 34:1122*

PRE-FILED DIRECT TESTIMONY

OF

DANNY L. WILLIAMS, CPA

ON BEHALF OF

**ASSOCIATED BRANCH PILOTS FOR THE PORT OF LAKE CHARLES,
DULY INCORPORATED AS LAKE CHARLES PILOTS, INC.**

November 1, 2019

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

A. My name is Danny L. Williams. My business address is 205 West College St., Lake Charles, LA 70605.

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

A. I graduated from McNeese State University in 1974 with a Bachelor of Science Degree in Accounting. I am a Certified Public Accountant with 40 years of experience in the fields of taxation, audit and business consulting. I am currently licensed to practice in Louisiana and Arkansas. I am a member of the American Institute of Certified Public Accountants and the Louisiana State Society of Certified Public Accountants. I am a member/partner in the accounting firm Langley Williams & Company, LLC, where I have practiced for the last thirty-seven years.

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

A. Yes. In addition to testimony in civil district courts related to property or domestic disputes, I have provided pre-filed testimony on behalf of Lake Charles Pilots, Inc. ("LCPI") in connection with LCPI's annual true-up of expenses.

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

A. The purpose of my testimony is to explain the financial information that we helped LCPI prepare in connection with LCPI's true-up projections for tariff year 2020.

5. Q. Describe LCPI's projected expenses for 2020.

A. LCPI's 2020 projected expenses are itemized in Exhibit No. DLW-1.

6. Q. Do the 2020 forecasted recoverable costs in Exhibit No. DLW-1 contemplate an increase or decrease when compared to 2019 forecasted recoverable costs?

A. The calculations provided in Exhibit No. DLW-1 reflect an increase in 2020 forecasted recoverable costs over 2019 in the amount of \$640,058.

7. Q. What major categories of expenses are projected to increase in the forecasted recoverable costs for 2020?

A. The major increases in expense are expected in eight (8) categories: Employee Salaries, Wages and Payroll Taxes, Group Hospitalization and Benefits, Pilot Stations, Administrative Offices, Communications and Dispatch and IT, General and Administrative, Risk Management, and Interest Expense.

8. Q. Is there a major decrease in expense forecasted in any category for 2020?

A. Yes, there are. Management expects a significant expense reductions in the areas of Professional Services and Transportation.

9. Q. What information is provided in Exhibit No. DLW-2?

A. Exhibit No. DLW-2 presents the change from the original forecast of 2019 recoverable costs to the revised (current) forecast of 2019 recoverable costs which results in a decrease of \$186,161.

10. Q. What information is provided in Exhibit No.'s DLW-3 and DLW-4?

A. Exhibit No.'s DLW-3 and DLW-4 present a comparison of LCPI's 2019 original forecasted recoverable costs and 2020 forecasted recoverable costs.

11. Q. What information is provided in Exhibit No. DLW-5?

A. Exhibit No. DLW-5 presents a comparison of the budgeted recoverable costs in 2018 to the actual recoverable costs incurred in 2018, as reflected in the 2018 annual audit.

This reflects an over-recovery of \$206,634, which will decrease the recovery of expenses in 2020 by that same amount.

12. Q. What information is provided in Exhibit No. DLW-6?

A. Exhibit No. DLW-6 is a calculation of the 2020 tariff revenue requirement, which reflects a total revenue requirement for ordinary and necessary expenses of \$14,452,300, or a 1.7407% increase in the revenue requirement projected for 2020.

13. Q. What information is presented in Exhibit No. DLW-7?

A. Exhibit No. DLW-7 reflects the change in tariff rates necessary to recover the increase in 2020 forecasted recoverable costs and upward adjustment of 2020 target compensation for pilots.

14. Q. Does this conclude your testimony?

A. Yes.

THIS PORTION OF THE DOCUMENT IS INTENTIONALLY LEFT BLANK

EXHIBIT NO. DLW-1

Lake Charles Pilots, Inc.

Statements of Forecasted Recoverable Costs

Years Ending December 31, 2020 and 2019	Revised 2019 Forecasted Recoverable Costs	2020 Known and Measurable Adjustments	2020 Forecasted Recoverable Costs
Accounting, Auditing and Tariff	43,225	-	43,225
Automobile Expense	125,189	(11,232)	113,957
Bank Service Charges	1,199	-	1,199
Continuing Education	80,750	32,350	113,100
Depreciation	50,784	(2,619)	48,165
Fuel and Oil	476,964	105,401	582,365
Insurance-Boat, P&I, Hull	76,252	13,248	89,500
Insurance-Other	10,354	3,598	13,952
Insurance-Health-Pilots	418,723	36,454	455,177
Insurance-Health-Others	460,633	106,702	567,335
Insurance-Retiree	14,304	4,896	19,200
Insurance-Disability, Life, LTC-Pilots	256,912	5,059	261,970
Insurance-Disability, Life, LTC-Others	56,672	12,583	69,255
Insurance-License	68,441	11,089	79,530
Insurance-Auto	22,297	4,003	26,300
Insurance-Wkrs Comp	18,863	3,222	22,085
Insurance-Office	13,009	1,071	14,080
Insurance-Bond	1,650	-	1,650
Insurance-Liability	11,557	151	11,708
Insurance-Station	51,319	4,843	56,162
Insurance-Umbrella	27,486	1,926	29,412
Interest	33,905	2,492	36,397
Legal Fees-General	73,605	6,395	80,000
Medical Expense	941	5,000	5,941
NOAA Ports System Charge	110,000	-	110,000
Office Expense	103,386	6,914	110,300
Pilots Expenses-Supplies	13,304	4,000	17,304
Professional Dues-General	2,237	-	2,237
Professional Dues-Pilots	44,574	1,938	46,512
Professional Publications	12,622	1,771	14,393
Professional Services	65,838	(65,838)	-
Radio/Communications/Navigation-Laptops	41,088	50,400	91,488
Radio/Communications/Navigation-Other	23,441	16,589	40,030
Repairs-General	40,360	-	40,360
Repairs-Boats	568,701	586	569,287
Rent-Access Dock	48,000	-	48,000
Retirement Plan-Pilots	952,000	17,000	969,000
Retirement Plan-Others	243,185	66,180	309,365
Salaries-Accountants	86,828	713	87,541
Salaries-Apprentice	81,757	195,134	276,891
Salaries-Boat Crew	543,552	10,078	553,630
Salaries-Dispatchers	216,269	32,126	248,395
Salaries-Drivers	133,716	1,236	134,952
Salaries-Support Services Mgr & Support	166,124	5,137	171,261

EXHIBIT NO. DLW-1

Lake Charles Pilots, Inc.

Statements of Forecasted Recoverable Costs

Years Ending December 31, 2020 and 2019	Revised 2019 Forecasted Recoverable Costs	2020 Known and Measurable Adjustments	2020 Forecasted Recoverable Costs
Station Expenses	135,538	45,000	180,538
Tariff/regulatory expenses-Legal	191,570	(41,570)	150,000
Taxes and Licenses	21,611	2,090	23,701
Taxes-Corp Income Tax and Franchise Tax	62,711	-	62,711
Taxes-Payroll	97,514	6,716	104,230
Telephone	27,426	-	27,426
Transportation-Other	62,773	(62,773)	-
Travel and meals	46,487	-	46,487
Utilities	34,638	-	34,638
Totals	6,572,281	640,058	7,212,340

EXHIBIT NO. DLW-2

Lake Charles Pilots, Inc.

Schedule of Revised Forecasted Recoverable Costs

Year Ending December 31, 2019

	Original 2019 Forecasted Recoverable Costs	Revised 2019 Forecasted Recoverable Costs
Accounting, Auditing and Tariff	54,975	43,225
Automobile Expense	114,337	125,189
Bank Service Charges	803	1,199
Continuing Education	121,368	80,750
Depreciation	53,140	50,784
Fuel and Oil	517,416	476,964
Insurance-Boat, P&I, Hull	69,028	76,252
Insurance-Other	8,274	10,354
Insurance-Health-Pilots	424,142	418,723
Insurance-Health-Others	454,728	460,633
Insurance-Retiree	14,733	14,304
Insurance-Disability, Life, LTC-Pilots	246,877	256,912
Insurance-Disability, Life, LTC-Others	52,870	56,672
Insurance-License	61,455	68,441
Insurance-Auto	24,831	22,297
Insurance-Wkrs Comp	20,908	18,863
Insurance-Office	12,228	13,009
Insurance-Bond	1,650	1,650
Insurance-Liability	10,295	11,557
Insurance-Station	73,579	51,319
Insurance-Umbrella	29,523	27,486
Interest	30,182	33,905
Legal Fees-General	80,000	73,605
Medical Expense	5,363	941
NOAA Ports System Charge	110,000	110,000
Office Expense	74,657	103,386
Pilots Expenses-Supplies	13,539	13,304
Professional Dues-General	2,237	2,237
Professional Dues-Pilots	44,574	44,574
Professional Publications	15,976	12,622
Professional Services	50,000	65,838
Radio/Communications/Navigation-Laptops	49,766	41,088
Radio/Communications/Navigation-Other	16,295	23,441
Repairs-General	21,905	40,360
Repairs-Boats	568,701	568,701
Rent-Access Dock	48,000	48,000
Retirement Plan-Pilots	952,000	952,000
Retirement Plan-Others	282,383	243,185
Salaries-Accountant	86,501	86,828
Salaries-Apprentice	80,000	81,757
Salaries-Boat Crew	540,839	543,552
Salaries-Dispatchers	236,866	216,269
Salaries-Drivers	131,388	133,716
Salaries-Support Services Mgr & Support	154,061	166,124

EXHIBIT NO. DLW-2

Lake Charles Pilots, Inc.

Schedule of Revised Forecasted Recoverable Costs

Year Ending December 31, 2019

	Original 2019 Forecasted Recoverable Costs	Revised 2019 Forecasted Recoverable Costs
Station Expenses	119,715	135,538
Tariff/regulatory expenses-Legal	170,000	191,570
Taxes and Licenses	20,800	21,611
Taxes-Corp Income Tax and Franchise Tax	65,000	62,711
Taxes-Payroll	95,274	97,514
Telephone	26,480	27,426
Transportation for Bridge Repairs	221,000	62,773
Travel and meals	42,665	46,487
Utilities	35,115	34,638
Total Costs	<u>6,758,442</u>	<u>6,572,281</u>
Decrease in 2019 Forecasted Recoverable Costs		(186,161)

Exhibit No. DLW-3

Lake Charles Pilots, Inc.

Comparison of Original 2019 Forecasted Recoverable Costs to 2020 Forecasted Recoverable Costs

	Original 2019 Forecasted Recoverable Costs	2020 Forecasted Recoverable Costs	Percentage Difference	Dollar Difference		
2	Employee Salaries, Wages & P/R Taxes	1,324,929	1,576,899	19.02%	251,970	
3	Pensions & Pension Plans	1,236,008	1,279,990	3.56%	43,982	
4	Group Hospitalization & Benefits	1,198,713	1,378,877	15.03%	180,164	
5	Pilot Stations	214,854	274,435	27.73%	59,581	
6	Administrative Offices	103,397	151,480	46.50%	48,083	
7	Vessel Expenses	1,099,656	1,168,956	6.30%	69,300	
8	Communications, Dispatch, & IT	188,957	257,975	36.53%	69,018	
9	General & Administrative	31,804	37,472	17.82%	5,668	
10	Continuing Education & Training	121,368	113,100	-6.81%	(8,268)	
11	Professional Services	353,350	271,600	-23.14%	(81,750)	
12	Professional Dues	46,811	48,749	4.14%	1,938	
13	Risk Management & Insurance	311,771	344,379	10.46%	32,608	
14	Transportation	378,002	160,444	-57.55%	(217,558)	
15	Board of Commissioners & Examiners	-	-	100.00%	-	
16	Taxes & Licenses	500	711	42.20%	211	
17	Income Taxes	65,000	62,711	-3.52%	(2,289)	
18	Rent & Lease Expense	-	-	0.00%	-	
19	Interest Expense	30,182	36,397	20.59%	6,215	
20	Depreciation Expense	53,140	48,165	-9.36%	(4,975)	
	Total	<u>6,758,442</u>	<u>7,212,340</u>		<u>453,898</u>	6.7160%

Exhibit No.DLW-4

Lake Charles Pilots, Inc.

Comparison of Original 2019 Forecasted Recoverable Costs to 2020 Forecasted Recoverable Costs

Original
2019 Forecasted
Recoverable Costs **2020 Forecasted**
Recoverable Costs

Pilot Association Recoverable Costs	Sub-Category Amounts	Category Total	Sub-Category Amounts	Category Total
1. Pilot Compensation				
2. Employee Salaries, Wages & P/R Taxes		1,324,929		1,576,899
3. Pensions & Pension Plans		1,236,008		1,279,990
a. Pilot pension expense	953,400		970,400	
b. Employee pension expense	282,608		309,590	
4. Group Hospitalization & Benefits		1,198,713		1,378,877
a. Pilot health insurance and benefits	671,019		717,147	
b. Employee health insurance and benefits	512,961		642,530	
c. Retiree health insurance and benefits	14,733		19,200	
5. Pilot Stations		214,854		274,435
a. Fuel for Generators	-		-	
b. Maintenance & Repairs	43,842		100,640	
c. Property Taxes	11,200		12,650	
d. Services	12,959		13,836	
e. Utilities	48,796		47,151	
f. Board & Lodging	98,058		100,158	
6. Administrative Offices		103,397		151,480
a. Rent & Leases	-		-	
b. Property Taxes	9,100		10,340	
c. Services	75,552		120,665	
d. Utilities	16,234		17,516	
e. Other	2,511		2,959	
7. Vessel Expenses		1,099,656		1,168,956
a. Fuel	517,416		582,365	
b. Maintenance & Repairs	582,240		586,591	
c. Property Taxes	-		-	
d. Operating Costs	-		-	
8. Communications, Dispatch, & IT		188,957		257,975
a. Pilot Laptops	49,766		91,488	
b. Other	139,191		166,487	

Exhibit No.DLW-4

Lake Charles Pilots, Inc.

Comparison of Original 2019 Forecasted Recoverable Costs to 2020 Forecasted Recoverable Costs

Original
2019 Forecasted **2020 Forecasted**
Recoverable Costs **Recoverable Costs**

Pilot Association Recoverable Costs	Sub-Category Amounts	Category Total	Sub-Category Amounts	Category Total
9. General & Administrative		31,804		37,472
10. Continuing Education & Training		121,368		113,100
11. Professional Services		353,350		271,600
a. Legal	80,000		80,000	
b. Regulatory	170,000		150,000	
c. Accounting & Auditing	53,350		41,600	
d. Other	50,000		-	
12. Professional Dues		46,811		48,749
13. Risk Management & Insurance		311,771		344,379
a. Property Insurance	85,807		70,242	
b. Liability Insurance(includes Pilot License)	101,273		120,650	
c. Vessel Hull Insurance	69,028		89,500	
d. Other	55,663		63,987	
14. Transportation		378,002		160,444
a. Pilot Transportation	378,002		160,444	
b. Other	-		-	
15. Boards of Commissioners & Examiners		-		-
16. Taxes & Licenses		500		711
17. Income Taxes		65,000		62,711
18. Rent & Lease Expense		-		-
19. Interest Expense		30,182		36,397
20. Depreciation Expense		53,140		48,165
21. Extraordinary Items		-		-
Total Recoverable Costs		6,758,442		7,212,340

**Associated Branch Pilots of the Port of Lake Charles
Duly Incorporated as Lake Charles Pilots, Inc.**

Statement of Recoverable Costs

Year Ending December 31, 2018

	2018 Actual Costs	2018 Budgeted Costs
Accounting, Auditing and Tariff	47,825	48,975
Automobile Expense	125,733	126,791
Bank Service Charges	637	803
Continuing Education	101,625	95,553
Depreciation	56,039	56,040
Fuel and Oil	451,670	449,074
Insurance-Boat, P&I, Hull	58,105	58,105
Insurance-Other	2,982	2,982
Insurance-Health-Pilots	384,043	387,314
Insurance-Health-Others	387,506	395,545
Insurance-Retiree	5,555	5,555
Insurance-Disability, Life, LTC-Pilots	242,965	242,825
Insurance-Disability, Life, LTC-Others	49,317	49,716
Insurance-License	61,455	61,455
Insurance-Auto	19,557	19,285
Insurance-Wkrs Comp	13,078	16,802
Insurance-Office	11,808	11,840
Insurance-Bond	1,650	1,650
Insurance-Liability	10,057	10,057
Insurance-Station	49,471	68,151
Insurance-Umbrella	24,570	24,864
Interest	25,997	25,905
Legal Fees-General	76,037	79,003
Medical Expense	4,098	5,363
NOAA Ports System Charge	147,090	147,090
Office Expense	84,187	79,657
Pilots Expenses-Supplies	18,253	18,539
Professional Dues-General	2,143	2,237
Professional Dues-Pilots	42,747	42,791
Professional Services	12,632	30,000
Professional Publications	13,862	14,326
Radio/Communications/Navigation-Laptops	35,803	49,766
Radio/Communications/Navigation-Other	22,258	27,603
Repairs-General	27,631	31,905
Repairs-Boats	603,155	661,962
Rent-Access Dock	48,000	48,000
Retirement Plan-Pilots	924,208	937,407
Retirement Plan-Others	254,331	245,833
Salaries-Accountant	85,605	85,605
Salaries-Apprentice	41,552	41,552
Salaries-Boat Crew	525,954	525,507
Salaries-Dispatchers	204,089	211,031
Salaries-Drivers	131,235	129,264
Salaries-Support Services Mgr & Support	149,215	148,368

Associated Branch Pilots of the Port of Lake Charles
Duly Incorporated as Lake Charles Pilots, Inc.

Statement of Recoverable Costs

Year Ending December 31, 2018

	2018 Actual Costs	2018 Budgeted Costs
Station Expenses	116,581	119,715
Tariff/regulatory expenses-Legal	128,574	161,806
Taxes and Licenses	19,753	20,800
Taxes-Corp Income Tax and Franchise Tax	79,934	117,552
Taxes-Payroll	86,838	86,886
Telephone	25,835	26,480
Travel and meals	49,692	42,665
Utilities	33,543	35,115
Total Costs	<u>6,126,480</u>	<u>6,333,114</u>
2018 Actual costs less than budgeted costs		<u>(206,634)</u>

Exhibit No.DLW-6

Lake Charles Pilots, Inc.

CALCULATION OF CHANGE IN REVENUE REQUIREMENT

1. Calculate Change in Revenue Requirement

2019 Revenue Requirement per November 2018 Forecast	14,078,438
Adjust 2019 Revenue Requirement by 2017 True-Up	<u>126,599</u>
Adjusted 2019 Revenue Requirement	14,205,037
Subtract: 2018 Recovery over Cost (Per True-Up)	(206,634)
Subtract: 2019 Annualized Costs less than 2019 Forecast	(186,161)
Add: Known and Measurable 2020 Costs	<u>640,058</u>
Increase in Costs	1.7407% 247,263
2020 Revenue Requirement	14,452,300

2. Calculate Total Percent Change in Revenue Requirement

Total Change	247,263
Divided by Adjusted 2019 Revenue Requirement	14,205,037
Percent Increase in Revenue Requirement	1.7407%

Exhibit No. DLW-7

Lake Charles Pilots, Inc.

Tariff Schedule 1-1-20

Classification	Tariff Effective 7/10/2019	Tariff Effective 1/1/2020	2.3708% Change	Adjustment to Outer Bar	Total Change
Draft (per draft foot):					
Vessels with units from 0-500 units	89.624	91.749	2.125		2.079
Vessels with more than 500 units to 1,000 units	107.030	109.567	2.537		2.483
Vessels with more than 1,000 units	123.985	126.924	2.939		2.877
Unit Rate (per unit):					
000-500	-	-	-		-
More than 500 to 1,000	2.686	2.750	0.064		0.062
More than 1,000	5.861	6.000	0.139		0.136
Pilotage Fees Through Bars and Passes:					
Per statute mile	107.75	110.31	2.555		2.500
Applied at the following boarding positions:					
Buoy #36	0.0000	-	-		-
Buoy #34	1.1801	127.15	130.17	3.01	0.01
Buoy #32	2.2800	245.66	251.49	5.82	0.01
Buoy #30	3.3898	365.24	373.92	8.66	0.02
Buoy #28	4.6500	501.02	512.92	11.88	0.02
Buoy #24	5.7998	624.90	639.75	14.82	0.03
Buoy #22	6.9499	748.82	766.61	17.75	0.04
Buoy #20	8.1502	878.15	899.01	20.82	0.04
Buoy #18	9.2998	1,002.01	1,025.81	23.76	0.04
Buoy #16	10.4499	1,125.94	1,152.67	26.69	0.04
Buoy #14	11.6499	1,255.23	1,285.04	29.76	0.05
Buoy #12	12.8499	1,384.52	1,417.41	32.83	0.06
Buoy #8	14.3498	1,546.13	1,582.86	36.66	0.07
Buoy #6	15.2502	1,643.22	1,682.17	38.96	(0.01)
Buoy #4	16.4501	1,772.51	1,814.52	42.02	(0.01)
Buoy #2B	18.3500	1,977.17	2,024.10	46.88	0.05
Buoy #2A	23.5292	2,535.15	2,595.38	60.11	0.12
Buoy # 2	24.7349	2,665.56	2,728.38	63.19	(0.37)
CC Buoy	26.8185	2,889.70	2,958.21	68.51	0.00
Docking, Undocking and Anchoring Fees:					
Under 300 feet	86.21	88.25	2.04		2.00
300 feet and under 600 feet	129.32	132.39	3.07		3.00
600 feet and under 800 feet	172.44	176.53	4.09		4.00
800 feet and over	258.66	264.79	6.13		6.00
Fees for Deadships and Excess Hours:					
(as stated in tariff)	Will Apply	Will Apply	Will Apply		
Fees for Shifting Zones:					
One zone	775.95	794.35	18.40		18.00
Per additional zone	172.45	176.54	4.09		4.00

In addition to the shifting fee, docking, undocking, and anchoring will apply.

Exhibit No. DLW-7

Lake Charles Pilots, Inc.

Tariff Schedule 1-1-20

<u>Classification</u>	<u>Tariff Effective 7/10/2019</u>	<u>Tariff Effective 1/1/2020</u>	<u>2.3708% Change</u>	<u>Adjustment to Outer Bar</u>	<u>Total Change</u>
Fees for Tows (as stated in tariff)	Will Apply	Will Apply	Will Apply		Will Apply
Special Services (as stated in tariff)	Will Apply	Will Apply	Will Apply		Will Apply
Detention and Cancellation Fees:					
Per hour	491.78	503.44	11.66		11.41
Fees for Vessels Carrying Pilots to Sea (as stated in tariff)	Will Apply	Will Apply	Will Apply		Will Apply
Capital Improvement Surcharge:					
Per unit (effective 1-1-13)	0.20460	0.20460	No Change		0.20460
Per unit (effective 7-1-19)	0.27503	0.27503	No Change		0.27503
Pilotage Fee Commission Surcharge:					
Per inbound transit	27.000		No Change		27.000
Per outbound transit	27.000		No Change		27.000

BEFORE THE
LOUISIANA PILOTAGE FEE COMMISSION

ASSOCIATED BRANCH PILOTS FOR THE PORT OF LAKE CHARLES,
DULY INCORPORATED AS LAKE CHARLES PILOTS, INC., EX PARTE

DOCKET NO. P11-001

*In Re: Request for funding for Physical Oceanographic Real-Time System (PORTS®) and
Related Relief Pursuant to La. R.S. 34:1122*

AND

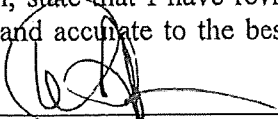
DOCKET NO. P12-001

*In Re: Request for Funding of Revenue Shortfall, Adjustment of Current Capital
Improvement Surcharge, Adjustment of Annual Pilot Target Compensation and Related
Relief, all Pursuant to La. R.S. 34:1122*

AFFIDAVIT

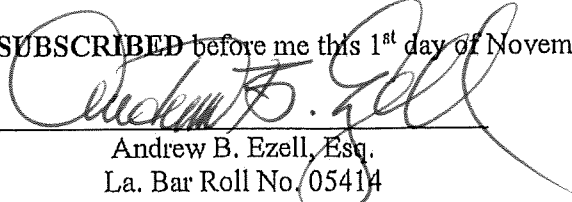
STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

I, Danny L. Williams, 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.



Danny L. Williams, CPA

SWORN TO AND SUBSCRIBED before me this 1st day of November, 2019.



Andrew B. Ezell, Esq.
La. Bar Roll No. 05414
My Commission Expires at Death