

**UTC STAFF DATA REQUEST NO. 54:**

In the Rebuttal testimony of Weldon T. Burton, Burton states that “The amount of \$125,316 is the annual amount that is needed for the preventative maintenance of the pilot boats” Exh. WTB-08T at 11:14-15.

- a. Please provide all invoices, estimates, notes, communications, or other information relied upon to compute the \$125,316.
- b. Please provide copies of actual invoices from 2018, 2019, 2020, 2021, and 2022 for maintenance of any kind on the pilot boat Juan de Fuca.
- c. Please explain how the \$125,316 restating adjustment adjusts the booked operating results for any defects or infirmities in actual recorded results of operations that can distort test period earnings, including all the account numbers and descriptions, and their respective amounts that were recorded in error; were prior period amounts; adjusted booked amounts to actual amounts; or that normalized extraordinary items recorded during the test year.

**RESPONSE TO UTC STAFF DATA REQUEST NO. 54:**

- a. Weldon T. Burton relied upon information supplied by Mr. Joe Semler, JS-04, Page 2 of 2 (attached). The December 31, 2021 per books amount for account 52670-008 preventative maintenance Juan de Fuca was \$20,773. The adjustment \$125,316 was a typo, this adjustment should have been \$125,816. \$125,816 plus \$20,773 would be \$146,590 agreeing with Mr. Semler’s estimate.
- b. Puget Sound Pilots provided 2021 General Ledger Detail and Invoices for the Vessel Juan de Fuca responding to Staff DR No. 33 a. & b. The General Ledger detail for 2018, 2019, 2020, 2021 and 2022 for maintenance of the pilot boat Juan de Fuca is attached. Pursuant to discussions between PSP counsel and UTC Staff counsel, PSP will make specific invoices from 2021 and 2022 available upon request.
- c. WAC 480-07-520(4)(a)(i) Restating adjustments adjust the booked operating results for any defects or infirmities in actual recorded results of operations that can distort test period earnings. Restating adjustments are also used to adjust from an as-recorded basis to a basis that the commission accepts for determining rates. Examples of restating adjustments are adjustments to remove prior period amounts, to eliminate below-the-line items that were recorded as operating expenses in error, to adjust from book estimates to actual amounts, and to eliminate or to normalize extraordinary items recorded during the test period.

In this instant case, Restating Adjustment R-15 was processed to recognize that the per books amount was not representative of a “normal” year of repair costs. There was a major refurbishment for the Juan de Fuca in the late winter of 2019 and early spring of 2020 which is capitalized for regulatory purposes. Subsequent repair/maintenance costs for 2021 were reduced as a result of the major refurbishment for approximately eighteen months. Average repair and maintenance costs for this vessel over the past 5 years have been \$139,768.