

Appendix D

**Benton County
Feasibility Study**

	Year 1	Year 2	Year 3
Revenues (at MOAW Rates)	273,924	290,359	290,359
Less Expenses:			
Fuel & Power *	10,419	10,852	11,303
Chemicals *	16,317	17,158	18,042
Waste Disposal *	1,560	1,568	1,582
Labor *	42,797	44,295	45,845
Group Insurance	11,459	11,860	12,275
Other Benefits *	3,596	3,722	3,852
Shared Business Services	14,283	16,714	17,299
Regulatory Expenses	5,000	5,065	5,151
Insurance Other Than Group	6,613	6,735	6,891
Customer Accounting	4,735	4,925	4,960
Rents *	2,808	2,845	2,893
General Office Expense *	7,224	7,318	7,442
Miscellaneous *	1,623	1,644	1,672
Maintenance *	47,820	48,442	49,266
Depreciation	123,088	124,351	124,945
Amortization	(69,321)	(69,321)	(69,321)
General Taxes	19,306	19,208	19,115
Total Expenses	249,327	257,380	263,211
Net Income Before Interest & Taxes	24,597	32,980	27,149

Assumptions:

- 350 customers in 2014, no customer growth
- Use existing MOAW sewer tariff (\$65.22/mo vs. \$84.00/mo. currently paid by Benton customers)
- Expenses based of Benton County 2012 budget, inflated to 2015 (expenses with *)
- Shared Business Services, IOTG, Customer Accounting based on MOAW allocations
- Bad debt expense assumed to be 1% of sewer revenues (included in Customer Accounting)
- Property tax rate assumed to be 1% of net book value of plant
- Assumes \$5,000 in regulatory expenses for PSC fees & assessments

Note: Utility Plant asset listing & documentation will be sent separately to PSC Staff by 9/10/2014