APPENDIX 6

SOUTH CAPE COUNTY SEWER COMPANY
WASTEWATER COLLECTION AND TREATMENT SYSTEM PROJECT
FEASIBILITY STUDY AND PROJECTED FINANCIAL DETAILS

This Appendix sets forth the projected financial details for the South Cape County Sewer Company (the "Company") Wastewater Collection and Treatment System Project (the "Project") as required by 20 CSR 4240-60.050(B)(5). The information below is organized to address each of subsections A through E of the rule. The rate calculation and operations and maintenance cost schedule prepared by Strickland Engineering, dated June 16, 2026, is attached and incorporated herein by reference as Exhibit 1.

A. Proposed Method for Financing Construction and Resulting Capital Structure

The total estimated cost of constructing the Project is $2,000,000.00. The Company proposes to finance the construction through a twenty (20) year loan in the principal amount of $2,000,000.00 at an annual interest rate of 6.5%, resulting in an annual debt service obligation of $181,512.79 at FM Bank. The resulting capital structure of the Company with respect to this Project will consist of 100% debt financing. No equity contribution, contributions in aid of construction, or grant funding is anticipated at this time.

B. Economic Feasibility Study — Projected Revenues and Expenses

The following table sets forth the projected annual revenues and expenses of the Company with respect to the Project for the first five (5) years of operation. Annual operations and maintenance expenses are derived from the Strickland Engineering O&M schedule attached as Exhibit 1, and are held flat across the five-year period consistent with the rate structure proposed in Subsection D below.

	Year 1	Year 2	Year 3	Year 4	Year 5
CUSTOMERS					
	50	150	200	250	306
REVENUES					
Service revenue ($74.81/mo × # customers × 12)	$44,889	$134,667	$179,556	$224,445	$274,720
Total Revenues	**$44,889**	**$134,667**	**$179,556**	**$224,445**	**$274,720**
EXPENSES					
Electricity	$6,000	$6,000	$6,000	$6,000	$6,000
Water	$1,200	$1,200	$1,200	$1,200	$1,200

Internet	$1,200	$1,200	$1,200	$1,200	$1,200
Testing	$3,600	$3,600	$3,600	$3,600	$3,600
Contract operations	$12,000	$12,000	$12,000	$12,000	$12,000
Billing company	$18,000	$18,000	$18,000	$18,000	$18,000
Customer service call center	$1,200	$1,200	$1,200	$1,200	$1,200
Sludge hauling	$10,000	$10,000	$10,000	$10,000	$10,000
Repairs and maintenance	$5,000	$5,000	$5,000	$5,000	$5,000
Cellular monitoring system service	$500	$500	$500	$500	$500
Instrumentation service	$5,000	$5,000	$5,000	$5,000	$5,000
Generator service	$750	$750	$750	$750	$750
Backflow prevention testing	$600	$600	$600	$600	$600
Annual operating permit fee	$5,000	$5,000	$5,000	$5,000	$5,000
Accounting	$3,000	$3,000	$3,000	$3,000	$3,000
Legal	$3,000	$3,000	$3,000	$3,000	$3,000
Miscellaneous expenses	$5,000	$5,000	$5,000	$5,000	$5,000
Operator margin (15%)	$12,158	$12,158	$12,158	$12,158	$12,158
Subtotal O&M Expenses	**$93,208**	**$93,208**	**$93,208**	**$93,208**	**$93,208**
Annual debt service (principal and interest)	$181,513	$181,513	$181,513	$181,513	$181,513
Total Expenses	**$274,721**	**$274,721**	**$274,721**	**$274,721**	**$274,721**
Net Income	**($229,832)**	**($140,054)**	**($95,165)**	**($50,276)**	**($0)**

The proposed monthly rate of $74.81 per customer is designed to recover the Company's full annual cost of providing service, consisting of annual debt service of $181,512.79 and annual O&M of $93,207.50, against a base of 306 customers. The Project is projected to operate at a deficit in Year 1, 2, 3 and 4 until the 306 customers are reached.

C. Projected Rate Base Over All Phases of the Project

The Project consists of a single construction phase followed by ongoing operation. The projected rate base of the Company with respect to the Project is equal to the total project cost of $2,000,000.00, representing plant in service upon completion of construction. There are no contributions in aid of construction, customer advances, or grant funds anticipated that would reduce rate base. The rate base is anticipated to remain at $2,000,000.00 throughout the five-year period reflected in this Appendix.

D. Proposed Rates Charged to Ratepayers Over All Phases of the Project

The Company proposes a flat monthly rate of $74.81 per customer for sanitary sewer service, as detailed in the Strickland Engineering rate calculation attached as Exhibit 1. The proposed rate is technically feasible and sufficient to support the full annual cost of service. The Company proposes that this rate remain in effect for the five-year period reflected in this Appendix, as illustrated in the following table:

	Year 1	Year 2	Year 3	Year 4	Year 5
Proposed monthly residential rate	$74.81	$74.81	$74.81	$74.81	$74.81

Should actual costs of service diverge materially from those projected in this Appendix, the Company reserves the right to seek a general rate proceeding before the Commission to adjust rates in accordance with the applicable provisions of Chapter 393 RSMo.

E. Projections on Customer Growth Over All Phases of the Project

The Project is sized to serve 306 residential customers, which is the current number of planned units in the service area. Projected customer counts at the end of each of the first five years of operation are as follows:

	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Existing households converting from unregulated sanitation	0	0	0	0	0
New construction / additional customers	50	100	50	50	56
Total customers (cumulative year-end)	**50**	**150**	**200**	**250**	**306**

The foregoing projections demonstrate that the Project is economically feasible at the proposed monthly rate of $74.81 per customer during the first five years of operation. The supporting rate calculation and O&M cost detail prepared by Strickland Engineering is attached hereto as Exhibit 1.

6/16/2026

South Cape County Sewer Company
Wastewater Collection and Treatment System Project

ANNUAL PAYMENT AMOUNT……………………..=		**$181,512.79**
Annual Interest……=	0.065	
# of Years of Loan..=	20	
Amount of Loan…. =	$2,000,000.00	
MONTHLY PAYMENT………………..……..……..…..=		**$15,126.07**
PRESENT WORTH BASED ON ANNUAL O & M =		**$1,027,007.51**
Annual Interest Rate……..…=	0.065	
# of Interest Periods (years)..=	20	
Annual Costs (O&M)….....…=	**$93,207.50**	
TOTAL PROJECT COSTS……………...........…....…=		$2,000,000.00
O & M PRESENT WORTH……………..…...……....=		$1,027,007.51
TOTAL PRESENT WORTH COSTS…...…...……..…=		**$3,027,007.51**
Number of Customers…………………………………=		306
Monthly Payment of Debt Service…………………..…..=		$15,126.07
Monthly Payment of Debt Service Per Customer…..=		$49.43
Replacement Reserve		$0.00
Month Reserve Account Cost Per Customers…….=		$0.00
Annual O&M Costs………………………………..=		$93,207.50
Monthly Payment of O&M Costs for System…...…=		$7,767.29
Monthly Payment of O&M Costs Per Customer…..=		$25.38
Monthly Bill Based on Loan and O&M =		**$74.81**

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King's Landing WWTF 6/16/2026

Operations & Maintenance Cost	Monthly Cost		Yearly Cost	
Electricity	$	500.00	$	6,000.00
Water	$	100.00	$	1,200.00
Internet	$	100.00	$	1,200.00
Testing	$	300.00	$	3,600.00
Contract Operations	$	1,000.00	$	12,000.00
Billing company	$	1,500.00	$	18,000.00
Customer service call center service	$	100.00	$	1,200.00
Sludge hauling			$	10,000.00
Repairs/maintenance			$	5,000.00
Cellular monitoring system annual service			$	500.00
Instrumentation service			$	5,000.00
Generator service			$	750.00
Backflow prevention testing			$	600.00
Annual operating permit fee			$	5,000.00
Accounting			$	3,000.00
Legal			$	3,000.00
Misc. Expenses			$	5,000.00
Subtotal			**$**	**81,050.00**
Profit		15%	$	12,157.50
Total O&M Cost			**$**	**93,207.50**