

**Exh. SS-2
Docket TG-181023
Witness: Scott Sevall**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In re Application of

SUPERIOR WASTE & RECYCLE LLC

**For Authority to Operate as a Solid Waste
Collection Company in Washington**

DOCKET TG-181023

**EXHIBIT TO
TESTIMONY OF**

SCOTT SEVALL

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Staff Financial Review Worksheets

May 15, 2019

Docket TG-181023
Prepared by Scott Sevall
Date: 1/24/2019

Staff Conclusion:

I conclude that the financial and customer estimates are reasonable and that Superior Waste & Recycle has the financial capacity to provide service for at least 12 months.

Staff Notes:

For this analysis I test the break even point for the cheapest and most expensive service listed in the company's tariff. This test will determine the customer count range that would be acceptable. Then I will use the customer count provided by the company to calculate revenue and determine net revenue/loss.

Staff 12 Month Coverage Analysis

Type of Service	Rate	Number of Monthly Customers	Yearly Revenue Generated	Yearly Operating Expense	Net Income/Loss	Cash on hand	Coverage
EOW Service							
Test 1							
1 Can	\$ 28.00	65	\$ 21,944	\$ 21,944	\$ -	\$ 8,000	\$ 8,000
Weekly service							
Test 2							
3 Can	\$ 96.00	19	\$ 21,944	\$ 21,944	\$ -	\$ 8,000	\$ 8,000
EOW Service							
Company Actual							
1 Can	\$ 28.00	9	\$ 3,024.00				
2 Can	\$ 38.00	15	\$ 6,840.00				
3 Can	\$ 48.00	21	\$ 12,096.00				
4 Can	\$ 58.00	3	\$ 2,088.00				
5 Can	\$ 68.00	1	\$ 816.00				
Total for actual		49	\$ 24,864.00	\$ 21,944	\$ 2,920	\$ 8,000	\$ 10,920

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Staff Conclusion of Operating Expense

The business plan attached to the company's application provides the detail of how these costs were estimated. Items staff needed to clarify were assets, debt and customer count. The answer to staffs questions was provided in person on January 1/18/2019. Staff has no reason to believe that these estimates are not

Staff Notes:

Note: These estimates came from company application and the meeting with the company on January 1/18/2018.

Company Estimated Operating Expenses		
Year		2019
Sales Tax	\$	2,172.96
trucking	\$	10,361.00
tools and clothing	\$	485.00
Dump fees	\$	3,900.00
Licenses/Permits	\$	933.87
Office	\$	591.60
Salary	\$	3,500.00
Total	\$	21,944.43

Company Balance Sheet		
Year		2019
Assets		
Cash & Securities	\$	8,000
Accounts Recievable	\$	-
<i>Current Assets</i>	<i>\$</i>	<i>8,000</i>
Truck	\$	33,000
Trailer	\$	1,500
Cans	\$	4,171
<i>Long Term Assets</i>	<i>\$</i>	<i>38,671</i>
Total Assets	\$	46,671
Liabilities		
Accounts Payable	\$	-
Bank LOC	\$	-
<i>Short Term Liabilities</i>		
Equipment (truck) Financing	\$	33,000
<i>Long Term Liabilities</i>	<i>\$</i>	<i>33,000</i>
Equity		
<i>Owner provided capital</i>	<i>\$</i>	<i>13,671</i>
Total Liabilities and Equity	\$	46,671

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Company Proposed Rates

Service	Monthly Rate	Monthly Customers	Test 1	Test 2	Company Actual
EOW Service					
1 Can	\$ 28.00		65.3108		9
2 Can	\$ 38.00				15
3 Can	\$ 48.00				21
4 Can	\$ 58.00				3
5 Can	\$ 68.00				1
Weekly service					
1 Can	\$ 56.00				
2 Can	\$ 76.00				
3 Can	\$ 96.00			19.04898	