

**ABC Utility
Electric Supply**

		<u>Annual Expense</u>
Direct Charges		
Energy Supply - Labor		\$ 2,000,000
Energy Supply Expenses		<u>500,000</u>
Subtotal Direct Charges		<u>\$ 2,500,000</u>
	<u>Allocation Method</u>	
Indirect Charges		
Credit & Collection Services	Revenue	\$ 22,500,000
Information Resources (computer hardware/software, support, maintenance etc)	Revenue	7,000,000
Theft of Service Mitigation		5,000,000
Uncollectible accounts	Revenue	<u>11,000,000</u>
Subtotal Indirect Costs		<u>45,500,000</u>
Overheads		
Administrative and General Expenses	Labor	\$ 800,000
Common Plant	Labor	5,800,000
Employee Benefits and Payroll Taxes	Labor	2,000,000
Working Capital		<u>600,000</u>
Subtotal Overheads		<u>\$ 9,200,000</u>
Total Annual Cost		\$ 57,200,000
Annual Sales kWh		32,000,000,000
Cost Per Kwh		<u><u>\$ 0.0018</u></u>