

DEP Costs – December 2016 RRF Fire

Table 1: Additional Costs Incurred by DEP

Water Transport and Treatment	\$	170,811.36
Collection Company Charges		22,172.72
Waste Transport and By-Pass		794,038.74
Air Monitoring Equipment & Services		60,727.74
Engineering Services		109,975.69
Personnel and Transportation		72,163.00
Total Cost	\$	1,229,889.25
Avoided Operating Cost		(419,972.63)
Net Cost	\$	809,916.62

December 2016 RRF Fire Comparison of DEP Claim and Insurance Settlement

Table 2: Comparison of DEP Claim and Insurance Settlement				
Description		Claim	Insurance	+/-
Business Interruption				
	Lost Tipping Fee Revenue	\$ 1,151,048	\$ 1,122,046	\$ (29,002)
	Lost Electricity Revenue	810,900	282,890	(528,010)
	Lost Ferrous Revenue (50%)	32,190	7,478	(24,712)
1	Total Lost Revenues	\$ 1,994,137	\$ 1,412,414	\$ (581,724)
2	Avoided Operating Costs	-	(536,461)	(536,461)
3	Total Business Interruption	\$ 1,994,137	\$ 875,952	\$ (1,118,185)
4	DEP Fire Costs	809,917	388,435	(421,481)
	Total Before Deductible	\$ 2,804,054	\$ 1,264,388	\$ (1,539,666)
	Deductible	-	(353,064)	(353,064)
5	Total Business Interruption Claim	\$ 2,804,054	\$ 911,324	\$ (1,892,730)
Property Damage				
	Total Gross Property Damage	\$ -	\$ 137,890	\$ 137,890
	Property Damage Deductible	-	(15,530)	(15,530)
6	Sub-Total Property Damage	\$ -	\$ 122,360	\$ 122,360
	Total Montgomery County Loss Measure	\$ 2,804,054	\$ 1,033,684	\$ (1,770,370)
7	Reallocation - Per FM Global Adjuster	-	131,953	131,953
8	Total	\$ 2,804,054	\$ 1,165,637	\$ (1,638,417)
Comments				
1	Lost Revenue is not considered an incurred loss in a natural disaster or other loss event. It is accounted for as a gain contingency, because it is included in Business Interruption coverage. For transparency, DEP included its lost revenue claim in this table.			
2	The insurance adjustors calculated DEP's Avoided Operating Costs (Costs DEP did not incur because the RRF and Transfer Station were not operating) and reduced the payment for Lost Revenue by \$536,461.			
3	The County's Lost Revenue claim was \$1,994,137. Insurance paid \$875,952			
4	\$809,917 in direct costs as a result of the fire of were included in DEP's total Business Interruption claim This amount was presented to DAFIG in March 2021 and again in December 2021. Insurance paid \$388,435			
5	DEP claimed \$1,994,137 in lost revenue plus \$809,917 in additional costs incurred as a direct result of the fire, for a total claim of \$2,804,054. After the deductible, the total insurance payment under Business Interruption coverage was \$911,324.			
6	DEP did not submit a claim under property damage coverage. Insurance paid \$137,890 for Total Property Damage. After the deductible, the net Property Damage payment \$122,360			
7	The insurance adjustors reallocated \$131,953 to the settlement after final review of the DEP's claim and coverages.			
8	The difference between DEP's claim and the insurance payment is not related to the cost of the fire. It is simply the difference between DEP's claim and the insurance settlement payment As stated previously, DEP's additional costs directly attributable to the fire were \$809,917 and included in DEP's claim.			