

MISSOURI AMERICAN WATER COMPANY
CASE NO. WR-2007-0216
2nd REVISED TOTAL COMPANY RECONCILIATION

	Revenue Requirement	Nonunanimous Stipulation & Agreement		
		Amount or Explanation	Resolution	Specific Citation
Company's Revenue Requirement Above Current Rates	\$ 41,461,619			
<u>Additional Revenue Requirement Above Base Rates (ISRS & PTS)</u>	7,092,945			
<u>Company Changes & Corrections</u>	(399,739)			
<u>Uncollectible - Rate Increase</u>	(452,408)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
<u>MIEC 9.70 % ROE</u>	(7,647,609)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
<u>Staff 9.10% ROE</u>	(3,108,784)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
<u>Staff Revised Capital Structure</u>	(1,367,865)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
<u>Rate Base:</u>				
Warren County Sewer Future Plant	(161,756)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Cedar Hill Future Plant	(217,289)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Shared Services and Call Center Transition Net Plant	(822,859)	\$ 166,066	Paragraphs 12	Staff Exhibit 4
Cash Working Capital	(190,877)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Regulatory Deferrals	(273,683)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Total Rate Base Differences	(1,666,464)			
<u>Revenues:</u>				
Revenue Annualization and Normalization (Weather)	(7,806,315)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
AWR Compensation to MAWC	(137,449)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
MSD Billing Data Revenues	-			
Total Revenues	(7,943,764)			
<u>Expenses:</u>				
Overtime Hours	(519,004)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
External Affairs/Lobbying	(115,218)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Incentive Compensation	(558,690)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Fuel & Power/Chemicals Due to Unaccounted for Water	(546,749)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Waste Disposal	(79,684)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Mainbreak Expense	(198,320)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Tank Painting Expense	(1,525,837)	\$ 1,000,000	Paragraph 13	(Tr. 179-180, 319-320)
Vehicle Leases	(331,783)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Uncollectibles (Bad Debt) Expense	(149,094)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Amortizations of Pension & OPEB Assets	(113,477)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Pension & OPEB Methodology	554,133		Paragraphs 10 & 11, Appendix E	Staff Exhibit 11
Rate Case Expense	(120,491)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Capitalized Software	(179,695)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Insurance Other Than Group	(716,716)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Postage	(6,020)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Miscellaneous Expenses (Dues, Donations, etc.)	(523,332)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Increased Audit Fees	(155,419)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Belleville Lab	(336,129)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Management Fees Capitalized	(168,390)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Depreciation	(559,593)		Paragraph 14, Appendix F	Staff Exhibits 13 & 14
Property Tax Expense	(125,053)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Total Expenses excluding income tax	(6,474,561)			
Staff Trued-up & Corrected Revenue Requirement @ 9.10% ROE	\$ 19,493,370	\$ 19,493,370		Staff Exhibits 7, 20 & 29
OPC Additional Uncollectible Reduction	\$ (137,919)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
MIEC Additional Depreciation Reduction	\$ (670,422)	(1)	Paragraphs 1 & 20	(Tr. 179-180, 319-320)
Joplin Chemical Reduction	\$ (236,416)	\$ (236,416)		JOP Exhibit 1, TR 150
Total Contested Issues Settled	\$ 29,706,212			
Stipulation & Agreement - Specifically Referenced Items	\$ 2,354,156	\$ 1,166,066	Paragraphs 10, 11, 12, 13, 14	Staff Exhibits 4 & 11-14
Stipulation & Agreement - Other Contested Items	\$ 27,786,792	\$ 8,040,564	Paragraphs 1 & 20	TR 178-180 & 319-320
Total Stipulated Revenue Requirement Less Chemical Correction		\$ 28,463,584		S&A Paragraph 3, TR 150

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Remaining Contested Issue:				
Joplin's Corp. Allocation Issue Based On District Specific Pricing	\$ 85,113			Reconciliation Filed 9/7/2007

1. Negotiated on the basis of a total revenue requirement amount, based on the Parties' assessment of litigation risk