

Exhibit No.:

*Issues: Advertising and Promotional Items,
Dues and Donations, Cash Working
Capital, Depreciation Expense,
Depreciation Reserve,
Franchise Tax, Plant In Service,
Property Taxes, Public Service
Commission Assessment, Rate Base*

Witness: Edward F. Began

Sponsoring Party: MOPSC Staff

Type of Exhibit: Direct Testimony

Case No.: WR-2007-0216

Date Testimony Prepared: June 5, 2007

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

DIRECT TESTIMONY

OF

EDWARD F. BEGAN, CPA

MISSOURI-AMERICAN WATER COMPANY

CASE NO. WR-2007-0216

*Jefferson City, Missouri
June 2007*

Staff Exhibit No. 8
Case No(s) WR-2007-0216
Date 8-14-07 Rptr PF

STAFF-8

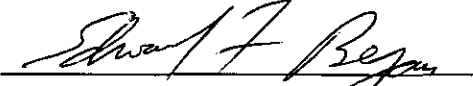
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri-American Water)
Company's request for Authority to) Case No. WR-2007-0216, *et al*
Implement a General Rate Increase for)
Water Service provided in Missouri)
Service Areas)

AFFIDAVIT OF EDWARD F. BEGAN, CPA

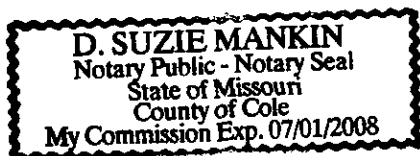
STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

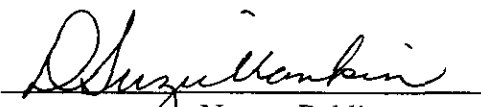
Edward F. Began, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Direct Testimony in question and answer form, consisting of 20 pages to be presented in the above case; that the answers in the foregoing Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.



Edward F. Began

Subscribed and sworn to before me this 4th day of June, 2007.





Notary Public

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OF
EDWARD F. BEGAN, CPA
MISSOURI-AMERICAN WATER COMPANY
CASE NO. WR-2007-0216

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DIRECT TESTIMONY
OF
EDWARD F. BEGAN, CPA
MISSOURI-AMERICAN WATER COMPANY
CASE NO. WR-2007-0216

Q. Please state your name and business address.

A. My name is Edward F. Began. My business address is 9900 Page Avenue, Suite 103, St. Louis, Missouri 63132.

Q. By whom are you employed and in what capacity?

A. I am a Regulatory Auditor III for the Missouri Public Service Commission (Commission).

Q. Please describe your educational background.

A. I graduated from Washington University, in St. Louis, Missouri, in January 1972, and passed the entire Uniform Certified Public Accountant (CPA) examination in May 1972. I possess a current Missouri CPA license and permit to practice.

Q. Please describe your work background.

A. I have held audit, accounting and controllership duties in public accounting and in industry, which have required progressively increasing responsibility. I have been employed by the Commission since November 2000.

Q. Please describe your duties while employed by the Commission.

A. In conjunction with other members of the Commission Staff (Staff) I have performed audits and examinations of utility companies operating within the state of Missouri with regard to rate cases and other regulatory proceedings.

1 Q. Have you previously filed testimony before this Commission?

2 A. Yes, please see Schedule 1 attached to this testimony for a list of cases in
3 which I have filed testimony and the issues I addressed.

4 Q. With reference to Case No. WR-2007-0216, have you made an examination of
5 the books and records of Missouri-American Water Company (MAWC or Company)?

6 A. Yes, in conjunction with other members of the Staff. Specifically, I reviewed
7 responses to Staff data requests, the general ledger, trial balance reports, past Commission
8 rulings, and prior case files.

9 Q. What matters will you address in your testimony?

10 A. I will address rate base, plant in service, depreciation reserve, depreciation
11 expense, cash working capital, property taxes, advertising and promotion, dues and donations,
12 and Public Service Commission assessment.

13 Q. What knowledge, skill, experience, training or education do you have in these
14 matters?

15 A. I have reviewed the filed testimony, schedules, workpapers and data request
16 responses regarding these issues in this case. I have also reviewed documents from previous
17 rate cases involving issues I will be addressing. I also relied on my experience with these or
18 similar issues in previous cases. In addition, I have relied on the accounting training I have
19 received during college and the training I received through classes and seminars in utility
20 regulation. I also have engaged in discussions with and received guidance and training from
21 my supervisors with regard to these issues

22 **EXECUTIVE SUMMARY**

23 Q. What is the purpose of your direct testimony?

1 A. The purpose of my direct testimony is to describe the components of the
2 Staff's rate base and the Staff adjustments in Accounting Schedule 10 – Adjustments to
3 Income Statement that I am sponsoring in this case.

4 Q. Please identify the Accounting Schedules you are sponsoring.

5 A. I am sponsoring:

6 Accounting Schedule 2 Rate Base

7 Accounting Schedule 3 Plant in Service

8 Accounting Schedule 4 Adjustments to Plant in Service

9 Accounting Schedule 5 Depreciation Reserve

10 Accounting Schedule 6 Adjustments to Depreciation Reserve

11 Accounting Schedule 7 Depreciation Expense

12 Accounting Schedule 8 Cash Working Capital

13 Q. Please list the adjustments you are sponsoring.

14 A. I am sponsoring the following adjustments: Amortization and Depreciation
15 Expense, Advertising and Promotion Expense, Dues and Donations Expense, Property Taxes,
16 Franchise Tax, and, Public Service Commission assessment. The adjustment numbers listed
17 below are the same for each district.

18 **RATE BASE**

19 Q. Please discuss Accounting Schedule 2.

20 A. Accounting Schedule 2, Rate Base, delineates the net capital investment
21 recommended by the Staff to determine the Company's revenue requirement. Utility Plant in
22 Service and the related depreciation reserve are supported by Accounting Schedules 3 and 5,
23 Plant in Service and Depreciation Reserve, respectively, and are discussed later in this

1 testimony. Cash working capital is the daily cash requirement necessary to fund utility
2 operations. This component along with the offsets for interest and income taxes are supported
3 by Accounting Schedule 8, Cash Working Capital, and will be discussed in detail later in this
4 testimony. Prepayments and materials and supplies are increases to rate base since these
5 components represent an investment of funds and present a 13-month average of the balances
6 ending June 30, 2006. The balances for contributions in aid of construction and customer
7 advances are reductions to rate base because these components are customer supplied funds
8 available for use by the Company.

9 The following items are other components of rate base that are being sponsored by
10 various Staff witnesses and are discussed in their testimonies. Deferred OPEB Asset and
11 Accrued Pension Liability are discussed in the testimony of Staff witness Jeremy K.
12 Hagemeyer. Pre-1971 ITC and Deferred taxes are reductions to rate base and are discussed in
13 the testimony of Staff witness John P. Cassidy.

14 **PLANT IN SERVICE**

15 Q. Please discuss Accounting Schedule 3, Plant in Service, and Accounting
16 Schedule 4, Adjustments to Plant in Service.

17 A. The amount of plant the Company is using to serve customers is shown in
18 Accounting Schedule 3, Plant in Service, which provides the details for Staff's rate base
19 component of utility Plant in Service, stated at original cost, recorded on the Company's
20 books as of December 31, 2006. Accounting Schedule 4, Adjustments to Plant in Service,
21 depicts the Staff's adjustments to Plant in Service and the Staff witnesses supporting each
22 adjustment. Plant in Service and Depreciation Reserve (discussed below) balances at
23 December 31, 2006 were used to determine the rate base.

DEPRECIATION RESERVE

Q. What accounting schedules support the depreciation reserve?

A. Accounting Schedule 5, Depreciation Reserve, provides details of the accumulated depreciation expense related to the plant balances on Accounting Schedule 3. The purpose of Accounting Schedule 6, Adjustments To Depreciation Reserve, is to provide the detail of any adjustments made to the depreciation reserve by the indicated Staff witnesses.

DEPRECIATION EXPENSE

Q. Please explain Accounting Schedule 7, Depreciation Expense.

A. This schedule shows the calculation of the annual depreciation expense on the Company's utility Plant in Service. The adjusted Plant in Service balances from Accounting Schedule 3, Plant in Service, are multiplied by depreciation rates recommended by Staff witness Gregory E. Macias, of the Engineering and Management Services Department. The result represents the Staff's annualized depreciation expense.

CASH WORKING CAPITAL

Q. What is Cash Working Capital (CWC)?

A. CWC is the amount of cash necessary for a utility to pay the day-to-day expenses it incurs in providing service to the ratepayer. CWC is designed to address only the cash requirements of the company. Annual expenses which do not require cash payments, such as depreciation and deferred income tax expense do not require cash payments. Items such as these are in fact sources of cash, since the Company collects the funds from ratepayers

1 but is not required to make payments to vendors. For this reason, these items are not included
2 in a CWC analysis, which is designed to measure the daily cash needs of a company.

3 Q. What are the sources of CWC?

4 A. Ratepayers and shareholders are the sources of CWC.

5 Q. How do the ratepayers supply CWC?

6 A. The ratepayers supply CWC when the Company receives payment for service
7 before the Company pays for the expenses it incurred to provide that service. The ratepayer is
8 compensated for the CWC provided through a reduction to rate base.

9 Q. How do the shareholders supply CWC?

10 A. When the Company must pay for an expense incurred to provide service before
11 the ratepayer has paid for the related usage, shareholders provide cash to cover that expense.
12 This cash outlay represents a portion of the shareholder's total investment in the Company.
13 The shareholder is compensated for the CWC provided through an increase in rate base.

14 Q. How does Staff calculate CWC?

15 A. The Staff uses a lead/lag study to calculate CWC. In a lead/lag study, Staff
16 analyzes the cash inflows and outflows of payments the Company receives from its customers
17 for the service it provides and the disbursements it makes to vendors to provide that service.
18 These cash flows are measured in numbers of days. A lead/lag analysis compares the number
19 of days the company is allowed to take or actually takes to make payments after receiving
20 service from a vendor, with the number of days it takes the company to receive payment for
21 the service provided to customers. The lead/lag study also determines who provides CWC.
22 The use of a lead/lag study to calculate a company's CWC requirement and the components
23 included by the Staff has been adopted by the Commission in many rate cases.

1 Q. How are the results from a lead/lag study interpreted?

2 A. A negative CWC requirement indicates that ratepayers provided the working
3 capital in the aggregate during the test year. This means that ratepayers provided the
4 necessary cash, on average, before the Company must pay for expenses incurred to provide
5 that service. A positive CWC requirement indicates, in the aggregate, that shareholders
6 provided the cash necessary during the year. This means that the company must pay, on
7 average, for the expenses incurred in providing service before ratepayers pay for that service.

8 Q. Please explain the components of the Staff's calculation of CWC, which
9 appear on Accounting Schedule 8.

10 A. Column A on Accounting Schedule 8, lists the expenses that the Company
11 pays on a day-to-day basis. Column B lists the Staff's annualized expense amounts.
12 Column C, Revenue Lag, denotes the amount of time expressed in days, between the midpoint
13 of the period during which the Company provides service and the payment for that service by
14 the ratepayer. Column D, Expense Lag, denotes the amount of time, expressed in days,
15 between the receipt of and payment for the goods and services (i.e., cash expenditures) used
16 by the Company to provide service to the ratepayer. Column E, Net Lag, results from the
17 subtraction of the Expense Lag from the Revenue Lag. Column F, Factor, expresses the
18 Net Lag in days as a fraction of the total days in the year. This result is derived by dividing
19 the net lags in Column E by 365 days. Finally, Column G, CWC Requirement, is the average
20 amount of cash necessary, on a daily basis, to provide service to the ratepayer, which is
21 calculated by multiplying the annualized test year expense amounts (Column B) by the
22 CWC factor (Column F). The Staff's determination of the Company's CWC requirement
23 was based primarily on Staff's extensive and specific lead-lag study completed for Case No.

1 WR-2003-0500, the prior rate case. Upon examination, the Company concluded many
2 expense lags determined by Staff in the prior case were still correct and adopted those for this
3 case. Unless the Staff believed the lag needed to be changed, if the Company adopted Staff's
4 prior case expense lags, these lags were used by Staff in this case. Some revenue and expense
5 lags, or, components of them, were recalculated by Staff for this case and will be discussed
6 later in this testimony.

7 Q. Please explain the revenue lag.

8 A. The revenue lag is defined as the amount of time between the provision of
9 service by a utility and the utility's receipt of the payment for that service from the ratepayers.
10 The Company developed the total revenue lag for each operating district for this case. The
11 Staff compared each district's total revenue lag to the total revenue lag developed by the Staff
12 in Case No. WR-2003-0500, noting the reasonableness of the Company's total revenue lag
13 days and adopted that total revenue lag for the Staff's analysis. The revenue lag is the sum of
14 three subcomponent lags. They are defined as follows:

15 Usage Lag The midpoint of the average time elapsed from the beginning of
16 the first day of a service period through the last day of that service period.

17 Billing Lag The period of time between the end of the last day of a service
18 period and the day the bill is placed in the mail by a utility.

19 Collection Lag The period of time between the day the bill is placed in the
20 mail by a utility and the day the utility receives payment from the ratepayer for services
21 performed.

22 Q. Please define how you are using the term "service period" in this testimony.

1 A. In reference to the revenue lag, a service period is merely the amount of time,
2 in days, in which the customer receives utility service for billing purposes. In discussion of
3 expense lags, this term denotes the period in which a utility receives materials or services
4 from its suppliers.

5 Q. Please explain the calculation of the usage lag.

6 A. The usage lag is computed by dividing the number of days in the test
7 year (365) by the number of billing periods in a year, twelve (12) for monthly billings and
8 four (4) for quarterly billings and dividing those results by two (2) to derive the average
9 service period. The usage lag is 15.21 days for monthly billings and 45.625 days for quarterly
10 billings (the St. Louis operating district is the only operating district with quarterly billing).
11 These lags hold true with the exception of the public fire and private fire rate classifications.
12 The St. Louis operating district is the only district that has a public fire rate classification and
13 it is billed in advance on both a monthly and quarterly basis. As such, the respective usage
14 lag for the public fire rate classification is negative (15.21) days for monthly billings and
15 negative (45.625) days for quarterly billings. (Negative numbers will be denoted in
16 parentheses.)

17 All operating districts have a private fire rate classification and are also billed in
18 advance. All operating districts with the exception of the St. Louis district are billed on a
19 monthly basis resulting in a usage lag of (15.21) days. In the St. Louis operating district,
20 there are two (2) billing types for the private fire rate classification: quarterly, and monthly.

21 The overall usage lag for each district was determined by weighting each applicable
22 usage lag described above by the revenue dollars associated with each rate classification.

1 Q. What period of time did the Staff use for the billing lag?

2 A. Staff used a billing lag of two days. This lag was determined in the prior case
3 based on information obtained from the Company and the Company stated that it was still
4 valid.

5 Q. How did the Staff determine the collection lag in this case?

6 A. The Staff has adopted the Company's total revenue lag as reasonable for this
7 case. The collection lag was calculated by subtracting the weighted average usage lag,
8 incorporating the "prepaid" fire services' advance billings for each district, and the billing lag
9 of 2.00 days from the total revenue lag adopted for the current case.

10 Q. Please give the summary of the total revenue lag.

11 A. The following is a summary of the revenue lags for each operating district
12 within the Company's system:

<u>District</u>	<u>Usage Lag</u>	<u>Billing Lag</u>	<u>Collection Lag</u>	<u>Total</u>
Brunswick	14.43	2.00	20.35	36.78
Jefferson City	14.34	2.00	22.07	38.41
Joplin	14.34	2.00	22.30	38.64
Mexico	14.13	2.00	21.90	38.03
Parkville	14.38	2.00	23.49	39.87
St. Charles	14.76	2.00	23.16	39.92
St. Joseph	14.88	2.00	21.30	38.18
St. Louis	34.12	2.00	25.96	62.08
Warrensburg	14.39	2.00	26.01	42.40
Warren County	15.21	2.00	25.19	42.40
Each Sewer District	15.21	2.00	22.66	39.87

25 Q. Please discuss the determination of the expense lags for each item on
26 Accounting Schedule 8.

27 A. As stated above, in the prior rate case, WR-2003-0500, Staff performed
28 extensive and specific analysis to determine expense lag days listed on Accounting

1 Schedule 8. The Company also used the lead/lag method in preparing its current case. Upon
2 examination, the Company incorporated many expense lags calculated by Staff in the prior
3 case. The Company and the Staff are using the same expense lag for the expense items on
4 lines 7-401(k), 8-EIP, 9-Fuel & Power, 12-Purchased Water, 14-Group Insurance, 15-OPEB's,
5 16-Pensions, 17-EIP-Employer Match, 18-401(k)-Employer Match, 21-Rents, 22-Cash
6 Vouchers, 26-Federal Unemployment, 27-State Unemployment, 28-Property Taxes, 30-PSC
7 Assessment, 33-Gross Receipts Tax and 35-Missouri Primacy Fees of the CWC Schedule.
8 The following discussion of expense lags will address the items where the Company and the
9 Staff are using different lags.

10 Q. Please explain the expense lags associated with payroll and related taxes
11 withholdings.

12 A. The expense items listed on Accounting Schedule 8, Lines 2, 4, 5 and 6, relate
13 to the CWC requirement for annualized payroll and withholding taxes. Payroll has been
14 divided into the following six components: 1) Base Payroll (net pay), 2) FICA - Employee
15 Withholding, 3) Federal Income Tax Withheld, 4) State Income Tax Withheld, 5) 401(k), and,
16 6) Employee Investment Plan (EIP.) These payroll lines represent different payment timing
17 requirements; or, unique employee withholding plans.

18 Q. Please explain the Base Payroll and expense lag calculated on Line 2 of
19 Accounting Schedule 8.

20 A. The Base Payroll expense is the net pay received by employees. The lag is the
21 time lapse between the midpoint of the period in which employees earn wages, and the date
22 the Company pays those wages. The Company has a bi-weekly payroll period (service period

1 of 14 days divided by two to obtain a midpoint service lag of 7.00 days plus a 6.00 day
2 payment lag. The resulting Base Payroll lag of 13.00 days was utilized by Staff in this case.

3 Q. Please explain the FICA - Employee Withholding and Federal Withholding
4 Taxes expense lags calculated on Lines 4 and 5, respectively.

5 A. The Employee FICA Withholding (Social Security and Medicare) and Federal
6 Income Taxes Withheld are due on the first banking day following the payroll date. That one
7 banking day lag plus intervening weekend/holiday days are added to the base payroll lag of
8 13.00 lag days to determine total lag days for Federal withholding taxes. The resulting
9 Federal withholding tax expense lag is 16.19 days.

10 Q. Please explain the State Income Taxes Withheld and associated lag on Line 6.

11 A. State Income Taxes Withheld from employees' paychecks are due on the third
12 banking day following the payroll date. The allowed three days plus intervening
13 weekend/holiday days are added to the base payroll lag to determine total lag days for State
14 income taxes withholding. The resulting State withholding expense lag is 18.19 days.

15 Q. Please explain the treatment of chemicals and materials and supplies expense
16 on Accounting Schedule 8 at Lines 10 and 11.

17 A. Chemicals and materials and supplies inventories are already included in the
18 rate base calculations because the utility pays for these items in advance of their use in
19 providing service. This rate base inclusion provides a rate of return on the inventory and
20 compensation for the funds advanced to purchase these items. Including this item in CWC
21 would, in essence, result in a double counting in the Staff's overall calculation of revenue
22 requirement. Therefore, Staff has assigned an expense lag equal to the revenue lag for these
23 items in order to produce a zero CWC revenue requirement effect.

1 Q. Please explain the expense lag on Line 13 for Management Fees.

2 A. The 21.41 lag days was intentionally selected to equal the Cash Vouchers
3 expense lag. The reasoning for the use of this lag is discussed in the testimony of Staff
4 witness Lisa K. Hanneken.

5 Q. Please explain how the expense lag for insurance other than group on Line 19
6 was developed.

7 A. The Company calculated separate expense lags for each district. Staff then
8 calculated a dollar-weighted average of 42.44 days as an overall expense lag for insurance
9 other than group.

10 Q. Please explain the treatment of uncollectible accounts on Accounting
11 Schedule 8 at Line 18.

12 A. The uncollectible account is an expense in name only. It is actually a lack of
13 revenue collection and, therefore, does not represent a cash flow for payment of an expense.
14 Therefore, the expense lag has been set equal to the revenue lag to produce a zero net CWC
15 lag and CWC revenue requirement.

16 Q. Please explain the cash voucher expense lag on Accounting Schedule 8 at
17 Line 22.

18 A. The expense lag for Line 22 was determined by Staff in the prior case and
19 adopted by Company and Staff for this case. The amount of test year expense associated with
20 cash vouchers is equal to the Staff's total operation and maintenance expense, less all the
21 preceding expense amounts listed on Schedule 8. This item includes all the O&M expense
22 that was not specifically categorized, analyzed and assigned expense lags.

1 Q. Please explain the expense lag for the employer's portion of FICA tax on
2 Accounting Schedule 8 at Line 25.

3 A. The employer's portion of FICA taxes is the amount of taxes paid by the
4 employer on payroll paid to the employees. The expense lag is calculated using the same
5 method that is used to calculate the lag for the employee's portion of FICA taxes. This
6 calculation was discussed previously in my direct testimony (see page 12 of this testimony.)
7 The expense lag for the employer's portion of FICA taxes is 16.19 days.

8 Q. Please explain the corporation franchise tax expense lag on Accounting
9 Schedule 8 at Line 29.

10 A. Corporation franchise taxes are paid annually. The expense lag considers the
11 time elapsed between the midpoint of the taxable period (the current calendar year) and the
12 statutory due date (April 15 of the current calendar year). Staff determined the expense lag
13 for corporation franchise taxes is (77.50) days.

14 Q. Why are Other Expenses included in CWC?

15 A. Although these items do not appear in the Staff's Income Statement, cash is
16 still collected from ratepayers to make payments for these items. In the case of taxes, the
17 utility acts as a conduit between the customer and the taxing authority.

18 Q. Why does the revenue lag for gross receipts taxes, sales taxes, and Missouri
19 Primacy Fee on Lines 33, 34, and 35 of Accounting Schedule 8 differ from the revenue lag
20 discussed above?

21 A. The Company acts solely as an agent of the taxing authority in collecting sales
22 taxes from the ratepayer and in forwarding the collected taxes on a timely basis. The
23 Company does not provide any service to the ratepayer associated with these taxes. Since the

1 Company's liability for forwarding sales taxes does not begin until the taxes are collected, the
2 disbursement lag for sales taxes is measured from the date these taxes are collected, and no
3 service, billing or collection lapse time is appropriate. Therefore, sales taxes have revenue
4 lags of zero. Gross receipts taxes are imposed by municipalities on billings within their
5 municipal boundaries. Consequently, while similar to sales taxes in that the Company is only
6 an agent of the taxing authorities and provides no service to the ratepayers associated with
7 gross receipts taxes and Primacy Fees, the Company's liability for forwarding gross receipts
8 taxes and Primacy Fees begins with its billing date to the ratepayer. Therefore, only the
9 collection component of the revenue lag is appropriate as the revenue lag.

10 Q. Please explain the sales tax payments lag on Line 34, of Accounting
11 Schedule 8.

12 A. Sales taxes are a composite of state and local sales taxes. The Company makes
13 five payments each month for sales taxes - four quarter-monthly payments during each month
14 and a final catch-up, or reconciling, payment for the preceding month's taxes. Dollar
15 weighted lags of the five payments were calculated using the required deposit dates. The
16 weighted average of these payment dates yielded an 8.12 days expense lag.

17 Q. Please explain and describe the inclusion of interest and income taxes in the
18 Staff's analysis of CWC.

19 A. Interest and income taxes are known and certain obligations of the Company
20 with payment periods and payment dates established by statute or by the terms of the debt.
21 Amounts collected for interest and income taxes represent a source of cash to the Company
22 until paid to the appropriate creditor or taxing authority, and, therefore, should be included in
23 a lead/lag analysis. Interest expense is included in the cost of service though the application

1 of the weighted cost of capital times rate base. Income taxes are included through the
2 calculation of revenue requirement as shown on Accounting Schedules 1 and 11, Revenue
3 Requirement and Income Taxes.

4 Q. How was the interest expense lag computed?

5 A. The interest expense lag was calculated using actual test year data provided by
6 the Company. The lags represent the frequency of the payments made during the year. For
7 example, an instrument requiring an annual payment at the end of the year would have an
8 expense lag of 182.5, reflecting the time period between the midpoint of the service period
9 and the payment date ($365/2$). The Staff calculated a weighted average expense lag based on
10 the various debt instruments issued by the Company.

11 Q. Please explain how the tax expense lags were calculated for federal and state
12 income taxes as shown on Lines 39 and 40 on Accounting Schedule 8, CWC, and Lines 17
13 and 18 on Accounting Schedule 2, Rate Base.

14 A. These lags were calculated by using the taxable periods set by the respective
15 taxing entities. Additionally, Staff used the statutory due dates in order to obtain a weighted
16 expense lag. The Staff is currently waiting for additional information regarding the income
17 tax payment dates and amounts and may need to revise its calculation of the income tax lags.

18 Q. What was the result of the Staff's lead/lag calculation?

19 A. The individual calculations, when summed, results in total net shareholder
20 supplied funds and illustrate the excess of CWC supplied by the shareholder over the amount
21 supplied by the ratepayers. The CWC component is added to rate base to compensate the
22 shareholders for the use of their funds.

1 **PROPERTY TAXES**

2 Q. Please explain the property tax adjustment S-17.6.

3 A. This adjustment increases the test year's level of expense to reflect the actual
4 taxes paid at December 31, 2006. These are the most recent payments actually made. No
5 new payments will be made until December 31, 2007.

6 **ADVERTISING AND PROMOTIONAL ITEMS**

7 Q. Please explain adjustments S-14.17, S-14.18, and S-19.

8 A. These adjustments restate the test year advertising levels to reflect allowable
9 advertising expense.

10 Q. Please explain the history of such adjustments before the Commission.

11 A. The Commission, in its Report and Order for Case Nos. EO-85-185 and
12 EO-85-224 involving Kansas City Power & Light Company (KCPL Report and Order),
13 adopted the following treatment which separates advertisements into five categories and
14 provides separate rate treatment for each category. The five categories of advertisements
15 recognized by the Commission for purposes of this approach are:

- 16 (1) General – advertising that is useful in the provision of adequate service;
17 (2) Safety – advertising which conveys the ways to use the Company's
18 service safely and to avoid accidents;
19 (3) Promotional – advertising used to encourage or promote the use of the
20 particular commodity the utility is selling;
21 (4) Institutional – advertising used to improve or retain the Company's
22 public image; and,
23 (5) Political – advertising associated with political issues.

1 The Commission adopted these categories for advertisements because it believed that
2 a utility's revenue requirement should: (1) always include general and safety ads, provided
3 such costs are reasonable; (2) never include the cost of institutional or political ads;
4 and (3) include the cost of promotional ads only to the extent that the utility can provide
5 cost-justification for the ads (KCPL Report and Order, pp. 50-51).

6 Q. What examination has the Staff performed in relation to the Company's
7 advertising expenditures?

8 A. The Staff performed an advertisement-by-advertisement review of the
9 advertisements provided by the Company in response to Staff Data Request No's. 61 and 65,
10 for advertising cost charged to Missouri during the test year ending June 30, 2006.
11 Schedule 2, attached, presents those advertisements that Staff removed from cost of service
12 with a copy of that ad (if available.) Some of the Company's advertising was disallowed
13 because the Company failed to provide a photocopy of the actual ad. If the Company provides
14 this information at a later date, Staff will review those ads for possible inclusion in the cost of
15 service, based on the Commission's accepted criteria. Additionally, the Company's response
16 to Staff Data Request No.65 identified promotional give-a-way items (i.e. mugs, rain gauges,
17 Tee shirts, etc.) and one ad to maintain name recognition. Expenses related to these items
18 were removed from cost of service due to their being considered of institutional advertising
19 nature.

20 Q. How did the Staff determine the classification of each advertisement under the
21 standard established by the KCPL Report and Order?

22 A. Each advertisement was reviewed to determine which of the following
23 "primary messages" the advertisement was designed to communicate: (1) the dissemination

1 of information necessary to obtain safe and adequate service (general, safety); (2) the
2 promotion of a particular product or service (promotional); (3) the enhancement of the
3 Company's image (institutional); or (4) the endorsement of a political candidate or message
4 (political).

5 Q. Has the Staff used all of the Commission's classifications in the segregation
6 and review of the Company's advertisements?

7 A. No. The Company did not submit, nor is the Staff aware of, any
8 advertisements of a political or promotional nature.

9 Q. How has the Staff treated general advertising?

10 A. The Staff made no adjustment to the Company's test year expense associated
11 with Staff's categorized general advertising.

12 Q. How has the Staff treated safety advertising?

13 A. The Staff included in the cost of service all of the advertising it categorized as
14 safety. Safety advertising conveys to the customer messages to protect or promote their well
15 being.

16 Q. How has the Staff treated institutional advertising?

17 A. Institutional advertising is designed to enhance the Company's public image.
18 The Staff asserts that this form of advertising is not necessary for the Company to provide
19 safe and adequate service, and therefore, should not be included in the cost of service. The
20 Staff believes that this type of image enhancement advertising only serves to benefit the
21 shareholders of the utility.

22 **DUES AND DONATIONS**

23 Q. Please explain adjustments S-14.17, S-14.20, and S-14.21.

1 A. These adjustments remove various dues, donations and miscellaneous items
2 expensed by the Company during the test year from the cost of service. In the past it has been
3 the Commission's position to disallow dues and donations that: (1) provided no direct,
4 quantifiable benefit to the ratepayer, (2) were not necessary in providing safe and adequate
5 service to the ratepayer, or, (3) represented an involuntary contribution on the part of the
6 ratepayer to an organization. The Staff contends that although the Company's management
7 may choose to make these types of expenditures, the cost should be borne by the shareholder,
8 not the ratepayer. A listing of those items removed from cost of service is attached to this
9 Direct Testimony as Schedule 3.

10 **FRANCHISE TAX**

11 Q. Please explain adjustment S-17.4 to Franchise tax.

12 A. This adjustment increases the test year's level of expense to the actual
13 Franchise tax paid for the current calendar year.

14 **PUBLIC SERVICE COMMISSION ASSESSMENT**

15 Q. Please explain adjustment S-17.5 to the Missouri Public Service Commission's
16 (PSC's) Assessment.

17 A. This adjustment increases the test year's level of expense to reflect the current
18 actual assessment amount for the fiscal year ending June 30, 2007.

19 Q. Does this conclude your direct testimony?

20 A. Yes.

CASE PROCEEDING PARTICIPATION

EDWARD F. BEGAN, CPA

PARTICIPATION		TESTIMONY
COMPANY	CASE NO.	ISSUES
Citizens Electric Cooperative	ER-2002-217	Direct - Advertising; Dues Donations and Memberships; Maintenance Expense including Tree Trimming; Postage; PSC Assessment; and, Rate Case Expense
Laclede Gas Company	GR-2001-629	Direct - Advertising; Property Taxes; Other Rate Base Items; Plant, and Amortizing Assets, Their Related Reserves, and Current Amortization and Depreciation Expense; PSC Assessment; and, Rate Case Expense
Northeast Missouri Rural Telephone Company	TR-2001-344	Direct - Advertising; Memberships, Dues, Donations, and Subscriptions; Payroll
Missouri - American Water Company	WR-2003-0500	Chemicals, Fuel & Power, Purchased Water Removal & Salvage, Revenue, and Uncollectibles
Laclede Gas Company	GR-2005-0284	Dental, Medical Vision Expenses, and 401K Fees, Payroll
Atmos Energy Corporation	GR-2006-0387	Cash Working Capital; Other Rate Base Items; Rate Case Expense; Depreciation Expense; Interest on Customer Deposits
Union Electric Company d/b/a AmerenUE	ER-2007-0002	Cash Working Capital, Depreciation Expense, Depreciation Reserve, Interest On Customer Deposits, Osage Plant Adjustments, Plant in Service, Property Taxes, Public Service Commission Assessment, Rate Base, Rate Case Expense.
Union Electric Company d/b/a AmerenUE	GR-2007-0003	Cash Working Capital, Depreciation Expense, Depreciation Reserve, Interest On Customer Deposits, Plant In Service, Property Taxes, Public Service Commission Assessment, Rate Base, Rate Case Expense

Missouri-American Water Co

Schedule 2

WR-2006-0216

Disallowed Advertising

Source	Attached Reference Number	Description	Amount	Reason for Disallowance
D00R61R9	2-2	Promote poster contest winners	600	Institutional Advertising
DR0061R12	2-3; 2-4	Poster Winners	390	Institutional Advertising
DR0061R10	2-5; 2-6 ;2-7	High school graduation salute	116	Institutional Advertising
DR0061	JFC 6/30	Salute to July 4'th	280	Ad & Invoice Not Available
DR0061	STL 5/1	High School Advertisement	50	Ad & Invoice Not Available
DR0061	STL 2/27	Customer Call In Info	1408	Ad & Invoice Not Available
DR0061	STL 9/19	Customer Call In Info	15839	Ad & Invoice Not Available
DR0061	STL Aug '05	Ad to promote good communication	715	Ad & Invoice Not Available
DR0064R13	2-8	Children's' Theatre Production	9800	Public Image Enhancement
DR0065	2-9	Promotional Giveaways	9994	Public Image Enhancement
Total Disallowed Advertising			39192	

S0061-R9

THE JOPLIN GLOBEPO BOX 7
JOPLIN MO 64802-0007

(417) 623-3480

Fax (417) 623-1188

Advertising Invoice and Statement

06/2006		MISSOURI AMERICAN WATER	
600.00		ON RECEIPT	
600.00	.00	.00	.00
1	06/30/06	10507	10507

MISSOURI AMERICAN WATER
C/O ACCTS PAYABLE DEPT
PO BOX 5605
CHERRY HILL NJ 08034

Amount Paid:

Comments:

Please Return Upper Portion With Payment

06/02	500913 ROP	AMERICAN WATER JG	4X 5.00 20.00	1 30.00	600.00
-------	---------------	----------------------	------------------	------------	--------

Statement of Account - Aging of Past Due Amounts

600.00	0.00	0.00	0.00	600.00
--------	------	------	------	--------

THE JOPLIN GLOBE

(417) 623-3480

* UNAPPLIED AMOUNTS ARE INCLUDED IN TOTAL AMOUNT DUE

10507	06/2006	10507	10507	MISSOURI AMERICAN WATER
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Schedule 2-2

ADVERTISING INVOICE/STATEMENT 50061-R12



MISSOURI • St. Joseph News-Press • Smierville Herald • Kearney Courier • Liberty Tribune • Raytown Tribune
Wednesday Magazine • Green Acres Publication • Sun Tribune • Sun Gazette • Sun Newspapers
KANSAS • Atchison Globe • Hiawatha World • Miami County Republic • Osawatomie Graphic • Loubourg Herald

MO AMERICAN WATER C
11398
1

DATE	PUB	REFERENCE	DESCRIPTION	TIMES	COL	DEPTH	UNITS	RATE	AMOUNT	TOTAL
			BALANCE BROUGHT FORWARD							780.00
05/11/06		1	PAYMENT CC VISA/MC						-780.00	-780.00

05/31/06	NP		MISCELLANEOUS AD#127483-RADICAL REVENUE				0.00		-390.00	-390.00
----------	----	--	--	--	--	--	------	--	---------	---------

05/14/06	NP	124484	RETAIL ADVERTISING FLUSHING MAIN			3.0	10.00	30.00	13.00	390.00	390.00
05/21/06	NP	127456	RETAIL ADVERTISING FLUSHING MAIN			3.0	10.00	30.00	13.00	390.00	390.00
05/28/06	NP	127483	RETAIL ADVERTISING POSTER WINNERS MAIN			3.0	10.00	30.00	13.00	390.00	390.00

TOTALS FOR: ST JOSEPH NEWS PRESS

90.00

1,170.00

Paid P-Card 6-6-06 (sent via mail)
170305.575030.16 TJ 29

CURRENT AMOUNT	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	OVER 120 DAYS	AMOUNT DUE
780.00	0.00	0.00	0.00	0.00	\$780.00


FINANCE CHARGES OF 1.50% PER MONTH

TERMS OF PAYMENT: Net 30

NPG NEWSPAPERS, INC.

Congratulations

to the 4th Annual National Drinking Water Week Poster Contest
12-12-06 Winner - Jessica Cashion



Front Left to Right:
James Michael - 1st Place 7th
Jessica Cashion - Grand Prize
Jillie Robinson - 1st Place 8th

Back Left to Right:
Jillie Robinson - 2nd Place 8th
Matt Barnhart - Missouri American Water
Alexandria Uper - 2nd Place 6th
Kelsey Pace - 3rd Place 7th

Not Pictured: Ann Nguyen - 1st Place 6th

Missouri American Water

NEWS TRIBUNE COMPANY
210 MONROE STREET
JEFFERSON CITY, MO 65101

05/01/06 - 05/31/06 MISSOURI AMERICAN WATER

323.48

DUE UPON RECEIPT

I
6-22-06

59439

116.00

207.48

.00

.00

1 05/31/06

ACCOUNTS PAYABLE DEPARTMENT
MISSOURI AMERICAN WATER
PO BOX 5086
MT LAUREL NJ 08054-1108

210 MONROE STREET
PO BOX 430
JEFFERSON CITY, MO 65102

3268

04/30

05/20 260327

05/25 260356

BALANCE FORWARD

HELIAS GRAD

JAY GRAD

1B
1A

2x3.51

1

2x3.51

1

307.48

58.00

56.00

171205.575220.16

6103

116.00

207.48

.00

.00

323.48

TOTAL P.81



Connor
McClellan

Jennifer
McCurley

Stephanie
McCurley



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Chris Jones, Agent
1304 Southwest Ave.
Jefferson City, MO 65119
chris@afins.com



Sabrina
McKeechie



Emily Meller



**Missouri
American Water**



Have a question or a problem?
Call our 24 Hour Customer Call Center
1-866-430-0820



Adam Meredith



Harmon Mathari



**PHILIPS &
COMPANY**
Quality Electrical Products

1426 Creek Trail Dr., Jefferson City, MO
893-4979



Matthew Mercer

Trevor Panno

Gary Stewart



Int. C & Hwy. 179 - Jefferson City • 636-4373
Rte. MM, Sunrise Beach - 5 minutes from Porta Cima



Malinda
Meredith



Glenn Merrell



Riverview Cemetery

"Caring for you and your loved ones"
2800 West Main 636-8713

Keller's Graduation '06

NEWS TRIBUNE, Jefferson City, Missouri, Saturday, May 21



Jordan Gilbert



1511 Friendship Road 635-0019

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www.williamakeepers.com



Casey Gilmore



Paid for by Registrar for County Clerk, Rick Proctor, Treasurer
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Jefferson City, MO • 556-6606



Katherine Gredell



Drew Green



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Megan Rackers



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TALVA GRUNDSTROM, D.M.D.
GENERAL DENTISTRY

873-634-4414

2022 WILLIAMS STREET,
JEFFERSON CITY, MO 65104



Thomas Harlow



Missouri
American Water

RWE

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1-866-430-0820



Zach Herrbuckle



Margaret Hanson



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1815 Southwest E
P.O. Box 104
Jefferson
MO 65110-4

Phone: 573-633-6
Out of area: 1-877-MSC-M

S0061-R2

Schedule 2-7

Schedule 2-7



March 1, 2006

News Release

For more information, contact: Ann Dettmer
314-996-2356 (ofc) or 314-623-3822 (cell)
Ann.dettmer@amwater.com

Theater Group Will Teach Grade-School Students Important Water Lessons Next Week (March 6 – 14)

Missouri American Water has contracted with The National Theatre for Children, based in Minneapolis, Minnesota, to bring the "The Water Pirates of Neverland Ocean's 3-1/2!" live show to 12 elementary schools in the St. Louis area from March 6 to 14.

The presentation is part of Missouri American Water's education program for children.

The National Theatre for Children, a Minnesota-based national touring company, works with organizations to share their educational messages with students. Using simple sets and audience participation, the troupe will be presenting their program to more than 2,000 students in Missouri American Water's service areas this spring.

The shows shares information with students about the importance of water, using water wisely, and preventing pollution -- in a fun, interactive atmosphere.

**NOTE TO EDITOR: Schedule attached. Excellent photo opportunity –
interaction with kids, theatrical entertainment.**

Data Request No. S0065

MISSOURI AMERICAN WATER COMPANY
Case No. WR-2007-0216

Please provide a list of all promotional giveaways handed out by the Company by district for the test year. Such giveaways would include, but not be limited to pens and pencils with the Company logo, rain gauges, calendars, water bottles, umbrellas, etc. Provide the amounts and accounts charged for each item or group of items. Also provide an explanation of any benefit that the Company obtains from these promotional giveaways. If available, make such promotional giveaways available for Staff to view.

District Name	Vendor	Date	Amount	Bus Unit	Object	Benefit to the Company
St. Joseph	American's Second Hand	October-05	\$225.38	170305	575220	Giveaways STJ Monopoly to benefit American's Second Hand
Joplin	Direct Impact Marketing	December-05	\$2,400.00	171105	575220	Floating containers and mini tool kits for expo to heighten brand awareness
St. Joseph	Direct Impact Marketing	April-06	\$1,727.00	170305	575220	Rain gauges for trade show to heighten brand awareness
Joplin	Direct Impact Marketing	June-08	\$1,888.65	171105	575220	Logo ducks for various community events to heighten brand awareness
Joplin	Direct Impact Marketing	February-06	\$110.08	171105	575220	Shipping Charges on Giveaway Items to Promote Brand Awareness
St. Louis	Cintas	May-06	\$408.82	170121	575220	Logo shirts to wear at Corporate Responsibility booths
St. Louis	Cintas	April-08	\$115.13	170121	575220	American Cancer - Race for the Cure logo shirts for employees that volunteer their time to raise money for charitable organizations
St. Louis	Cintas	April-06	\$173.17	170121	575220	American Heart Walk logo shirts for employees that volunteer their time to raise money for charitable organizations
St. Louis	Roman Art Screenprinters	Nov. 05	\$183.50	170121	575030	Tee shirts for volunteers that worked on "Operation Clean Stream 2005" - clean Meramec River - a source of supply for Missouri American Water Company - improves the environment.
Missouri State	Direct Impact Marketing	October-05	\$2,066.00	170105	534700	Logo ducks for Business Development and tradeshow
St. Louis	Direct Impact Marketing	August-05	\$715.00	170121	575030	Missouri Ad to promote communication with businesses and customers served by Missouri American.

A sample of the premium items are being mailed under separate cover and include:

Assorted ducks, water bottle, leather portfolio, floating container, mini-tool kit, mug and logo tee shirt.

TOTAL \$9994

Missouri-American Water Company

Disallowed Dues & Donations

WR-2007-0216

DUES AND DONATIONS

Totals per below from DR 0062	204,731
Totals Allocated from Corporate See (page 2)	38,651
Lobbying Portion of NAWC Dues (19.0% per DR-0066)	18,485
Total	262,867

Source: DR 0062	MAWC	FERC		BRU	JFC	JOP	MEX	PKW	SCH	SJO	STL	WAR	Corp	Total
Payee	Reason Excl.	A/C Code	G/L											All
Individual AWWA														
Memberships	Duplicative	575240	930.2	137										137
Mo Rural Water Assoc	Duplicative	575280	921	201										201
				338										338
Capital Region Med Foundation	Not Directly Related	575141	930.2		700									700
JFC High School PTO	Related	575141	930.2		500									500
				1,200										1,200
JFC Betterment Assoc	Duplicative	575280	921	100										100
														0
Carl Junction C of C	Duplicative	575100	921		100									100
Neosho C of C	Duplicative	575280	921		525									525
					825									825
Wildcat Glades & Audubon	Not Directly Related	575141	930.2		50,000									50,000
Individual AWWA Memberships (2)	Duplicative	575240	930.2		274									274
Joplin Museum	Not Directly Related	575240	930.2		250									250
				50,524										50,524
C of C American Cancer Society	Charitable	575140	930.2				25							25
	Charitable	575140	930.2				500							500
Mexico Ledger (newspapers in schools)	Not Directly Related	575140	930.2				50							50
United Way	Charitable	575140	930.2				500							500
YMCA	Charitable	575140	930.2				100							100
Jaycees	Duplicative	575240	930.2				53							53
							1,228							1,228
Progress Mexico	Duplicative	575281	921				250							250
														0
AWWA Research Foundation (8)	Duplicative	575240	930.2										31,222	31,222
Mo Municipal League	State Wide	575240	930.2										275	275
													31,497	31,497
Leadership Missouri MO C of C	Duplicative	575280	921										300	300
AWWA Individual Memberships	State Wide	575280	921										1,525	1,525
	Duplicative	575280	921										3,300	3,300
													5,125	5,125
Platte County EDC	Duplicative	575281	921				500							500
Riverside Area C of C	Duplicative	575281	921				875							875
Rotary Club of Parkville	Duplicative	575281	921				510							510
							1,885							1,885
AWWA Individual Memberships (2)	Duplicative	575281	921						274					274
														0
Meyor's Thanksgiving	Charitable	575140	930.2							120				120
Roubidoux Middle School (9)	Not Directly Related	575141	930.2							2,700				2,700
Optimist Clup	Charitable	575240	930.2							160				160
										2,980				2,980
Midland Empire HBA	Duplicative	575280	921							290				290
	Not Directly Related	575280	921											0
Mo Rural Water	Related	575280	921							25				25
MO EDC	State Wide	575280	921							125				125
Leadership Missouri	Duplicative	575280	921							300				300
SJO Construction Assoc	Duplicative	575280	921								275			275
	Not Directly Related	575281	921											0
SJO Country Club (12)	Related	575281	921							7,814				7,814
										8,828				8,828
Muscular Dystrophy (2)	Charitable	575140	930.2								250			250
Country Club of St. Albans (7)	Not Directly Related	575140	930.2								4,375			4,375
West St Louis C of C	Related	575240	930.2								940			940
Mid County YMCA	Duplicative	760100	930.2								2,000			2,000
Open Space Council	Charitable	760100	930.2								2,500			2,500
											10,065			10,065
AWWA Research Foundation	Duplicative	575280	921.2								5,659			5,659
Water Environment	Duplicative	575280	921.2								97			97
Bridgeton Parks & Recreation	Not Directly Related	575280	921.2								560			560
RCGA	Duplicative	575280	921.2								5,670			5,670
														0
St. Charles / St. Louis														0
Allocate on TY Revenue	7.3% / 92.7%													0
Arts & Education 19000	Charitable	575280	921.2						1,387		17,613			19,000
									1,387		20,596			20,596
Arts & Education 10000	Charitable	760100	930.2						730		9,270			10,000
United Way (4)	Charitable	760100	930.2						3,504		44,496			48,000
Country Club of St. Albans w/ SCH	Not Directly Related	575140	930.2						45		580			625
									4,279		54,346			58,625
NPT Breast Cancer	Charitable	575281	921								200			200
														0
Total All				338	1,300	51,149	1,478	1,685	5,940	11,809	94,010	200	38,622	204,731

Note: No above amounts reported for : WCW, CDH, PKS, WCS

Schedule 3-1

Missouri-American Water Company
Disallowed Dues & Donations
Case No. WR-2007-0216

Acct #	Trans Type	Description	TY \$	Staff	Current Trmt	Previous Treatment	Comment
575280 CC	(none)		5,785	-	Disallow		
575280 CC		20050324					what is this?
575280 CC		20050428					
575280 CC		ADIASPEN PUBLISHERS					
575280 CC		AMER SOC OF CIVIL ENGINEE	148	148	Allow		
575280 CC		AMER WATER WORKS LB	42	42	Allow	Allowed	
575280 CC		AMERICAN BAR ASSN-MBRSH	52	52	Allow	Allowed	
575280 CC		AMERICAN CHEMICAL SOCIETY	34	34	Allow	N/A	
575280 CC		AMERICAN COALITION FOR E	174	-	Disallow		What is this?
575280 CC		AMERICAN PAYROLL	70	-	Disallow		What is this?
575280 CC		AMERICAN WATER WORKS	312	312	Allow	Allowed	
575280 CC		BBI INTERNATIONAL	10	-	Disallow		What is this?
575280 CC		D&B DUNSBRADSTREET ADP	135	135	Allow	N/A	
575280 CC		D&B MOS BRS MOR	198	198	Allow	N/A	
575280 CC		DESIGN BUILD INST	39	39	Allow	N/A	See web printout
575280 CC		DIVERSITY INC COM	0	0	Allow	N/A	
575280 CC		FOREIGN CURRENCY FEE	1	1	Allow	N/A	
575280 CC		ICC-PUBLIC UTILITIES	5	-	Disallow		IL related
575280 CC		KENDALLVILLE NEW SUN	2	-	Disallow	N/A	Indiana newspaper
575280 CC		MISSOURI MUNICIPAL LEAGUE	516	-	Disallow	Disallowed	
575280 CC		MISSOURI SOCIETY OF CP	101	101	Allow	Allowed	
575280 CC		NAPM-NJ	17	17	Allow	N/A	Nations Assoc of Purchasing Mngt
575280 CC		NEWSLIBRARY.COM ARTICL	4	4	Allow		
575280 CC		NJ STATE BAR ASSN	51	51	Allow		How does this serve MO customers?
575280 CC		NSPE WEBPAGE	81	81	Allow	Allowed	
575280 CC		ORGANIZATION DEVELOPME	19	-	Disallow		What is this?
575280 CC		PORTLAND CUSTOMER	85	-	Disallow		What is this?
575280 CC		SHRM ORG	48	48	Allow	Allowed	
575280 CC		SOCIETY FOR HR MGMT	23	23	Allow	Allowed	
575280 CC		THE ACCOUNTS PAYABLE N	66	-	Disallow		What is this?
575280 CC		THE CORP EXEC BOA01 OF	2,775	-	Disallow		
575280 CC		THE MADISON PRESS01 OF	2	-	Disallow		Ohio newspaper
575280 CC		TOWNNEWS COM	10	-	Disallow		Newspaper support website
575280 JE		Radcliffe, accruals	5,743	-	Disallow		Rel Wtr Partner inv correct BU - 5780. What is this? Allow if receive explanation
575280 PS		AICAP	35	35	Allow	Allowed	
575280 PS		American Bar Association - PO/	75	75	Allow	Allowed	
575280 PS		BAMSL - remit	117	117	Allow	Disallowed	Bar Assoc of Metro STL - last time was duplication
575280 PS		Bar Association of Metropolis	183	183	Allow		
575280 PS		Boston College CCC	401	-	Disallow		What is this?
575280 PS		ILCMA Regional Development Ins	397	-	Disallow		Illinois related
575280 PS		Iowa State Bar Association - R	70	70	Allow		
575280 PS		Lawyer Assessment - Remit	65	65	Allow		
575280 PS		Lawyer's Assessment	22	22	Allow		
575280 PS		MEDA	9,344	-	Disallow		Lobbying organization
575280 PS		Missouri Dept of Natural Resou					
575280 PS		NJ State Board of Accountancy	13	13	Allow		
575280 PS		Philadelphia Bar Assoc. PO/RE	45	45	Allow		
575280 PS		Sant's Club	45	-	Disallow		What is this?
575280 PS		Secretary Board of Bar Examine	93	93	Allow		
575280 PS		St Clair County Bar Association	30	30	Allow		
575280 PV		American Water Works Assoc - AV					
575280 PV		AIANA	1,787	-	Disallow	Disallowed	Assoc of Metropolitan Water Agencies - See description provided
575280 PV		Bureau of national Affairs -R	242	242	Allow		See web printout
575280 PV		Center for Advanced HR Studies	2,032	2,032	Allow		See web printout
575280 PV		Chesterfield Chamber of Commer	668	668	Allow	Allowed	
575280 PV		Corporate Executive Board	1,816	-	Disallow		
575280 PV		Croze Couer-Olivette Chamber	950	950	Allow	Allowed	
575280 PV		D & B	4	4	Allow		
575280 PV		DAMA Center Pennsylvania	21	21	Allow		Software / data mngt org
575280 PV		Delaware Valley Computer Users	25	25	Allow		
575280 PV		Fisher-Brown Inc	13	-	Disallow		what is this?
575280 PV		Growth Association of SW Min	99	-	Disallow	Disallowed	River Band Community
575280 PV		Leadership Missouri - remit	230	-	Disallow	Disallowed	MO Chamber
575280 PV		Lemay Chamber of Commerce	250	250	Allow	Allowed	
575280 PV		Localgovnews.org	191	-	Disallow		Illinois related
575280 PV		Matthew Bender & Co. Inc - 1275					
575280 PV		MEDA					
575280 PV		MIS Training Institute	4,042	4,042	Allow		training related to data and info security
575280 PV		Missouri Energy Development As	8,182	-	Disallow		MEDA
575280 PV		National Assoc of Reg Util Com	19	19	Allow	Allowed	
575280 PV		Northwest Chamber of Commerce	485	485	Allow		
575280 PV		Pennacots Area Chamber of Comm	134	-	Disallow		Not customer related
575280 PV		RJA Group - remit					
575280 PV		Sabrix					
575280 PV		St Louis Post Dispatch - Subscr	14	14	Allow		
575280 PV		Telegraph - Alton - remit	25	-	Disallow		IL paper
575280 RI		Washington State Bar Assoc	(4)	(4)	Allow		
575280 ST		Sabrix no tax charged scr	15	-	Disallow		What is this?
575280			48,917	10,860			

Corporate	575280		18,099	4,045	37%	Staff was unable to clearly identify the locations for acct 575280
SSU	575280		1,882	372	3%	Staff used a ratio based on totals for the locations
Cal Come	575280		2,343	525	5%	
Region	575280		26,813	5,008	55%	
			\$ 48,917	\$ 10,860	100%	

Corporate	575281 CC	(none)	137	-	Disallow	No description
Region	575281 CC	(none)	710	-	Disallow	No description

\$ 37,957 Above
1,694 Page 2
\$ 39,651 Total

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