Exhibit No.: _____
Issues: Cost Allocation/Rate Design
Witness: Paul R. Herbert
Exhibit Type: Rebuttal
Sponsoring Party: Missouri-American Water Company
Case No.: WR-2007-0216
Date: July 13, 2007

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. WR-20007-0216

REBUTTAL TESTIMONY

OF

PAUL R. HERBERT

ON BEHALF OF

MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY, MISSOURI

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

IN THE MATTER OF MISSOURI-AMERICAN WATER COMPANY FOR AUTHORITY TO FILE TARIFFS REFLECTING INCREASED RATES FOR WATER AND SEWER SERVICE	)))))	**CASE NO. WR-2007-0216** **CASE NO. SR-2007-0217**

AFFIDAVIT OF PAUL R. HERBERT

Paul R. Herbert, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony entitled "Rebuttal Testimony of Paul R. Herbert"; that said testimony and schedules were prepared by him and/or under his direction and supervision; that if inquires were made as to the facts in said testimony and schedules, he would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of his knowledge.

Paul R Herbert

Paul R. Herbert

Commonwealth of Pennsylvania
County of Cumberland
SUBSCRIBED and sworn to
Before me this 6th **day of** July **2007.**

Notary Public

My commission expires: February 20, 2011

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Cheryl Ann Rutter, Notary Public
East Pennsboro Twp., Cumberland County
My Commission Expires Feb. 20, 2011
Member, Pennsylvania Association of Notaries

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WITNESS INTRODUCTION AND QUALIFICATIONS AND EXPERIENCE

1. Q. Please state your name and address.

A. My name is Paul R. Herbert. My business address is 207 Senate Avenue, Camp Hill, Pennsylvania.

2. Q. By whom are you employed?

A. I am employed by Gannett Fleming, Inc.

3. Q. Please describe your position with Gannett Fleming, Inc. and briefly state your general duties and responsibilities.

A. I am President of the Valuation and Rate Division. My duties and responsibilities include the preparation of accounting and financial data for revenue requirement and cash working capital claims, the allocation of cost of service to customer classifications, and the design of customer rates in support of public utility rate filings.

4. Q. Have you presented testimony in rate proceedings before a regulatory agency?

A. Yes. I have testified before the Pennsylvania Public Utility Commission, the New Jersey Board of Public Utilities, the Public Utilities Commission of Ohio, the Public Service Commission of West Virginia, the Kentucky Public Service Commission, the Iowa State Utilities Board, the Virginia State Corporation Commission, the Missouri Public Service Commission, the New Mexico Public Regulation Commission, the Public Utilities Commission of the State of California, and the Tennessee Regulatory Authority, concerning revenue

requirements, cost of service allocation, rate design and cash working capital claims.

5. Q. What is your educational background?

A. I have a Bachelor of Science Degree in Finance from the Pennsylvania State University, University Park, Pennsylvania.

6. Q. Would you please describe your professional affiliations?

A. I am a member of the American Water Works Association and serve as a member of the Management Committee for the Pennsylvania Section. I am also a member of the Pennsylvania Municipal Authorities Association. In 1998, I became a member of the National Association of Water Companies as well as a member of its Rates and Revenue Committee.

7. Q. Briefly describe your work experience.

A. I joined the Valuation Division of Gannett Fleming Corddry and Carpenter, Inc., predecessor to Gannett Fleming, Inc., in September 1977, as a Junior Rate Analyst. Since then, I advanced through several positions and was assigned the position of Manager of Rate Studies on July 1, 1990. On June 1, 1994, I was promoted to Vice President and Senior Vice President in November 2003. On July 1, 2007, I was promoted to my current position as President of the Valuation and Rate Division.

While attending Penn State, I was employed during the summers of 1972, 1973 and 1974 by the United Telephone System - Eastern Group in its accounting department. Upon graduation from college in 1975, I was employed by Herbert Associates, Inc., Consulting Engineers (now Herbert

Rowland and Grubic, Inc.), as a field office manager until September 1977.

8. Q. Did you submit direct testimony previously in this proceeding?

A. No, I did not.

9. Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to offer rebuttal testimony to the cost of service studies of the Staff and Office of Public Counsel (OPC); to respond to AGP/Parkville testimony regarding customer classifications; and to present and explain Missouri-American Water Company's (Company) cost of service allocation studies set forth in Exhibit No. PRH-1.

10. Q. How have you structured your rebuttal testimony?

A. First, I will present and explain my cost allocation studies for all of the operating districts of the Company. In this regard, I will discuss the Base Extra Capacity method for allocating costs, which is the industry recognized standard for allocating the cost of providing water service to customer classifications. Next, I will discuss and explain key differences between the cost allocation studies of Staff, Public Counsel and mine. Finally, I will respond to AGP/Parkville witness Johnstone regarding customer classifications.

COST OF SERVICE ALLOCATION

11. Q. Briefly describe the purpose of your cost allocation studies.

A. The purpose of the studies was to allocate the district specific cost of service, which is the total revenue requirement, to the customer classifications in each

operating district. The operating districts include Brunswick (BRU), Jefferson City (JFC), Joplin (JOP), Mexico (MEX), Parkville (PKW), St. Charles (SCH), St. Joseph (SJO), St. Louis County (STL), Warrensburg (WAR) and Warren County Water (WCW). Cost allocation studies were not performed for the sewer utilities in Parkville, Cedar Hill and Warren County.

In the studies, the district specific costs were allocated to the residential, commercial, industrial, other public authorities, sales for resale, private fire protection and public fire protection classifications (Rates A through J in St. Louis County) in accordance with generally accepted principles and procedures. The cost of service allocation studies results in indications of the relative cost responsibilities of each class of customers in each operating district. The allocated cost of service is one of several criteria appropriate for consideration in designing customer rates to produce the required revenues. The results of the allocation of the district specific cost of service for the test year ended June 30, 2006, and proposed customer rates which produce the pro forma revenue requirements, are presented in the studies.

12. Q. Please describe the method of cost allocation that was used in your study.

A. The base-extra capacity method, as described in 2000 and prior Water Rates Manuals published by the American Water Works Association (AWWA), was used to allocate the pro forma costs. Base-extra capacity is a recognized method for allocating the cost of providing water service to customer

classifications in proportion to the classifications' use of the commodity, facilities, and services. It is generally accepted as a sound method for allocating the cost of water service and was used by the Company in previous cases.

13. Q. Please describe the procedure followed in each of the cost allocation studies.

A. Each identified classification of cost in the district specific cost of service was allocated to the customer classifications through the use of appropriate factors. These allocations are presented in Schedule B for each study. The items of cost, which include operation and maintenance expenses, depreciation expense, taxes and income available for return, are identified in column 1 of Schedule B. The cost of each item, shown in column 3, is allocated to the several customer classifications based on allocation factors referenced in column 2. The development of the allocation factors is presented in Schedule C. I will use some of the larger cost items to illustrate the principles and considerations used in the cost allocation methodology.

Purchased water, purchased electric power, treatment chemicals and waste disposal are examples of costs that tend to vary with the amount of water consumed and are thus considered base costs. They are allocated to the several customer classifications in direct proportion to the average daily consumption of those classifications through the use of Factor 1. The development of Factor 1 is shown in Schedule C.

Other source of supply, water treatment and transmission costs are associated with meeting usage requirements in excess of the average, generally to meet maximum day requirements. Costs of this nature were allocated to customer classifications partially as base costs, proportional to average daily consumption, partially as maximum day extra capacity costs, in proportion to maximum day extra capacity, and, in the case of certain pumping stations and transmission mains, partially as fire protection costs, through the use of Factors 2 and 3. The development of the allocation factors, referenced as Factors 2 and 3, is shown in Schedule C.

Costs associated with storage facilities and the capital costs of distribution mains were allocated partly on the basis of average consumption and partly on the basis of maximum hour extra demand, including the demand for fire protection service, because these facilities are designed to meet maximum hour and fire demand requirements. The development of the factors, referenced as Factors 4 and 5, used for these allocations is shown in Schedule C.

Fire demand costs were allocated to public and private fire protection service in proportion to the relative potential demands on the system by public fire hydrants and private service lines as presented in Schedule E.

Costs associated with pumping facilities and the operation and maintenance of mains were allocated on combined bases of maximum day and maximum hour extra capacity because these facilities serve both functions. For pumping facilities, the relative weightings of Factor 2

(maximum day), Factor 3 (maximum day and fire) and Factor 4 (maximum hour) were based on the horsepower of pumps serving maximum day, maximum day and fire and maximum hour functions. The development of this weighted factor is referenced as Factor 6.

For operation and maintenance of mains, the relative weightings of Factor 3 (maximum day and fire) and Factor 4 (maximum hour) were based on the footage of transmission and distribution mains. Generally, for cost allocation purposes, mains larger than 10-inch were classified as serving a transmission function and mains 10-inch and smaller were classified as serving a distribution function. The development of this weighted factor is referenced as Factor 7.

Costs associated with meters were allocated to customer classifications in proportion to the relative unit costs of the sizes and quantities of meters serving each classification. The development of the factor for meters is referenced as Factor 9. Factor 10, Allocation of Services, was developed in a similar manner as Factor 9, except that the relative unit cost per foot by service size was used in order to weight the number of services by classification. Costs associated with public fire hydrants were assigned directly to the public fire protection class (Factor 8).

Costs for customer accounting, billing and collecting were allocated on the basis of the number of customers for each classification, and costs for meter reading were allocated on the basis of metered customers. The development of these factors is referenced as Factor 13 and Factor 14.

Administrative and general costs were allocated on the basis of allocated direct costs, excluding those costs such as purchased water, power, chemicals and waste disposal, which require little administrative and general expense. The development of the factor is referenced as Factor 15.

Annual depreciation accruals were allocated on the basis of the function of the facilities represented by the depreciation expense for each depreciable plant account. The original cost less depreciation of utility plant in service was similarly allocated for the purpose of developing factors, referenced as Factor 18, for allocating items such as income taxes and return. The development of Factor 18 is presented on the last three pages of Schedule C.

Factors 15 and 18, as well as Factors 11, 12, 16, 17 and 19, are composite allocation factors. These factors are based on the result of allocating other costs and are computed internally in the cost allocation program. Refer to Schedule C for a description of the bases for each composite allocation factor.

14. Q. What was the source of the total cost of service data set forth in column 3 of Schedule B?

A. The pro forma costs of service were furnished by the Company, and are set forth in Company accounting exhibits and workpapers. The cost of service by district used in my allocation studies reflects the revenue contribution among districts as explained in Mr. Grubb's testimony.

15. Q. Refer to Schedule C, and explain the source of the system maximum

day and maximum hour ratios used in the development of factors referenced as Factors 2, 3 and 4.

A. The ratios were based on a review of historic Company data for each district. Schedule D shows the experienced maximum day ratios for each district over the last several years. The maximum hour ratios were estimated based on actual data or the relationship of system maximum hour ratios compared to system maximum day ratios for similar systems.

16. Q. **What factors were considered in estimating the maximum day extra capacity and maximum hour extra capacity demands used for the customer classifications in the development of Factors 2, 3 and 4?**

A. The estimated demands were based on judgment which considered field studies of actual customer class demands conducted for other American Companies, field observations of the service areas of the Company, field studies of similar service areas in Pennsylvania, and generally-accepted customer class maximum day and maximum hour demand ratios.

17. Q. **Please explain the allocation of small mains in certain districts.**

A. Factor 4, used to allocate distribution mains, was modified to exclude consumption for certain large customers connected primarily to large mains, commonly referred to as transmission mains, in Joplin, St. Joseph and St. Louis County districts. This was done to recognize that certain industrial and sales for resale customers are connected directly to the transmission system and do not benefit from the smaller distribution mains.

18. Q. **How was this adjustment accomplished?**

A. In Joplin, five of the six largest industrial customers are connected to mains 12-inch and larger. The sixth customer is served from an 8-inch main, but is located a short distance from 12- and 16-inch mains. The test year consumption for these six customers was excluded from the industrial class for the basis of developing Factor 4.

In St. Joseph, the four largest industrial accounts and all sales for resale accounts are served from mains 12-inch and larger. The test year consumption for these customers was excluded in the development of Factor 4.

In St. Louis County, all sales for resale customers (Rates B and G) are served from the transmission system and therefore, were excluded from Factor 4. For the industrial or Rate J classification, an analysis of the customers was performed to determine the size main each Rate J customer is served from. The analysis showed that out of 215 Rate J customers, 112 customers representing 61.8% of the Rate J consumption are connected to mains 12-inch and larger. The remaining 103 customers with 38.2% of the consumption are connected to mains smaller than 12-inch.

A further analysis of the 103 customers connected to small mains was conducted to measure the length of distribution mains used to serve these customers from the transmission system. This analysis showed that only about 225,000 feet of small mains are used from the transmission system to the connection point of the 103 Rate J customers. The 225,000 feet represents about 1.3% of the total 17.5 million feet of distribution mains. This

analysis clearly shows that although certain Rate J customers are connected to smaller mains, the length of those mains are only a small fraction of the total distribution main system. Therefore, based on this analysis, 10% of the Rate J consumption was used in the development of Factor 4, to reflect that a small part of the distribution mains are used by Rate J customers.

19. Q. Have you summarized the results of your cost allocation study?

A. Yes. The results are summarized in columns 1, 2 and 3 of Schedule A for each district. Column 2 sets forth the total allocated pro forma cost of service as of December 31, 2002, for each customer classification identified in column 1. Column 3 presents each customer classification's cost responsibility as a percent of the total cost.

20. Q. Have you compared these cost responsibilities with the proportionate revenue under existing rates for each customer classification?

A. Yes. A comparison of the allocated cost responsibilities and the percentage revenue under existing rates for each district can be made by comparing columns 3 and 5 of Schedule A. A similar comparison of the percentage cost responsibilities (relative cost of service) and the percentage of pro forma revenues (relative revenues) under proposed rates can be made by comparing columns 3 and 7 of Schedule A .

REBUTTAL OF COST OF SERVICE ISSUES

21. Q. Please discuss the similarities and differences among the cost of service studies prepared by you and the studies submitted by Mr.

Russo of the Staff and Ms. Meisenheimer of the OPC.

A. The similarities include the use of the base-extra capacity method of allocation and the use of district specific cost of service. The differences are numerous – some significant, many others not so significant. I will try to focus on the significant differences.

22. Q. Please continue.

A. The major differences include:

- The use of a much lower revenue requirement by Staff and OPC – a total of $7 million increase as opposed to the Company's $41 million increase.
- Differences in the distribution of the revenue requirements to the various districts.
- Differences in the billing determinants in some districts used for allocation purposes as a result of different projected revenues.
- Differences in the allocation of distribution mains in certain districts.
- Differences in the allocation of costs to contract customers.
- Differences in the use of certain peak factors.

The issues dealing with revenue requirements, the distribution of revenue requirements to the districts and the proper level of billing determinants will be addressed in other Company rebuttal testimony.

23. Q. Please address the allocation of distribution mains.

A. One distinct difference that affected the results in the St. Louis County, Joplin, and St. Joseph districts was that Staff and OPC did not use a small mains

adjustment as I did for the purposes of allocating mains. My studies reflect that many of the large users in those districts are served primarily from large transmission mains (generally larger than 10-inch) and do not benefit from the smaller mains in the distribution system. A more detailed explanation of my small mains adjustment is provided earlier in my testimony.

24. Q. Why is a small mains adjustment appropriate?

A. Generally, water flows from treatment facilities in large mains often referred to as transmission mains. The primary purpose of transmission mains is to transfer water from the treatment facilities to the distribution system and are allocated on a maximum day basis. The distribution system consists of many miles of smaller mains which deliver water to customers' service lines and are designed to meet maximum hour demands. In larger systems, large users such as industrial and sales for resale customers are located on transmission mains and take water before it reaches the distribution system. My study recognizes this fact and excludes certain large users from the allocation of small mains.

25. Q. What is the effect of Staff and OPC not using a small mains adjustment?

A. By not using a small mains adjustment, Staff and OPC cost allocations result in higher costs allocated to industrial and sales for resale classifications in St. Louis County and St. Joseph Districts and to the industrial class in Joplin. This will have an adverse impact on industry and will make it more difficult for the Company to meet competitive pressures.

26. Q. Please describe how you treated the allocation of costs to contract

sales customers.

A. In my cost allocation study, I excluded the volumes associated with contract sales and deducted the contract sales revenue from the cost of service from all classes in proportion to the result of each class's cost of service. This recognizes that contract customers have been retained on the system to the benefit of the remaining tariff customers and should offset the cost of service in proportion to each class's cost of service. Staff and OPC did not make this refinement and they effectively allocate the entire difference between the costs allocated to contract customers and the actual contract revenue to the remaining tariff customers in that classification rather than to all tariff customers.

27. Q. What other cost allocation differences exist among the studies?

A. There are differences in the estimated system-wide peak hour ratios used in the studies. It appears that Staff and OPC used non-coincident demands to estimate the system peak hour factor rather than an estimated coincident peak hour. A factor based on non-coincident demands would produce a higher ratio than a factor based on coincident demands. Typically if no actual system peak hour data is available, a factor of 1.5 times the maximum day ratio is used to estimate the coincident peak hour ratio.

28. Q. What are your conclusions with regard to the cost of service studies submitted in this case?

A. Each of the witnesses supports the use of the base-extra capacity method. However, only the Company's studies have applied the principles consistent

with proper rate making and reflect the proper allocation of small mains, the costs associated with contract customers and the allocation of peak hour demands. It is important that the Company's studies are used for the purposes of designing rates in this case to ensure an appropriate allocation of costs to the various customer classes.

REBUTTAL REGARDING CUSTOMER CLASSIFICATIONS

29. Q. Please address Mr. Johnstone's concern about the customer classifications used in the studies.

A. Mr. Johnstone criticizes the use of customer classifications for tariff design because the tariff does not indicate "what it takes" to be included in a certain classification.

30. Q. Does his criticism have any merit?

A. No, it does not. The Company classifies customers according to the AWWA standard for Residential, Commercial, Industrial, Public Authority, Resale and Fire Protection customers. These classifications are defined below:

- Residential – One and two-family dwellings, usually separate.
- Commercial – Multifamily apartment buildings and non-residential, non-industrial business enterprises.
- Industrial – Manufacturing and processing establishments.
- Public Authority – Public schools, hospitals, colleges, municipal or other governmental offices or operations.

- Resale – Sales of water to another water utility for resale.
- Fire Protection – Private fire lines for businesses and public fire hydrants paid for by municipalities.

Each customer is classified into one of the above categories based on the characteristics of the customer. This is common practice in the water industry. Relevant pages from the AWWA M1 manual describing the customer classifications are attached as Exhibit PRH-2.

31. Q. Does this conclude your testimony?

A. Yes, it does.

EXHIBIT PRH-1

MISSOURI-AMERICAN WATER COMPANY

ST. LOUIS, MISSOURI

COST OF SERVICE

ALLOCATION STUDY

FOR THE TEST YEAR ENDED JUNE 30, 2006

Gannett Fleming
Valuation and Rate Division

Harrisburg, Pennsylvania **Calgary, Alberta** **Valley Forge, Pennsylvania**

MISSOURI-AMERICAN WATER COMPANY

St. Louis, Missouri

COST OF SERVICE

ALLOCATION STUDY

FOR THE TEST YEAR ENDED JUNE 30, 2006

GANNETT FLEMING, INC. - VALUATION AND RATE DIVISION

Harrisburg, Pennsylvania Calgary, Alberta Valley Forge, Pennsylvania

Gannett Fleming

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July 6, 2007

Missouri-American Water Company
535 North New Ballas Road
St. Louis, MO 63141

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Attention Mr. Terry L. Gloriod, President

Gentlemen:

Pursuant to your request, we have conducted cost of service allocation studies based on the district specific revenue requirements estimated for the test year ended June 30, 2006.

The attached report presents the results of the allocation studies, as well as supporting schedules which set forth the detailed cost allocation calculations and the proposed schedule of rates. Schedule A, for each district, presents a comparison of the cost of service by customer classification with the pro forma revenues produced by each classification under present and proposed rates.

Respectfully submitted,

GANNETT FLEMING, INC.

Paul R Herbert

PAUL R. HERBERT
Sr. Vice President
Valuation and Rate Division

PRH:krm

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PART I. INTRODUCTION

MISSOURI-AMERICAN WATER COMPANY

COST OF SERVICE ALLOCATION STUDY
FOR THE TEST YEAR ENDED JUNE 30, 2006

PART I. INTRODUCTION

PLAN OF REPORT

The report sets forth the results of the cost of service allocation studies based on district specific revenue requirements as of June 30, 2006, for Missouri-American Water Company. Part I, Introduction, contains statements with respect to the basis of the study, the procedures employed, and a summary of the results of the study. Part II, Cost of Service by Customer Classification, presents detailed schedules of the allocation of costs to district specific customer classifications, as well as the bases for the allocations. Schedule A in Part II summarizes the cost allocation and the revenues produced under present and proposed rates for each district.

BASIS OF STUDY

The purpose of the cost allocation studies was to determine the relative cost of service responsibilities of the several customer classifications within each operating district, based on considerations of quantity of water consumed, variability of rate of consumption, and costs associated with customer metering, billing and accounting. The allocation studies incorporated generally-accepted principles and procedures for allocating the several categories of cost to customer classifications in proportion to each classification's use of facilities, commodities and services required in providing water service.

ALLOCATION PROCEDURES

The allocation studies were based on the Base-Extra Capacity Method for allocating costs to customer classifications. The method is described in the 2000 and prior editions of the Water Rates Manual published by the American Water Works Association. The four basic categories of cost responsibility are base, extra capacity, customer, and fire protection costs. The following discussion presents a brief description of these costs and the manner in which they were allocated.

Base Costs are costs that tend to vary with the quantity of water used, plus costs associated with supplying, treating, pumping, and distributing water to customers under average load conditions, without the elements necessary to meet peak demands. Base costs were allocated to customer classifications on the basis of average daily usage.

Extra Capacity Costs are costs associated with meeting usage requirements in excess of the average. They include operating and capital costs for additional plant and system capacity beyond that required for average use. The extra capacity costs in this study are subdivided into costs necessary to meet maximum day extra demand and costs to meet maximum hour extra demand. The extra capacity costs were allocated to customer classifications on the bases of each classification's maximum day and hour usage in excess of average usage.

Customer Costs are costs associated with serving customers regardless of their usage or demand characteristics. Customer costs include the operating and capital costs related to meters and services, meter reading costs, and billing and collecting costs. The customer costs were allocated on the bases of the capital cost of meters and services, and the number of customers.

Fire Protection Costs are costs associated with providing the facilities to meet the potential peak demand of fire protection service. Fire Protection costs are subdivided into costs to meet Public Fire Protection and Private Fire Protection demands. The extra capacity costs assigned to fire protection service were allocated to Public and Private Fire Protection on the basis of the total relative demands of the hydrants and fire service lines, sized to provide fire protection.

RESULTS OF STUDY

The results of the cost of service allocation study are set forth in Part II. The data summarized for each district in Schedule A, Comparison of Pro Forma Cost of Service with Revenues Under Present and Proposed Rates for the Test Year Ended June 30, 2006, constitute the principal results of the cost allocation studies and subsequent rate designs.

The cost of service by customer classification shown in column 2 of Schedule A is developed in Schedule B, Cost of Service for the Twelve Months Ended June 30, 2006, Allocated to Customer Classifications. The allocation of the total cost of service to the several customer classifications was performed by applying the allocation factors referenced in column 2 of Schedule B to the cost of service set forth in column 3. The bases for the allocation factors are presented in Schedule C.

Schedule D sets forth the experienced average day and maximum day system sendout and the maximum day ratios from 1990 through 2005. Schedule E presents the basis for allocating demand related costs of fire service to private and public fire protection classifications.

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PART II. COST OF SERVICE BY CUSTOMER CLASSIFICATION

BRUNSWICK DISTRICT

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED JUNE 30, 2006

Customer Classification	Cost of Service		Revenues, Present Rates		Revenues, Proposed Rates		Proposed Increase	
	Amount (Schedule B)	Percent	Amount	Percent	Amount	Percent	Amount	Percent Increase
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Residential	$ 456,704	76.7%	$ 101,775	75.3%	$ 127,477	75.4%	$ 25,702	25.3%
Commercial	111,486	18.7%	24,244	18.1%	30,366	18.0%	6,122	25.3%
Industrial	1,343	0.2%	522	0.4%	654	0.4%	132	25.3%
Public Authority	14,606	2.5%	3,682	2.7%	4,612	2.7%	930	25.3%
Sales for Resale	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Private Fire Service	11,795	2.0%	4,762	3.5%	5,964	3.5%	1,202	25.2%
Public Fire Service	-	0.0%	$0	0.0%	$0	0.0%	-	0.0%
Total Sales	595,935	100.1%	134,985	100.0%	169,073	100.0%	34,088	25.3%
Other Revenues	3,065		$3,065		$3,065		-	0.0%
Total	$ 599,000		$ 138,050		$ 172,138		$ 34,088	24.7%

BRU-1

Schedule A-BRU

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
OPERATION AND MAINTENANCE EXPENSES									
SOURCE OF SUPPLY EXPENSES									
Super & Eng Oper SS	2	$ 6,887	$ 5,272	$ 1,366	$ 10	$ 190	$ -	$ 6	$ 41
Labor & Exp Oper SS	2	80	61	16	0	2	0	0	0
Labor & Exp Oper SS	2	158	121	31	0	4	0	0	1
Purchased Water	1	0	0	0	0	0	0	0	0
TOTAL SS EXPENSE - OPERATION		7,125	5,455	1,414	11	197	0	6	43
Misc Exp Oper SS	2	4,751	3,637	943	7	131	0	4	29
Misc Exp Oper SS	2	23	18	5	0	1	0	0	0
Rents Oper SS	2	0	0	0	0	0	0	0	0
Super & Eng Maint SS	2	0	0	0	0	0	0	0	0
Struct & Improve Maint SS	2	0	0	0	0	0	0	0	0
Struct & Improve Maint SS	2	0	0	0	0	0	0	0	0
Collect & Impound Maint SS	2	0	0	0	0	0	0	0	0
Collect & Impound Maint SS	2	0	0	0	0	0	0	0	0
Lake, River & Oth Maint SS	2	0	0	0	0	0	0	0	0
Lake, River & Oth Maint SS	2	0	0	0	0	0	0	0	0
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0
Infilt Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Infilt Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Misc Plant Maint SS	2	1	0	0	0	0	0	0	0
Misc Plant Maint SS	2	481	368	95	1	13	0	0	3
TOTAL SS EXPENSE - MAINTENANCE		5,256	4,024	1,043	8	145	0	5	32
TOTAL SS EXPENSE		12,380	9,478	2,456	19	342	0	11	74
POWER AND PUMPING EXPENSES									
Super & Eng Oper P	6	0	0	0	0	0	0	0	0
Fuel for Power Prod	1	0	0	0	0	0	0	0	0
Labor & Exp Oper Pwr Prod	6	(1,325)	(877)	(227)	(2)	(32)	0	(26)	(161)
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Purch Fuel/Power for Pump	1	4,013	3,001	843	6	118	0	6	39
Labor & Exp Oper Pump	6	3,537	2,342	607	5	85	0	70	429
Labor & Exp Oper Pump	6	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection	
								Private	Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Expenses Transferred	6	0	0	0	0	0	0	0	0
Misc Exp Oper P	6	0	0	0	0	0	0	0	0
Rents Oper P	6	0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSE - OPERATION		6,224	4,466	1,223	9	171	0	50	307
Super & Eng Maint P	6	0	0	0	0	0	0	0	0
Struct & Improve Maint P	6	0	0	0	0	0	0	0	0
Struct & Improve Maint P	6	0	0	0	0	0	0	0	0
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Pump Equip Maint P	6	2,826	1,871	485	4	68	0	56	343
Pump Equip Maint P	6	1,082	716	186	1	26	0	21	131
TOTAL PUMPING EXPENSES - MAINTENANCE		3,908	2,588	671	5	93	0	77	474
TOTAL PUMPING EXPENSES		10,133	7,053	1,893	14	264	0	127	782
WATER TREATMENT									
Super & Eng Oper WT	2	18,401	14,087	3,651	28	508	0	17	110
Chemicals	1	5,117	3,827	1,075	8	150	0	8	49
Labor & Exp Oper WT	2	14,156	10,838	2,808	21	391	0	13	85
Labor & Exp Oper WT	2	5,849	4,478	1,161	9	161	0	5	35
Misc Exp Oper WT	2	799	612	159	1	22	0	1	5
Misc Exp Oper WT	1	7,989	5,975	1,679	12	235	0	12	77
Misc Exp Oper WT	2	861	659	171	1	24	0	1	5
Rents Oper WT	2	0	0	0	0	0	0	0	0
TOTAL WT EXPENSE - OPERATION		53,172	40,476	10,703	80	1,491	0	56	366
Super & Eng Maint WT	2	18,454	14,128	3,661	28	509	0	17	111
Struct & Improve Maint WT	2	0	0	0	0	0	0	0	0
Struct & Improve Maint WT	2	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	4,035	3,089	801	6	111	0	4	24
TOTAL WT EXPENSE - MAINTENANCE		22,489	17,217	4,462	34	621	0	20	135
TOTAL WT EXPENSE		75,660	57,694	15,164	113	2,112	0	76	501
TRANSMISSION AND DISTRIBUTION EXPENSES									
Super & Eng Oper TD	11	2,296	918	229	1	31	0	156	961
Storage Facilty Exp	5	0	0	0	0	0	0	0	0
Storage Facilty Exp	5	0	0	0	0	0	0	0	0
TD Lines Exp	7	9,627	3,797	952	2	132	0	661	4,083
TD Lines Exp	7	473	186	47	0	6	0	32	200
Meter Expense	9	99	80	17	1	2	0	0	0
Meter Expense	9	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection	
								Private	Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Customer Install Exp	10	39	32	6	0	1	0	1	0
Customer Install Exp	10	0	0	0	0	0	0	0	0
Misc Exp Oper TD	11	2,444	978	244	1	33	0	166	1,023
Misc Exp Oper TD	11	117	47	12	0	2	0	8	49
Misc Exp Oper TD	11	1,269	508	127	0	17	0	86	531
Rents Oper TD	11	15	6	1	0	0	0	1	6
TOTAL T & D EXPENSE OPERATION		16,380	6,552	1,635	5	225	0	1,111	6,853
Super & Eng Maint TD	12	2,296	906	227	0	31	0	158	974
Struct & Improve Maint TD	12	0	0	0	0	0	0	0	0
Struct & Improve Maint TD	12	0	0	0	0	0	0	0	0
Dist Res Stand Maint TD	5	0	0	0	0	0	0	0	0
TD Main Maint TD	7	92	36	9	0	1	0	6	39
TD Main Maint TD	7	0	0	0	0	0	0	0	0
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Services Maint TD	10	0	0	0	0	0	0	0	0
Services Maint TD	10	0	0	0	0	0	0	0	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Misc Plant Maint TD	12	24	10	2	0	0	0	2	10
Mat and Sup Maint TD	12	3,609	1,423	357	1	49	0	248	1,530
Misc Maint TD	12	0	0	0	0	0	0	0	0
Amort Def Maint TD	5	19,742	9,772	2,487	0	375	0	995	6,112
TOTAL T & D EXPENSE - MAINTENANCE		25,763	12,147	3,083	1	458	0	1,409	8,666
TOTAL T & D EXPENSE		42,144	18,699	4,718	6	682	0	2,520	15,519
CUSTOMER ACCOUNTS									
Supervision CA	13	2,296	1,882	356	10	29	0	20	0
Meter Reading Exp CA	14	1,270	1,050	199	5	16	0	0	0
Meter Reading Exp CA	14	0	0	0	0	0	0	0	0
Meter Reading Exp CA	14	(3)	(3)	(0)	(0)	(0)	0	0	0
Cust Rec & Collection CA	13	0	0	0	0	0	0	0	0
Cust Rec & Collection CA	13	1,817	1,489	282	8	23	0	15	0
Uncollectible Accts	13	5,642	4,624	875	24	72	0	48	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	2,125	1,741	329	9	27	0	18	0
Cust Serv & Info Exp CA	13	(0)	(0)	(0)	(0)	(0)	0	(0)	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		13,146	10,784	2,039	55	167	0	101	0
ADMINISTRATIVE AND GENERAL EXPENSES									
Salaries AG	15	30,166	20,111	5,017	39	679	0	621	3,698
Other Supplies & Exp AG	15	0	0	0	0	0	0	0	0
Other Supplies & Exp AG	15	4,096	2,731	681	5	92	0	84	502
Other Supplies & Exp AG	15	6,397	4,265	1,064	8	144	0	132	784
Mgmt Fees-Coporate/Shared Service Center	15	18,175	12,117	3,023	24	409	0	374	2,228
Mgmt Fees-Call Center	13	666	546	103	3	8	0	6	0
Mgmt Fees-Belleville Lab	2	838	642	166	1	23	0	1	5
Mgmt Fees- Financial ITS	15	6,334	4,223	1,053	8	143	0	130	777
Mgmt Fees- Customer Billings ITS	13	(0)	(0)	(0)	(0)	(0)	0	(0)	0
Mgmt Fees-Other ITS	15	82	55	14	0	2	0	2	10
Outside Services AG	15	787	525	131	1	18	0	16	96
Outside Services AG	15	9,521	6,347	1,583	12	214	0	196	1,167
Property Insurance	15	0	0	0	0	0	0	0	0
Ins Gen Liab Oper AG	15	2,893	1,929	481	4	65	0	60	355
Ins Work Comp AG	16	4,481	3,056	774	6	106	0	77	463
Ins Other Oper AG	15	1,104	736	184	1	25	0	23	135
Property Insurance	15	552	368	92	1	12	0	11	68
Injuries & Damages	16	5	3	1	0	0	0	0	1
Employee Pension & Benefits	16	37,486	25,566	6,474	49	885	0	641	3,872
Employee Pension & Benefits	16	12,203	8,323	2,108	16	288	0	209	1,261
Employee Pension & Benefits	16	2,104	1,435	363	3	50	0	36	217
Reg Commision Exp	15	268	179	45	0	6	0	6	33
Rents AG	15	2,069	1,380	344	3	47	0	43	254
Goodwill Advertising Exp	15	12	8	2	0	0	0	0	1
Misc Exp AG	15	17,613	11,743	2,929	23	396	0	363	2,159
Research & Development	15	0	0	0	0	0	0	0	0
TOTAL A & G OPERATIONS		157,853	106,287	26,631	207	3,611	0	3,030	18,087
General Plant Maint AG	15	0	0	0	0	0	0	0	0
General Plant Maint AG	15	468	312	78	1	11	0	10	57
TOTAL A & G EXPENSE - MAINTENANCE		468	312	78	1	11	0	10	57
TOTAL A & G EXPENSE		158,321	106,599	26,708	208	3,622	0	3,040	18,145
Total Operation & Maintenance Expenses		311,785	210,306	52,980	415	7,189	0	5,874	35,020

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection	
								Private	Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
DEPRECIATION EXPENSE									
Organization	17	0	0	0	0	0	0	0	0
Franchises	17	0	0	0	0	0	0	0	0
Land & Ld Rights SS	2	0	0	0	0	0	0	0	0
Land & Ld Rights P	6	0	0	0	0	0	0	0	0
Land & Ld Rights WT	7	0	0	0	0	0	0	0	0
Land & Ld Rights TD	15	0	0	0	0	0	0	0	0
Land & Land Rights AG	2	0	0	0	0	0	0	0	0
Struct & Imp SS	2	554	424	110	1	15	0	0	3
Struct & Imp P	6	1,632	1,081	280	2	39	0	32	198
Struct & Imp WT	2	6,369	4,876	1,264	10	176	0	6	38
Struct & Imp TD	7	560	221	55	0	8	0	38	237
Struct & Imp Offices	15	112	75	19	0	3	0	2	14
Struct & Imp Store,Shop,Gar	15	28	19	5	0	1	0	1	3
Struct & Imp Misc	15	188	125	31	0	4	0	4	23
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Infiltration Galleries & Tunnels	2	0	0	0	0	0	0	0	0
Wells & Springs	2	3,454	2,644	685	5	95	0	3	21
Supply Mains	2	1,299	995	258	2	36	0	1	8
Power Generation Equip Othe	6	36	24	6	0	1	0	1	4
Pump Equip Electric	6	2,033	1,346	349	3	49	0	40	247
Pump Equip Other	6	229	152	39	0	5	0	5	28
WT Equip Non-Media	2	4,181	3,201	830	6	115	0	4	25
WT Equip Filter Media	2	991	759	197	1	27	0	1	6
Dist Reservoirs & Standpipe	5	1,306	646	165	0	25	0	66	404
Elevated Tanks & Standpipes	5	396	196	50	0	8	0	20	123
Ground Level Facilities	5	0	0	0	0	0	0	0	0
TD Mains Not Classified by	7	4,720	1,862	467	1	65	0	324	2,002
TD Mains 4 & Less "	4	786	277	69	0	10	0	60	370
TD Mains 6 to 8" "	4	2,823	996	247	0	34	0	216	1,330
TD Mains 10 to 16" "	3	0	0	0	0	0	0	0	0
TD Mains 18 & Grtr "	3	0	0	0	0	0	0	0	0
Services	10	(393)	(318)	(62)	(2)	(6)	0	(6)	0
Meters Bronze Case	9	1,086	874	185	7	20	0	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	391	315	67	2	7	0	0	0
Meters Other-Rem Rdr Unts	9	0	0	0	0	0	0	0	0
Meter Installations	9	2,045	1,646	349	12	37	0	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	1,242	0	0	0	0	0	0	1,242
Other P/E Intangible	17	0	0	0	0	0	0	0	0
Utility Plant Acquisition Adjustment	17	0	0	0	0	0	0	0	0
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0
Other P/E TD	7	0	0	0	0	0	0	0	0
Other P/E CPS	15	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY

BRUNSWICK DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection	
								Private	Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Office Furniture & Equip	15	197	131	33	0	4	0	4	24
Comp & Periph Equip	15	1,039	693	173	1	23	0	21	127
Computer Software	15	1,420	947	236	2	32	0	29	174
Comp Software Personal	15	19	13	3	0	0	0	0	2
Data Handling Equipment	15	1,931	1,287	321	3	43	0	40	237
Other Office Equipment	15	191	127	32	0	4	0	4	23
Trans Equip Lt Duty Trks	15	97	65	16	0	2	0	2	12
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0
Trans Equip Autos	15	19	13	3	0	0	0	0	2
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	859	573	143	1	19	0	18	105
Tools,Shop,Garage Equip	15	2,663	1,775	443	3	60	0	55	326
Tools,Shop,Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	2,751	2,106	545	4	76	0	2	17
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	0	0	0	0	0	0	0	0
Comm Equip Non-Telephone	15	0	0	0	0	0	0	0	0
Comm Equip Telephone	15	1	1	0	0	0	0	0	0
Misc Equipment	15	12,852	8,568	2,137	17	289	0	265	1,576
Other Tangible Property	15	7,681	5,121	1,277	10	173	0	158	942
Total Depreciation Expense		67,788	43,855	11,027	93	1,501	0	1,417	9,895
Amort-Other UP	18	62	40	10	0	1	0	1	9
Amort-Intangible Fin	2	334	256	66	1	9	0	0	2
Taxes Other Than Income									
Utility Reg Assessment Fee	19	1,155	765	191	2	26	0	23	149
Property Taxes	18	22,775	14,756	3,598	39	471	0	478	3,432
FUTA	16	114	78	20	0	3	0	2	12
FICA	16	8,846	6,032	1,528	11	209	0	151	915
SUTA	16	75	51	13	0	2	0	1	8
Other Taxes & Licenses	15	568	379	94	1	13	0	12	70
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
Total Taxes, Other Than Income		33,533	22,061	5,444	53	723	0	667	4,585
Income Taxes	18	52,060	33,730	8,225	89	1,078	0	1,093	7,845
Utility Income Available for Return	18	133,437	86,454	21,083	227	2,762	0	2,802	20,109
Total Cost of Service		599,000	396,696	98,835	878	13,254	0	11,856	77,472
Less: Other Water Revenues	19	3,065	2,030	506	5	68	0	61	396
Revenue Contribution	19	0	0	0	0	0	0	0	0
Total Other Water Revenues		3,065	2,030	506	5	68	0	61	396
Total Cost of Service Related to Sales of Water		$ 595,935	$ 394,666	$ 98,329	$ 873	$ 13,196	$ -	$ 11,795	$ 77,076
Reallocation of Public Fire	20	0	62,038	13,157	470	1,410	0	0	(77,076)
Total		$ 595,935	$ 456,704	$ 111,486	$ 1,343	$ 14,606	$ -	$ 11,795	$ -

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS

FACTOR 1. ALLOCATION OF COSTS WHICH VARY WITH THE AMOUNT OF WATER CONSUMED.

Factors are based on the pro forma test year average daily consumption for each customer classification.

Customer Classification	Average Daily Consumption, Thousand Gallons	Allocation Factor
(1)	(2)	(3)
Residential	48.4	0.7479
Commercial	13.6	0.2101
Industrial	0.1	0.0015
Other Public Authority	1.9	0.0294
Sales for Resale	0.0	0.0000
Private Fire Protection	0.1	0.0015
Public Fire Protection	0.6	0.0096
Total	64.7	1.0000

FACTOR 2. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM DAY EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the factors for average daily consumption (Factor 1) and the factors derived from maximum day extra capacity demand for each customer classification, as follows:

	Average Daily Consumption		Maximum Day Extra Capacity		
Customer Classification	Allocation Factor 1	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)x 0.6250	(4)	(5)=(4)x 0.3750	(6)=(3)+(5)
Residential	0.7479	0.4675	0.7948	0.2981	0.7656
Commercial	0.2101	0.1313	0.1790	0.0671	0.1984
Industrial	0.0015	0.0009	0.0016	0.0006	0.0015
Other Public Authority	0.0294	0.0184	0.0246	0.0092	0.0276
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0015	0.0009			0.0009
Public Fire Protection	0.0096	0.0060			0.0060
Total	1.0000	0.6250	1.0000	0.3750	1.0000

The derivation of the maximum day extra capacity factors in column 4 and the basis for the column 3 and 5 weightings are presented on the following page.

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 2. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM DAY EXTRA CAPACITY FUNCTIONS, cont.

		Maximum Day Extra Capacity		
Customer Classification	Average Daily Consumption, Thousand Gal.	Factor*	Rate of Flow, Thousand Gal. Per Day	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	48.4	1.0	48.4	0.7948
Commercial	13.6	0.8	10.9	0.1790
Industrial	0.1	0.5	0.1	0.0016
Other Public Authority	1.9	0.8	1.5	0.0246
Sales for Resale	0.0	0.6	0.0	0.0000
Total	64.0		60.9	1.0000

The weighting of the factors is based on the maximum day ratio of 1.60, based on a review of maximum day ratios experienced during the period 1990 through 2005 (see Schedule D).

	Maximum Day Ratio	Weight
Average Day	1.00	0.6250
Maximum Day Extra Capacity	0.60	0.3750
Total	1.60	1.0000

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 3. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY AND FIRE PROTECTION FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

	Average Daily Consumption		Maximum Day Extra Capacity		Fire Protection		
Customer Classification	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2) X 0.5406	(4)	(5)=(4) X 0.3243	(6)	(7)=(6) X 0.1351	(8)=(3)+(5)+(7)
Residential	0.7479	0.4043	0.7948	0.2578			0.6621
Commercial	0.2101	0.1136	0.1790	0.0580			0.1716
Industrial	0.0015	0.0008	0.0016	0.0005			0.0013
Other Public Authority	0.0294	0.0159	0.0246	0.0080			0.0239
Sales for Resale	0.0000	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.0015	0.0008			0.1400	0.0189	0.0197
Public Fire Protection	0.0096	0.0052			0.8600	0.1162	0.1214
Total	1.0000	0.5406	1.0000	0.3243	1.0000	0.1351	1.0000

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 3. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY AND FIRE PROTECTION FUNCTIONS, cont.

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum day ratio of 1.60 and the average daily system sendout for 2005 of 0.144 MGD. The system demand for fire protection is 300 Gallons per minute for 2 hours.

	Ratio	Rate of Flow, (GPD)	Weight
Average Day	1.00	144,000	0.5406
Maximum Day Extra Capacity	0.60	86,400	0.3243
Subtotal	1.60	230,400	0.8649
Fire Protection		36,000	0.1351
Total		266,400	1.0000

The public and private fire protection allocation factors in column 6 on the previous page are based on the relative potential demands (see Schedule E).

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		
	Thousand Gallons	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3) X 0.1818	(5)	(6)=(5) X 0.2727	(7)	(8)=(7) X 0.5455	(9)=(4)+(6)+(8)
Residential	2.02	0.7482	0.1360	0.7953	0.2169			0.3528
Commercial	0.57	0.2111	0.0384	0.1800	0.0491			0.0876
Industrial	0.00	0.0000	0.0000	0.0000	0.0000			0.0000
Other Public Authority	0.08	0.0296	0.0054	0.0247	0.0067			0.0121
Sales for Resale	0.00	0.0000	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.00	0.0000	0.0000			0.1400	0.0764	0.0764
Public Fire Protection	0.03	0.0111	0.0020			0.8600	0.4691	0.4711
Total	2.70	1.0000	0.1818	1.0000	0.2727	1.0000	0.5455	1.0000

The maximum hour extra capacity factors in column 5 are determined on the next page.

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS, cont.

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum hour ratio of 2.5 and the average daily system sendout for 2005 of 0.144 MGD. The system demand for fire protection is 300 gallons per minute.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	100	0.1818
Maximum Hour Extra Capacity	1.50	150	0.2727
Subtotal	2.50	250	0.4545
Fire Protection		300	0.5455
Total		550	1.0000

The maximum hour extra capacity factors in column 5 of the previous page are determined as follows:

Customer Classification	Average Hourly Consumption Thousand Gal.	Maximum Hour Extra Capacity		
		Factor*	1,000 Gallons Per Hour	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	2.02	3.5	7.07	0.7953
Commercial	0.57	2.8	1.60	0.1800
Industrial	0.00	1.5	0.00	0.0000
Other Public Authority	0.08	2.8	0.22	0.0247
Sales for Resale	0.00	2.0	0.00	0.0000
Total	2.67		8.89	1.0000

* Ratio of Maximum Hour To Average Hour Minus 1.0.

The public and private fire protection allocation factors in column 7 on the previous page are based on the relative potential demands (see Schedule E).

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES.

Factors are based on the weighting of the average hourly consumption, the maximum hour extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		Allocation Factor
	Thousand Gallons	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	
(1)	(2)	(3)	(4)=(3) X 0.2560	(5)	(6)=(5) X 0.3840	(7)	(8)=(7) X 0.3600	(9)=(4)+(6)+(8)
Residential	2.0	0.7408	0.1896	0.7953	0.3054			0.4950
Commercial	0.6	0.2222	0.0569	0.1800	0.0691			0.1260
Industrial	0.0	0.0000	0.0000	0.0000	0.0000			0.0000
Other Public Authority	0.1	0.0370	0.0095	0.0247	0.0095			0.0190
Sales for Resale	0.0	0.0000	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.0	0.0000	0.0000			0.1400	0.0504	0.0504
Public Fire Protection	0.0	0.0000	0.0000			0.8600	0.3096	0.3096
Total	2.7	1.0000	0.2560	1.0000	0.3840	1.0000	0.3600	1.0000

The weighting of the factors is based on the ratio of the capacity required for a 2 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES, cont.

The weighting of the factors is based on the ratio of the capacity required for a 2 hour demand of fire flow, as related to total storage capacity.

Fire Protection Weight = $\frac{300 \text{ GPM X } 60 \text{ Min. X } 2 \text{ Hrs.}}{100{,}000 \text{ Gallons}} = 0.3600$

General Service Weight = 1.0000 - 0.3600 = 0.6400

The weighting of the average hourly consumption and maximum hour extra demand for general service is based on the maximum hour ratio, as follows:

	Maximum Hour Ratio	Percent	Weight
Average Hour	1.00	40.00	0.2560
Extra Capacity Maximum Hour	1.50	60.00	0.3840
Total	2.50	100.00	0.6400

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 6. ALLOCATION OF COSTS ASSOCIATED WITH POWER AND PUMPING FACILITIES.

Factors are based on the weighting of the maximum daily consumption, Factor 2, the maximum daily consumption with fire, Factor 3, and the maximum hour consumption, Factor 4, for each customer classification, as follows:

	Maximum Daily Consumption		Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		
Customer Classification	Allocation Factor 2	Weighted Factor	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)X 0.0000	(4)	(5)=(4)X 1.0000	(6)	(7)=(6)X 0.0000	(8)=(3)+ (5)+(7)
Residential	0.7656	0.0000	0.6621	0.6621	0.3528	0.0000	0.6621
Commercial	0.1984	0.0000	0.1716	0.1716	0.0876	0.0000	0.1716
Industrial	0.0015	0.0000	0.0013	0.0013	0.0000	0.0000	0.0013
Other Public Authority	0.0276	0.0000	0.0239	0.0239	0.0121	0.0000	0.0239
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0009	0.0000	0.0197	0.0197	0.0764	0.0000	0.0197
Public Fire Protection	0.0060	0.0000	0.1214	0.1214	0.4711	0.0000	0.1214
Total	1.0000	0.0000	1.0000	1.0000	1.0000	0.0000	1.0000

The weighting of the factors is based on the horsepower of pumps associated with maximum day facilities, maximum day and fire facilities, and maximum hour facilities, as follows:

	Horsepower of Pumps	Weight
Associated with Maximum Day	0	0.0000
Associated with Maximum Day and Fire	100	1.0000
Associated with Maximum Hour	0	0.0000
Total	100	1.0000

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 7. ALLOCATION OF COSTS ASSOCIATED WITH TRANSMISSION AND DISTRIBUTION MAINS.

Factors are based on the weighting of the maximum daily consumption with fire, Factor 3, and the maximum hour consumption, Factor 4, for each customer classification, as follows:

	Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		
Customer Classification	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)X 0.1343	(4)	(5)=(4)X 0.8657	(6)=(3)+(5)
Residential	0.6621	0.0890	0.3528	0.3054	0.3944
Commercial	0.1716	0.0230	0.0876	0.0759	0.0989
Industrial	0.0013	0.0002	0.0000	0.0000	0.0002
Other Public Authority	0.0239	0.0032	0.0121	0.0105	0.0137
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0197	0.0026	0.0764	0.0661	0.0687
Public Fire Protection	0.1214	0.0163	0.4711	0.4078	0.4241
Total	1.0000	0.1343	1.0000	0.8657	1.0000

The weighting of the factors is based on the total footage of mains, designated as either transmission mains or distribution mains, as follows:

	Total Footage of Mains	Weight
Transmission Mains	9,795	0.1343
Distribution Mains	63,160	0.8657
Total	72,955	1.0000

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH FIRE HYDRANTS.

Costs are assigned directly to Public Fire Protection.

Customer Classification	Allocation Factor
(1)	(3)
Public Fire Protection	1.0000
Total	1.0000

FACTOR 9. ALLOCATION OF COSTS ASSOCIATED WITH METERS.

Factors are based on the relative cost of meters by size and customer classification, as developed on the following page and summarized below.

Customer Classification	5/8" Dollar Equivalents	Allocation Factor
(1)	(2)	(3)
Residential	396	0.8049
Commercial	84	0.1707
Industrial	3	0.0061
Other Public Authority	9	0.0183
Sales for Resale	0	0.0000
Private Fire	0	0.0000
Total	492	1.0000

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size	5/8" Dollar Equivalent	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Total	
		Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting
(1)	(2)	(3)	(4)=(2)X(3)	(5)	(6)=(2)X(5)	(7)	(8)=(2)X(7)	(9)	(10)=(2)X(9)	(11)	(12)=(2)X(11)	(13)	(14)
5/8	1.0	383	383	65	65	0	0	5	5	0	0	453	453
3/4	1.3	0	0	0	0	0	0	0	0	0	0	0	0
1	1.7	0	0	6	10	2	3	0	0	0	0	8	13
1-1/2	3.5	0	0	0	0	0	0	0	0	0	0	0	0
2	4.3	3	13	2	9	0	0	1	4	0	0	6	26
3	19.0	0	0	0	0	0	0	0	0	0	0	0	0
4	29.3	0	0	0	0	0	0	0	0	0	0	0	0
6	48.4	0	0	0	0	0	0	0	0	0	0	0	0
8	112.9	0	0	0	0	0	0	0	0	0	0	0	0
Total		386	396	73	84	2	3	6	9	0	0	467	492

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 10. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES.

Factors are based on the relative cost of services by size and customer classification, as developed on the following page and summarized below.

Customer Classification	3/4" Dollar Equivalents	Allocation Factor
(1)	(2)	(3)
Residential	389	0.8086
Commercial	76	0.1580
Industrial	2	0.0042
Other Public Authority	7	0.0146
Sales for Resale	0	0.0000
Private Fire Protection	7	0.0146
Total	481	1.0000

Schedule C-BRU

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

Service Size	3/4" Dollar Equivalent	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Private Fire Protection		Total	
		Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting
(1)	(2)	(3)	(4)=(2)X(3)	(5)	(6)=(2)X(5)	(7)	(8)=(2)X(7)	(9)	(10)=(2)X(9)	(11)	(12)=(2)X(11)	(13)	(14)=(2)X(11)	(15)	(16)
3/4	1.00	383	383	65	65	0	0	5	5	0	0	0	0	453	453
1	1.17	0	0	6	7	2	2	0	0	0	0	0	0	8	9
1-1/2	1.58	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	2.04	3	6	2	4	0	0	1	2	0	0	0	0	6	12
3	2.73	0	0	0	0	0	0	0	0	0	0	1	3	1	3
4	2.88	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	4.24	0	0	0	0	0	0	0	0	0	0	1	4	1	4
8	6.98	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	9.50	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	12.16	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		386	389	73	76	2	2	6	7	0	0	2	7	469	481

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 11. ALLOCATION OF TRANSMISSION AND DISTRIBUTION OPERATION SUPERVISION AND ENGINEERING AND MISCELLANEOUS EXPENSES.

Factors are based on transmission and distribution operation expenses other than those being allocated, as follows:

Customer Classification	Transmission & Distribution Operating Expenses	Allocation Factor
(1)	(2)	(3)
Residential	$ 4,095	0.4000
Commercial	1,022	0.0998
Industrial	3	0.0003
Other Public Authority	141	0.0137
Sales for Resale	-	0.0000
Private Fire Protection	694	0.0678
Public Fire Protection	4,283	0.4184
Total	10,239	1.0000

FACTOR 12. ALLOCATION OF TRANSMISSION AND DISTRIBUTION MAINTENANCE SUPERVISION AND ENGINEERING, STRUCTURES AND IMPROVEMENTS, AND OTHER EXPENSES.

Factors are based on transmission and distribution maintenance expenses other than those being allocated, as follows:

Customer Classification	Transmission & Distribution Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Residential	$ 36	0.3944
Commercial	9	0.0989
Industrial	0	0.0002
Other Public Authority	1	0.0137
Sales for Resale	-	0.0000
Private Fire Protection	6	0.0687
Public Fire Protection	39	0.4241
Total	$92	1.0000

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 13. ALLOCATION OF BILLING AND COLLECTING COSTS.

Factors are based on the total number of customers.

Customer Classification	Total Customers	Allocation Factor
(1)	(2)	(3)
Residential	386	0.8196
Commercial	73	0.1550
Industrial	2	0.0042
Other Public Authority	6	0.0127
Sales for Resale	0	0.0000
Private Fire Protection	4	0.0085
Public Fire Protection	0	0.0000
Total	471	1.0000

FACTOR 14. ALLOCATION OF METER READING COSTS.

Factors are based on the number of metered customers.

Customer Classification	Total Metered Customers	Allocation Factor
(1)	(2)	(3)
Residential	386	0.8266
Commercial	73	0.1563
Industrial	2	0.0043
Other Public Authority	6	0.0128
Sales for Resale	0	0.0000
Total	467	1.0000

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 15. ALLOCATION OF ADMINISTRATIVE AND GENERAL EXPENSES AND CASH WORKING CAPITAL.

Factors are based on the allocation of all other operation and maintenance expenses excluding purchased water, power, chemicals and waste disposal.

Customer Classification	Operation & Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Residential	$90,905	0.6667
Commercial	22,675	0.1663
Industrial	182	0.0013
Other Public Authority	3,064	0.0225
Sales for Resale	0	0.0000
Private Fire Protection	2,808	0.0206
Public Fire Protection	16,711	0.1226
Total	$136,345	1.0000

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 16. ALLOCATION OF LABOR RELATED TAXES AND BENEFITS.

Factors are based on the allocation of direct labor expense.

Customer Classification	Direct Labor Expense	Allocation Factor
(1)	(2)	(3)
Residential	$77,523	0.6820
Commercial	19,625	0.1727
Industrial	152	0.0013
Other Public Authority	2,677	0.0236
Sales for Resale	0	0.0000
Private Fire Protection	1,941	0.0171
Public Fire Protection	11,747	0.1033
Total	$113,667	1.0000

FACTOR 17. ALLOCATION OF ORGANIZATION, FRANCHISES AND CONSENTS, MISCELLANEOUS INTANGIBLE PLANT AND OTHER RATE BASE ELEMENTS.

Factors are based on the allocation of the original cost less depreciation other than those items being allocated, as follows:

Customer Classification	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
Residential	$1,065,746	0.6478
Commercial	259,920	0.1580
Industrial	2,850	0.0017
Other Public Authority	34,119	0.0207
Sales for Resale	0	0.0000
Private Fire Protection	34,583	0.0210
Public Fire Protection	248,069	0.1508
Total	$1,645,287	1.0000

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 18. ALLOCATION OF INCOME TAXES AND INCOME AVAILABLE FOR RETURN.

Factors are based on the allocation of the original cost measure of value rate base as shown on the following pages and summarized below.

Customer Classification	Original Cost Measure of Value	Allocation Factor
(1)	(2)	(3)
Residential	$1,014,530	0.6479
Commercial	247,439	0.1580
Industrial	2,712	0.0017
Other Public Authority	32,488	0.0207
Sales for Resale	0	0.0000
Private Fire Protection	32,949	0.0210
Public Fire Protection	236,043	0.1507
Total	$1,566,161	1.0000

FACTOR 19. ALLOCATION OF REGULATORY COMMISSION EXPENSES, ASSESSMENTS AND OTHER WATER REVENUES.

The factors are based on the allocation of the total cost of service, excluding those items being allocated.

Customer Classification	Total Cost of Service	Allocation Factor
(1)	(2)	(3)
Residential	$395,758	0.6623
Commercial	98,600	0.1650
Industrial	875	0.0015
Other Public Authority	13,232	0.0221
Sales for Resale	0	0.0000
Private Fire Protection	11,827	0.0198
Public Fire Protection	77,283	0.1293
Total	$597,575	1.0000

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
RATE BASE									
Organization	17	$ 181	$ 117	$ 29	$ 0	$ 4	$ -	$ 4	$ 27
Franchises	17	1,092	707	173	2	23	0	23	165
Land & Ld Rights SS	2	11,981	9,173	2,377	18	331	0	11	72
Land & Ld Rights P	6	0	0	0	0	0	0	0	0
Land & Ld Rights WT	2	1,468	1,124	291	2	41	0	1	9
Land & Ld Rights TD	7	591	233	58	0	8	0	41	251
Land & Land Rights AG	15	0	0	0	0	0	0	0	0
Struct & Imp SS	2	20,910	16,009	4,149	31	577	0	19	125
Struct & Imp P	6	49,701	32,907	8,529	65	1,188	0	979	6,034
Struct & Imp Pumps (STL)	6	0	0	0	0	0	0	0	0
Struct & Imp Pump Boosters	6	0	0	0	0	0	0	0	0
Struct & Imp WT	2	216,492	165,746	42,952	325	5,975	0	195	1,299
Struct & Imp WT Nth Plt (ST	2	0	0	0	0	0	0	0	0
Struct & Imp WT Ctrl Plt 1	2	0	0	0	0	0	0	0	0
Struct & Imp WT Ctrl Plt 3	2	0	0	0	0	0	0	0	0
Struct & Imp WT Sth Plt (ST	2	0	0	0	0	0	0	0	0
Struct & Imp WT Meramec (ST	2	0	0	0	0	0	0	0	0
Struct & Imp TD	7	22,527	8,885	2,228	5	309	0	1,548	9,554
Struct & Imp TD Spec Cross	7	0	0	0	0	0	0	0	0
Struct & Imp Offices	15	4,267	2,845	710	6	96	0	88	523
Struct & Imp Leasehold	15	0	0	0	0	0	0	0	0
Struct & Imp Leasehold	15	0	0	0	0	0	0	0	0
Struct & Imp Store,Shop,Gar	15	468	312	78	1	11	0	10	57
Struct & Imp Misc	15	17,564	11,710	2,921	23	395	0	362	2,153
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Infiltration Galleries & Tunnels	2	0	0	0	0	0	0	0	0
Wells & Springs	2	115,490	88,419	22,913	173	3,188	0	104	693
Supply Mains	2	49,761	38,097	9,873	75	1,373	0	45	299
Supply Mains Nth Plt (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Ctrl Plt (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Sth Plt (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Meramec Plt (S	2	0	0	0	0	0	0	0	0
Power Generation Equip Othe	6	697	461	120	1	17	0	14	85
Boiler Plant Equipment P	6	0	0	0	0	0	0	0	0
Pump Equip Steam	6	0	0	0	0	0	0	0	0
Pump Equip Electric	6	67,038	44,386	11,504	87	1,602	0	1,321	8,138
Pump Equip Elec Pre46 (STL)	6	0	0	0	0	0	0	0	0
Pump Equip Elec Post46 (STL	6	0	0	0	0	0	0	0	0
Pump Equip Elec Boosters Po	6	0	0	0	0	0	0	0	0
Pump Equip Diesel	6	0	0	0	0	0	0	0	0
Pump Equip Diesel Stratman\	6	0	0	0	0	0	0	0	0
Pump Equip Diesel Ctrl Plt	6	0	0	0	0	0	0	0	0
Pump Equip Hydraulic	6	0	0	0	0	0	0	0	0
Pump Equip Other	6	19,257	12,750	3,305	25	460	0	379	2,338
WT Equip Non-Media	2	98,701	75,565	19,582	148	2,724	0	89	592

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection	
								Private	Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
WT Equip Non-Med North (STL	2	0	0	0	0	0	0	0	0
WT Equip Non Media Ctrl 1 &	2	0	0	0	0	0	0	0	0
WT Equip Non Media Ctrl 3 (	2	0	0	0	0	0	0	0	0
WT Equip Non Media Sth (STL	2	0	0	0	0	0	0	0	0
WT Equip Non Media Mer (STL	2	0	0	0	0	0	0	0	0
WT Equip Filter Media	2	48,106	36,830	9,544	72	1,328	0	43	289
Dist Reservoirs & Standpipe	5	34,620	17,137	4,362	0	658	0	1,745	10,718
Elevated Tanks & Standpipes	5	16,259	8,048	2,049	0	309	0	819	5,034
Ground Level Facilities	5	0	0	0	0	0	0	0	0
TD Mains Not Classified by	7	119,520	47,139	11,821	24	1,637	0	8,211	50,688
TD Mains 4 & Less "	4	32,837	11,585	2,877	0	397	0	2,509	15,470
TD Mains 6 to 8" "	4	120,204	42,408	10,530	0	1,454	0	9,184	56,628
TD Mains 10 to 16" "	3	0	0	0	0	0	0	0	0
TD Mains 18 & Grtr "	3	0	0	0	0	0	0	0	0
TD Mains AC 4 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1900-28 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1929-56 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1957-93 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI 12 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains CI 16 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains DI 6-8 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains DI 12 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains DI 16 & >(STL)	3	0	0	0	0	0	0	0	0
TD Mains Galve 1 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains LJ 20 (STL) "	3	0	0	0	0	0	0	0	0
Fire Mains	8	0	0	0	0	0	0	0	0
Services	10	176,492	142,711	27,886	741	2,577	0	2,577	0
Meters Bronze Case	9	47,449	38,192	8,100	289	868	0	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	(1,548)	(1,246)	(264)	(9)	(28)	0	0	0
Meters Other-Rem Rdr Unts	9	0	0	0	0	0	0	0	0
Meter Installations	9	73,097	58,836	12,478	446	1,338	0	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	51,463	0	0	0	0	0	0	51,463
Other P/E Intangible	15	2,294	1,529	381	3	52	0	47	281
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0
Other P/E TD	7	0	0	0	0	0	0	0	0
Other P/E CPS	15	2,105	1,404	350	3	47	0	43	258
Office Furniture & Equip	15	3,542	2,361	589	5	80	0	73	434
Comp & Periph Equip	15	3,377	2,252	562	4	76	0	70	414
Computer Software	15	(7,657)	(5,105)	(1,273)	(10)	(172)	0	(158)	(939)
Comp Software Personal	15	1	1	0	0	0	0	0	0
Data Handling Equipment	15	25,726	17,152	4,278	33	579	0	530	3,154
Other Office Equipment	15	2,287	1,525	380	3	51	0	47	280
Trans Equip Lt Duty Trks	15	16,794	11,197	2,793	22	378	0	346	2,059
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0
Trans Equip Autos	15	(489)	(326)	(81)	(1)	(11)	0	(10)	(60)

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Trans Equip Other	15	(12,484)	(8,323)	(2,076)	(16)	(281)	0	(257)	(1,531)
Stores Equipment	15	10,094	6,730	1,679	13	227	0	208	1,238
Tools,Shop,Garage Equip	15	49,406	32,939	8,216	64	1,112	0	1,018	6,057
Tools,Shop,Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	22,515	17,237	4,467	34	621	0	20	135
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	0	0	0	0	0	0	0	0
Comm Equip Non-Telephone	15	2,069	1,379	344	3	47	0	43	254
Comm Equip Telephone	15	(3,088)	(2,059)	(514)	(4)	(69)	0	(64)	(379)
Misc Equipment	15	113,382	75,592	18,855	147	2,551	0	2,336	13,901
Other Tangible Property	17	19,873	12,874	3,140	34	411	0	417	2,997
Total Utility Plant in Service		1,666,433	1,079,444	263,261	2,886	34,557	0	35,027	251,258
Other Rate Base Items									
Add:									
Other Utility Plant Adjustments	17	0	0	0	0	0	0	0	0
Cash Working Capital	15	13,000	8,667	2,162	17	293	0	268	1,594
Materials and Supplies	15	4,574	3,049	761	6	103	0	94	561
Prepayments	15	688	459	114	1	15	0	14	84
OPEB's Contributed to External Fund	16	4,324	2,949	747	6	102	0	74	447
Premature Retirement	17	0	0	0	0	0	0	0	0
Regulatory Deferrals	17	30,953	20,051	4,891	53	641	0	650	4,668
Less:									
Accumulated Deferred ITC (3%)	17	0	0	0	0	0	0	0	0
Deferred Income Taxes	17	(140,626)	(91,098)	(22,219)	(239)	(2,911)	0	(2,953)	(21,206)
Pensions	16	(13,185)	(8,992)	(2,277)	(17)	(311)	0	(225)	(1,362)
Total Other Rate Base Elements		(100,272)	(64,914)	(15,822)	(174)	(2,068)	0	(2,078)	(15,215)
Total Original Cost Measure of Value		$ 1,566,161	$ 1,014,530	$ 247,439	$ 2,712	$ 32,488	$ -	$ 32,949	$ 236,043

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1990-2005

Year	Average Daily Send out (MGD)	Maximum Daily Use		
		MGD	Ratio to Average	Highest Use Day
(1)	(2)	(3)	(4)	(5)
1990	0.179	0.275	1.53	12/28/1990
1991	0.208	0.315	1.51	4/6/1991
1992	0.180	0.266	1.47	8/26/1992
1993	0.154	0.299	1.94	7/29/1993
1994	0.154	0.225	1.46	9/24/1994
1995	0.151	0.204	1.35	7/5/1995
1996	0.151	0.242	1.60	2/7/1996
1997	0.149	0.236	1.58	4/2/1997
1998	0.140	0.200	1.43	5/23/1998
1999	0.145	0.238	1.64	5/27/1999
2000	0.147	0.228	1.55	8/27/2000
2001	0.134	0.207	1.54	11/1/2001
2002	0.135	0.192	1.42	6/13/2002
2003	0.127	0.223	1.76	2/2/2003
2004	0.128	0.203	1.58	2/19/2004
2005	0.144	0.197	1.37	8/30/2005

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

BASIS FOR ALLOCATING DEMAND RELATED COSTS OF FIRE SERVICE TO PRIVATE AND PUBLIC FIRE PROTECTION CUSTOMER CLASSIFICATIONS

Description		Restrictive Diameters Squared	Quantity	Relative Demand*	Allocation Factor
(1)		(2)	(3)	(4)=(2)x(3)	(5)
PRIVATE FIRE PROTECTION					
Fire Lines					
2 -inch		4.00	0	0	
3 -inch		9.00	0	0	
4 -inch		16.00	0	0	
6 -inch		36.00	1	36	
8 -inch		64.00	0	0	
10 -inch		100.00	0	0	
12 -inch		144.00	0	0	
Private Hydrants		32.75	3	98	
Total Private Fire Protection			4	134	0.1400
PUBLIC FIRE PROTECTION					
Hydrant	Nozzle Sizes				
6" Valve	2- 2-1/2" & 1 - 4.5"	32.75	3	98	
6" Valve	2- 2-1/2"	12.50	58	725	
Total Public Fire Prorection			61	823	0.8600
Total Fire Protection			65	957	1.0000

JEFFERSON CITY DISTRICT

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED JUNE 30, 2006

Customer Classification	Cost of Service		Revenues, Present Rates		Revenues, Proposed Rates		Proposed Increase	
	Amount (Schedule B)	Percent	Amount	Percent	Amount	Percent	Amount	Percent Increase
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Residential	$ 3,256,090	58.5%	$ 2,191,791	53.4%	$ 2,745,080	53.5%	$ 553,289	25.2%
Commercial	1,549,461	27.8%	1,241,210	30.3%	1,555,122	30.3%	313,912	25.3%
Industrial	281,511	5.0%	207,426	5.2%	259,776	5.1%	52,350	25.2%
Public Authority	406,743	7.3%	334,917	8.2%	419,446	8.2%	84,529	25.2%
Sales for Resale	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Private Fire Service	80,742	1.4%	120,054	2.9%	150,424	2.9%	30,370	25.3%
Public Fire Service	-	0.0%	$0	0.0%	-	0.0%	-	0.0%
Total Sales	5,574,548	100.0%	4,095,398	100.0%	5,129,848	100.0%	1,034,450	25.3%
Other Revenues	23,272		23,272		23,272		-	0.0%
Total	$ 5,597,820		$ 4,118,670		$ 5,153,120		$ 1,034,450	25.1%

JFC-1

Schedule A-JFC

MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection	
								Private	Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
OPERATION AND MAINTENANCE EXPENSES									
SOURCE OF SUPPLY EXPENSES									
Super & Eng Oper SS	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Labor & Exp Oper SS	2	0	0	0	0	0	0	0	0
Labor & Exp Oper SS	2	1,843	852	663	148	173	0	1	6
Purchased Water	1	2,212	951	821	213	213	0	2	12
TOTAL SS EXPENSE - OPERATION		4,055	1,803	1,485	360	386	0	3	18
Misc Exp Oper SS	2	0	0	0	0	0	0	0	0
Misc Exp Oper SS	2	(17)	(8)	(6)	(1)	(2)	0	(0)	(0)
Rents Oper SS	2	0	0	0	0	0	0	0	0
Super & Eng Maint SS	2	0	0	0	0	0	0	0	0
Struct & Improve Maint SS	2	0	0	0	0	0	0	0	0
Struct & Improve Maint SS	2	0	0	0	0	0	0	0	0
Collect & Impound Maint SS	2	0	0	0	0	0	0	0	0
Collect & Impound Maint SS	2	0	0	0	0	0	0	0	0
Lake, River & Oth Maint SS	2	0	0	0	0	0	0	0	0
Lake, River & Oth Maint SS	2	0	0	0	0	0	0	0	0
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0
Infilt Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Infilt Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Misc Plant Maint SS	2	249	115	90	20	23	0	0	1
Misc Plant Maint SS	2	24	11	9	2	2	0	0	0
TOTAL SS EXPENSE - MAINTENANCE		257	119	92	21	24	0	0	1
TOTAL SS EXPENSE		4,312	1,922	1,577	381	410	0	3	19
POWER AND PUMPING EXPENSES									
Super & Eng Oper P	6	0	0	0	0	0	0	0	0
Fuel for Power Prod	1	0	0	0	0	0	0	0	0
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Purch Fuel/Power for Pump	1	267,773	115,116	99,424	25,760	25,760	0	268	1,446
Labor & Exp Oper Pump	6	35	16	12	3	3	0	0	1
Labor & Exp Oper Pump	6	(16)	(7)	(6)	(1)	(1)	0	(0)	(0)
Expenses Transferred	6	0	0	0	0	0	0	0	0
Misc Exp Oper P	6	(29)	(13)	(10)	(2)	(3)	0	(0)	(0)
Rents Oper P	6	0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSE - OPERATION		267,763	115,111	99,420	25,759	25,759	0	268	1,446

MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection	
								Private	Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Super & Eng Maint P	6	0	0	0	0	0	0	0	0
Struct & Improve Maint P	6	0	0	0	0	0	0	0	0
Struct & Improve Maint P	6	0	0	0	0	0	0	0	0
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Pump Equip Maint P	6	0	0	0	0	0	0	0	0
Pump Equip Maint P	6	0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSES - MAINTENANCE		0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSES		267,763	115,111	99,420	25,759	25,759	0	268	1,446
WATER TREATMENT									
Super & Eng Oper WT	2	16,930	7,825	6,093	1,356	1,591	0	10	54
Chemicals	1	326,563	140,389	121,253	31,415	31,415	0	327	1,763
Labor & Exp Oper WT	2	256,581	118,592	92,343	20,552	24,119	0	154	821
Labor & Exp Oper WT	2	5,433	2,511	1,955	435	511	0	3	17
Misc Exp Oper WT	2	(1)	(0)	(0)	(0)	(0)	0	(0)	(0)
Misc Exp Oper WT	1	35	15	13	3	3	0	0	0
Misc Exp Oper WT	2	7,631	3,527	2,746	611	717	0	5	24
Rents Oper WT	2	0	0	0	0	0	0	0	0
TOTAL WT EXPENSE - OPERATION		613,172	272,859	224,404	54,373	58,357	0	499	2,681
Super & Eng Maint WT	2	62,146	28,724	22,366	4,978	5,842	0	37	199
Struct & Improve Maint WT	2	0	0	0	0	0	0	0	0
Struct & Improve Maint WT	2	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	22,718	10,500	8,176	1,820	2,135	0	14	73
TOTAL WT EXPENSE - MAINTENANCE		84,864	39,224	30,543	6,798	7,977	0	51	272
TOTAL WT EXPENSE		698,036	312,083	254,946	61,171	66,334	0	549	2,952
TRANSMISSION AND DISTRIBUTION EXPENSES									
Super & Eng Oper TD	11	8	3	2	0	1	0	0	2
Storage Facilty Exp	5	0	0	0	0	0	0	0	0
Storage Facilty Exp	5	0	0	0	0	0	0	0	0
TD Lines Exp	7	6,555	2,239	1,698	345	446	0	280	1,548
TD Lines Exp	7	4,508	1,540	1,168	237	307	0	192	1,064
Meter Expense	9	1,279	907	262	10	99	0	0	0
Meter Expense	9	(8)	(6)	(2)	(0)	(1)	0	0	0
Customer Install Exp	10	0	0	0	0	0	0	0	0
Customer Install Exp	10	0	0	0	0	0	0	0	0
Misc Exp Oper TD	11	0	0	0	0	0	0	0	0
Misc Exp Oper TD	11	2,741	1,040	695	132	189	0	105	581

MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection	
								Private	Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Misc Exp Oper TD	11	5,848	2,219	1,482	281	404	0	224	1,239
Rents Oper TD	11	21,600	8,197	5,473	1,037	1,490	0	827	4,575
TOTAL T & D EXPENSE OPERATION		42,531	16,140	10,777	2,042	2,935	0	1,629	9,008
Super & Eng Maint TD	12	33,700	24,207	5,412	276	1,378	0	1,459	967
Struct & Improve Maint TD	12	404	291	65	3	17	0	18	12
Struct & Improve Maint TD	12	0	0	0	0	0	0	0	0
Dist Res Stand Maint TD	5	0	0	0	0	0	0	0	0
TD Main Maint TD	7	10,446	3,568	2,706	549	710	0	446	2,466
TD Main Maint TD	7	0	0	0	0	0	0	0	0
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Services Maint TD	10	74,434	57,344	10,942	156	2,761	0	3,230	0
Services Maint TD	10	1,070	824	157	2	40	0	46	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Misc Plant Maint TD	12	35,469	25,478	5,696	291	1,451	0	1,536	1,018
Mat and Sup Maint TD	12	113,997	81,884	18,308	935	4,662	0	4,936	3,272
Misc Maint TD	12	2,914	2,093	468	24	119	0	126	84
Amort Def Maint TD	5	(141,310)	(57,259)	(43,099)	(8,535)	(11,333)	0	(3,222)	(17,862)
TOTAL T & D EXPENSE - MAINTENANCE		131,125	138,429	655	(6,298)	(194)	0	8,576	(10,043)
TOTAL T & D EXPENSE		173,655	154,570	11,432	(4,256)	2,740	0	10,205	(1,035)
CUSTOMER ACCOUNTS									
Supervision CA	13	15,598	12,889	2,073	19	396	0	221	0
Meter Reading Exp CA	14	63,435	53,178	8,551	76	1,630	0	0	0
Meter Reading Exp CA	14	(22)	(18)	(3)	(0)	(1)	0	0	0
Meter Reading Exp CA	14	(87)	(73)	(12)	(0)	(2)	0	0	0
Cust Rec & Collection CA	13	68,443	56,554	9,096	82	1,738	0	972	0
Cust Rec & Collection CA	13	43,067	35,586	5,724	52	1,094	0	612	0
Uncollectible Accts	13	57,413	47,440	7,630	69	1,458	0	815	0
Misc Cust Accts Exp CA	13	352	291	47	0	9	0	5	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	9,543	7,885	1,268	11	242	0	136	0
Cust Serv & Info Exp CA	13	(2)	(2)	(0)	(0)	(0)	0	(0)	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		257,740	213,730	34,374	309	6,566	0	2,761	0

MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
ADMINISTRATIVE AND GENERAL EXPENSES									
Salaries AG	15	118,501	79,621	26,532	3,828	6,541	0	1,943	36
Other Supplies & Exp AG	15	5,374	3,611	1,203	174	297	0	88	2
Other Supplies & Exp AG	15	41,360	27,789	9,260	1,336	2,283	0	678	12
Other Supplies & Exp AG	15	64,494	43,333	14,440	2,083	3,560	0	1,058	19
Mgmt Fees-Coporate/Shared Service Center	15	427,113	286,977	95,631	13,796	23,577	0	7,005	128
Mgmt Fees-Call Center	13	15,652	12,933	2,080	19	398	0	222	0
Mgmt Fees-Belleville Lab	2	19,700	9,105	7,090	1,578	1,852	0	12	63
Mgmt Fees- Financial ITS	15	148,850	100,013	33,328	4,808	8,217	0	2,441	45
Mgmt Fees- Customer Billings ITS	13	(5)	(4)	(1)	(0)	(0)	0	(0)	0
Mgmt Fees-Other ITS	15	1,931	1,297	432	62	107	0	32	1
Outside Services AG	15	13,955	9,377	3,125	451	770	0	229	4
Outside Services AG	15	174,839	117,474	39,146	5,647	9,651	0	2,867	52
Property Insurance	15	0	0	0	0	0	0	0	0
Ins Gen Liab Oper AG	15	68,282	45,878	15,288	2,205	3,769	0	1,120	20
Ins Work Comp AG	16	30,141	18,600	7,647	1,284	1,923	0	407	280
Ins Other Oper AG	15	26,051	17,504	5,833	841	1,438	0	427	8
Property Insurance	15	3,127	2,101	700	101	173	0	51	1
Injuries & Damages	16	67	41	17	3	4	0	1	1
Employee Pension & Benefits	16	227,038	140,105	57,600	9,672	14,485	0	3,065	2,111
Employee Pension & Benefits	16	84,621	52,220	21,468	3,605	5,399	0	1,142	787
Employee Pension & Benefits	16	15,976	9,859	4,053	681	1,019	0	216	149
Reg Commision Exp	15	6,319	4,246	1,415	204	349	0	104	2
Rents AG	15	6,953	4,672	1,557	225	384	0	114	2
Goodwill Advertising Exp	15	963	647	216	31	53	0	16	0
Misc Exp AG	15	120,304	80,832	26,936	3,886	6,641	0	1,973	36
Research & Development	15	0	0	0	0	0	0	0	0
TOTAL A & G OPERATIONS		1,621,604	1,068,231	374,996	56,519	92,888	0	25,211	3,760
General Plant Maint AG	15	0	0	0	0	0	0	0	0
General Plant Maint AG	15	8,380	5,631	1,876	271	463	0	137	3
TOTAL A & G EXPENSE - MAINTENANCE		8,380	5,631	1,876	271	463	0	137	3
TOTAL A & G EXPENSE		1,629,984	1,073,862	376,873	56,789	93,351	0	25,348	3,762
Total Operation & Maintenance Expenses		3,031,491	1,871,278	778,622	140,153	195,160	0	39,134	7,143

MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection	
								Private	Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
DEPRECIATION EXPENSE									
Struct & Imp SS	2	87	40	31	7	8	0	0	0
Struct & Imp P	6	18,311	8,350	6,500	1,447	1,697	0	49	267
Struct & Imp WT	2	45,186	20,885	16,262	3,619	4,247	0	27	145
Struct & Imp TD	7	1,021	349	264	54	69	0	44	241
Struct & Imp Offices	15	6,110	4,105	1,368	197	337	0	100	2
Struct & Imp Store,Shop,Gar	15	0	0	0	0	0	0	0	0
Struct & Imp Misc	15	0	0	0	0	0	0	0	0
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	41,095	18,994	14,790	3,292	3,863	0	25	132
Wells & Springs	2	0	0	0	0	0	0	0	0
Supply Mains	2	0	0	0	0	0	0	0	0
Power Generation Equip Othe	6	0	0	0	0	0	0	0	0
Pump Equip Electric	6	29,723	13,554	10,552	2,348	2,755	0	80	434
Pump Equip Diesel	6	0	0	0	0	0	0	0	0
Pump Equip Other	6	0	0	0	0	0	0	0	0
WT Equip Non-Media	2	63,448	29,326	22,835	5,082	5,964	0	38	203
Dist Reservoirs & Standpipe	5	0	0	0	0	0	0	0	0
Elevated Tanks & Standpipes	5	0	0	0	0	0	0	0	0
Ground Level Facilities	5	21,877	8,865	6,672	1,321	1,755	0	499	2,765
TD Mains Not Classified by	7	79,059	27,007	20,476	4,159	5,376	0	3,376	18,666
TD Mains 4 & Less "	4	328	107	80	16	21	0	16	88
TD Mains 6 to 8" "	4	5,600	1,822	1,372	272	361	0	272	1,502
TD Mains 10 to 16" "	3	11,702	5,036	3,921	872	1,024	0	130	720
TD Mains 18 & Grtr "	3	0	0	0	0	0	0	0	0
Services	10	9,853	7,591	1,448	21	366	0	428	0
Meters Bronze Case	9	38	27	8	0	3	0	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	25,456	18,058	5,211	206	1,980	0	0	0
Meters Other-Rem Rdr Unts	9	0	0	0	0	0	0	0	0
Meter Installations	9	5,066	3,594	1,037	41	394	0	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	15,988	0	0	0	0	0	0	15,988
Utility Plant Acquisition Adjustment	17	0	0	0	0	0	0	0	0
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0
Other P/E TD	7	0	0	0	0	0	0	0	0
Other P/E CPS	15	0	0	0	0	0	0	0	0
Office Furniture & Equip	15	10,598	7,121	2,373	342	585	0	174	3
Comp & Periph Equip	15	80,899	54,356	18,113	2,613	4,466	0	1,327	24
Computer Software	15	33,514	22,518	7,504	1,083	1,850	0	550	10
Comp Software Personal	15	455	306	102	15	25	0	7	0
Data Handling Equipment	15	0	0	0	0	0	0	0	0
Other Office Equipment	15	21	14	5	1	1	0	0	0
Trans Equip Lt Duty Trks	15	4,858	3,264	1,088	157	268	0	80	1
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0
Trans Equip Autos	15	3,003	2,018	672	97	166	0	49	1
Trans Equip Other	15	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection	
								Private	Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Stores Equipment	15	115	77	26	4	6	0	2	0
Tools,Shop,Garage Equip	15	13,195	8,866	2,954	426	728	0	216	4
Tools,Shop,Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	3,964	1,832	1,427	318	373	0	2	13
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	6,166	4,143	1,381	199	340	0	101	2
Comm Equip Non-Telephone	15	3,556	2,389	796	115	196	0	58	1
Comm Equip Telephone	15	35	24	8	1	2	0	1	0
Misc Equipment	15	8,877	5,964	1,988	287	490	0	146	3
Total Depreciation Expense		549,204	280,600	151,265	28,610	39,718	0	7,796	41,215
Amort-Other UP	18	550	244	155	31	41	0	9	70
Amort-Intangible Fin	2	2,940	1,359	1,058	235	276	0	2	9
Taxes Other Than Income									
Utility Reg Assessment Fee	19	26,011	14,225	6,953	1,303	1,792	0	377	1,360
Property Taxes	18	252,978	112,120	71,340	14,141	19,049	0	4,326	32,002
FUTA	16	896	553	227	38	57	0	12	8
FICA	16	59,218	36,543	15,024	2,523	3,778	0	799	551
SUTA	16	502	310	127	21	32	0	7	5
Other Taxes & Licenses	15	13,401	9,004	3,000	433	740	0	220	4
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
Total Taxes, Other Than Income		353,006	172,756	96,671	18,460	25,448	0	5,741	33,930
Income Taxes	18	460,556	204,119	129,877	25,745	34,680	0	7,876	58,260
Utility Income Available for Return	18	1,200,071	531,871	338,420	67,084	90,365	0	20,521	151,809
Total Cost of Service		5,597,820	3,062,227	1,496,070	280,318	385,689	0	81,080	292,436
Less: Other Water Revenues	19	23,272	12,727	6,221	1,166	1,603	0	337	1,217
Revenue Contribution	19	0	0	0	0	0	0	0	0
Total Other Water Revenues		23,272	12,727	6,221	1,166	1,603	0	337	1,217
Total Cost of Service Related to Sales of Water		$ 5,574,548	$ 3,049,500	$ 1,489,849	$ 279,152	$ 384,086	$ -	$ 80,742	$ 291,219
Reallocation of Public Fire	20	0	206,591	59,612	2,359	22,657	0	0	(291,219)
Total		$ 5,574,548	$ 3,256,090	$ 1,549,461	$ 281,511	$ 406,743	$ -	$ 80,742	$ -

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS

FACTOR 1. ALLOCATION OF COSTS WHICH VARY WITH THE AMOUNT OF WATER CONSUMED.

Factors are based on the pro forma test year average daily consumption for each customer classification.

Customer Classification	Average Daily Consumption, Thousand Gallons	Allocation Factor
(1)	(2)	(3)
Residential	1,444	0.4299
Commercial	1,247	0.3713
Industrial	323	0.0962
Other Public Authority	323	0.0962
Sales for Resale	0	0.0000
Private Fire Protection	3	0.0010
Public Fire Protection	18	0.0054
Total	3,358	1.0000

FACTOR 2. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM DAY EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the factors for average daily consumption (Factor 1) and the factors derived from maximum day extra capacity demand for each customer classification, as follows:

	Average Daily Consumption		Maximum Day Extra Capacity		
Customer Classification	Allocation Factor 1	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)x 0.5882	(4)	(5)=(4)x 0.4118	(6)=(3)+(5)
Residential	0.4299	0.2528	0.5085	0.2094	0.4622
Commercial	0.3713	0.2184	0.3437	0.1415	0.3599
Industrial	0.0962	0.0566	0.0570	0.0235	0.0801
Other Public Authority	0.0962	0.0566	0.0908	0.0374	0.0940
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0010	0.0006			0.0006
Public Fire Protection	0.0054	0.0032			0.0032
Total	1.0000	0.5882	1.0000	0.4118	1.0000

The derivation of the maximum day extra capacity factors in column 4 and the basis for the column 3 and 5 weightings are presented on the following page.

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 2. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM DAY EXTRA CAPACITY FUNCTIONS, cont.

		Maximum Day Extra Capacity		
Customer Classification	Average Daily Consumption, Thousand Gal.	Factor*	Rate of Flow, Thousand Gal. Per Day	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	1,444	1.0	1,444	0.5085
Commercial	1,220	0.8	976	0.3437
Industrial	323	0.5	162	0.0570
Other Public Authority	323	0.8	258	0.0908
Sales for Resale	0	0.6	0	0.0000
Total	3,310		2,840	1.0000

The weighting of the factors is based on the maximum day ratio of 1.70, based on a review of maximum day ratios experienced during the period 1999 through 2005 (see Schedule D).

	Maximum Day Ratio	Weight
Average Day	1.00	0.5882
Maximum Day Extra Capacity	0.70	0.4118
Total	1.70	1.0000

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 3. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY AND FIRE PROTECTION FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification	Average Daily Consumption		Maximum Day Extra Capacity		Fire Protection		
	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2) X 0.5476	(4)	(5)=(4) X 0.3833	(6)	(7)=(6) X 0.0691	(8)=(3)+(5)+(7)
Residential	0.4299	0.2353	0.5085	0.1950			0.4303
Commercial	0.3713	0.2034	0.3437	0.1317			0.3351
Industrial	0.0962	0.0527	0.0570	0.0218			0.0745
Other Public Authority	0.0962	0.0527	0.0908	0.0348			0.0875
Sales for Resale	0.0000	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.0010	0.0005			0.1535	0.0106	0.0111
Public Fire Protection	0.0054	0.0030			0.8465	0.0585	0.0615
Total	1.0000	0.5476	1.0000	0.3833	1.0000	0.0691	1.0000

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 3. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY AND FIRE PROTECTION FUNCTIONS, cont.

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum day ratio of 1.70 and the average daily system sendout for 2005 of 4.276 MGD. The system demand for fire protection is 3,000 Gallons per minute for 3 hours.

	Ratio	Rate of Flow, (GPD)	Weight
Average Day	1.00	4,276,000	0.5476
Maximum Day Extra Capacity	0.70	2,993,200	0.3833
Subtotal	1.70	7,269,200	0.9309
Fire Protection		540,000	0.0691
Total		7,809,200	1.0000

The public and private fire protection allocation factors in column 6 on the previous page are based on the relative potential demands (see Schedule E).

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		
	Thousand Gallons	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3) X 0.3115	(5)	(6)=(5) X 0.3738	(7)	(8)=(7) X 0.3147	(9)=(4)+(6)+(8)
Residential	60.2	0.4296	0.1339	0.5126	0.1915			0.3254
Commercial	52.0	0.3712	0.1156	0.3461	0.1294			0.2450
Industrial	13.5	0.0964	0.0300	0.0494	0.0185			0.0485
Other Public Authority	13.5	0.0964	0.0300	0.0919	0.0344			0.0644
Sales for Resale	0.0	0.0000	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.1	0.0007	0.0002			0.1535	0.0483	0.0485
Public Fire Protection	0.8	0.0057	0.0018			0.8465	0.2664	0.2682
Total	140.1	1.0000	0.3115	1.0000	0.3738	1.0000	0.3147	1.0000

The maximum hour extra capacity factors in column 5 are determined on the next page.

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS, cont.

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum hour ratio of 2.20 and the average daily system sendout for 2005 of 4.276 MGD. The system demand for fire protection is 3,000 gallons per minute.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	2,969	0.3115
Maximum Hour Extra Capacity	1.20	3,563	0.3738
Subtotal	2.20	6,532	0.6853
Fire Protection		3,000	0.3147
Total		9,532	1.0000

The maximum hour extra capacity factors in column 5 of the previous page are determined as follows:

Customer Classification	Average Hourly Consumption Thousand Gal.	Maximum Hour Extra Capacity		
		Factor*	1,000 Gallons Per Hour	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	60.2	3.5	210.7	0.5126
Commercial	50.8	2.8	142.3	0.3461
Industrial	13.5	1.5	20.3	0.0494
Other Public Authority	13.5	2.8	37.8	0.0919
Sales for Resale	0.0	2.0	0.0	0.0000
Total	138.0		411.1	1.0000

* Ratio of Maximum Hour To Average Hour Minus 1.0.

The public and private fire protection allocation factors in column 7 on the previous page are based on the relative potential demands (see Schedule E).

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES.

Factors are based on the weighting of the average hourly consumption, the maximum hour extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		
	Thousand Gallons	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3) X 0.3879	(5)	(6)=(5) X 0.4654	(7)	(8)=(7) X 0.1467	(9)=(4)+(6)+(8)
Residential	60.2	0.4296	0.1667	0.5126	0.2385			0.4052
Commercial	52.0	0.3712	0.1439	0.3461	0.1611			0.3050
Industrial	13.5	0.0964	0.0374	0.0494	0.0230			0.0604
Other Public Authority	13.5	0.0964	0.0374	0.0919	0.0428			0.0802
Sales for Resale	0.0	0.0000	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.1	0.0007	0.0003			0.1535	0.0225	0.0228
Public Fire Protection	0.8	0.0057	0.0022			0.8465	0.1242	0.1264
Total	140.1	1.0000	0.3879	1.0000	0.4654	1.0000	0.1467	1.0000

The weighting of the factors is based on the ratio of the capacity required for a 3 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES, cont.

The weighting of the factors is based on the ratio of the capacity required for a 3 hour demand of fire flow, as related to total storage capacity.

Fire Protection Weight = $\frac{\text{3,000 GPM X 60 Min. X 3 Hrs.}}{\text{3,680,000 Gallons}}$ = 0.1467

General Service Weight = 1.0000 - 0.1467 = 0.8533

The weighting of the average hourly consumption and maximum hour extra demand for general service is based on the maximum hour ratio, as follows:

	Maximum Hour Ratio	Percent	Weight
Average Hour	1.00	45.45	0.3879
Extra Capacity Maximum Hour	1.20	54.55	0.4654
Total	2.20	100.00	0.8533

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 6. ALLOCATION OF COSTS ASSOCIATED WITH POWER AND PUMPING FACILITIES.

Factors are based on the weighting of the maximum daily consumption, Factor 2, the maximum daily consumption with fire, Factor 3, and the maximum hour consumption, Factor 4, for each customer classification, as follows:

	Maximum Daily Consumption		Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		
Customer Classification	Allocation Factor 2	Weighted Factor	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)X 0.8042	(4)	(5)=(4)X 0.1958	(6)	(7)=(6)X 0.0000	(8)=(3)+ (5)+(7)
Residential	0.4622	0.3717	0.4303	0.0843	0.3254	0.0000	0.4560
Commercial	0.3599	0.2894	0.3351	0.0656	0.2450	0.0000	0.3550
Industrial	0.0801	0.0644	0.0745	0.0146	0.0485	0.0000	0.0790
Other Public Authority	0.0940	0.0756	0.0875	0.0171	0.0644	0.0000	0.0927
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0006	0.0005	0.0111	0.0022	0.0485	0.0000	0.0027
Public Fire Protection	0.0032	0.0026	0.0615	0.0120	0.2682	0.0000	0.0146
Total	1.0000	0.8042	1.0000	0.1958	1.0000	0.0000	1.0000

The weighting of the factors is based on the horsepower of pumps associated with maximum day facilities, maximum day and fire facilities, and maximum hour facilities, as follows:

	Horsepower of Pumps	Weight
Associated with Maximum Day	1,160	0.8042
Associated with Maximum Day and Fire	283	0.1958
Associated with Maximum Hour	0	0.0000
Total	1,443	1.0000

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 7. ALLOCATION OF COSTS ASSOCIATED WITH TRANSMISSION AND DISTRIBUTION MAINS.

Factors are based on the weighting of the maximum daily consumption with fire, Factor 3, and the maximum hour consumption, Factor 4, for each customer classification, as follows:

	Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		
Customer Classification	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)X 0.1555	(4)	(5)=(4)X 0.8445	(6)=(3)+(5)
Residential	0.4303	0.0669	0.3254	0.2747	0.3416
Commercial	0.3351	0.0521	0.2450	0.2069	0.2590
Industrial	0.0745	0.0116	0.0485	0.0410	0.0526
Other Public Authority	0.0875	0.0136	0.0644	0.0544	0.0680
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0111	0.0017	0.0485	0.0410	0.0427
Public Fire Protection	0.0615	0.0096	0.2682	0.2265	0.2361
Total	1.0000	0.1555	1.0000	0.8445	1.0000

The weighting of the factors is based on the total footage of mains, designated as either transmission mains or distribution mains, as follows:

	Total Footage of Mains	Weight
Transmission Mains	120,431	0.1555
Distribution Mains	654,029	0.8445
Total	774,460	1.0000

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH FIRE HYDRANTS.

Costs are assigned directly to Public Fire Protection.

Customer Classification	Allocation Factor
(1)	(3)
Public Fire Protection	1.0000
Total	1.0000

FACTOR 9. ALLOCATION OF COSTS ASSOCIATED WITH METERS.

Factors are based on the relative cost of meters by size and customer classification, as developed on the following page and summarized below.

Customer Classification	5/8" Dollar Equivalents	Allocation Factor
(1)	(2)	(3)
Residential	9,298	0.7094
Commercial	2,683	0.2047
Industrial	106	0.0081
Other Public Authority	1,019	0.0778
Sales for Resale	0	0.0000
Private Fire	0	0.0000
Total	13,106	1.0000

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size	5/8" Dollar Equivalent	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Total	
		Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting
(1)	(2)	(3)	(4)=(2)X(3)	(5)	(6)=(2)X(5)	(7)	(8)=(2)X(7)	(9)	(10)=(2)X(9)	(11)	(12)=(2)X(11)	(13)	(14)
5/8	1.0	8,095	8,095	888	868	3	3	55	55	0	0	9,021	9,021
3/4	1.3	729	948	60	78	0	0	5	7	0	0	794	1,033
1	1.7	126	214	275	468	2	3	67	114	0	0	470	799
1-1/2	3.5	2	7	70	245	0	0	38	133	0	0	110	385
2	4.3	8	34	153	658	5	22	96	413	0	0	262	1,127
3	19.0	0	0	9	171	1	19	11	209	0	0	21	399
4	29.3	0	0	5	147	2	59	3	88	0	0	10	294
6	48.4	0	0	1	48	0	0	0	0	0	0	1	48
8	112.9	0	0	0	0	0	0	0	0	0	0	0	0
Total		8,960	9,298	1,441	2,683	13	106	275	1,019	0	0	10,689	13,106

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 10. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES.

Factors are based on the relative cost of services by size and customer classification, as developed on the following page and summarized below.

Customer Classification	3/4" Dollar Equivalents	Allocation Factor
(1)	(2)	(3)
Residential	8,990	0.7704
Commercial	1,716	0.1470
Industrial	24	0.0021
Other Public Authority	433	0.0371
Sales for Resale	0	0.0000
Private Fire Protection	507	0.0434
Total	11,670	1.0000

Schedule C-JFC

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

Service Size	3/4" Dollar Equivalent	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Private Fire Protection		Total	
		Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting
(1)	(2)	(3)	(4)=(2)X(3)	(5)	(6)=(2)X(5)	(7)	(8)=(2)X(7)	(9)	(10)=(2)X(9)	(11)	(12)=(2)X(11)	(13)	(14)=(2)X(11)	(15)	(16)
3/4	1.00	8,824	8,824	928	928	3	3	60	60	0	0	0	0	9,815	9,815
1	1.17	126	147	275	322	2	2	67	78	0	0	0	0	470	549
1-1/2	1.58	2	3	70	111	0	0	38	60	0	0	0	0	110	174
2	2.04	8	16	153	312	5	10	96	196	0	0	10	20	272	554
3	2.73	0	0	9	25	1	3	11	30	0	0	1	3	22	61
4	2.88	0	0	5	14	2	6	3	9	0	0	27	78	37	107
6	4.24	0	0	1	4	0	0	0	0	0	0	53	225	54	229
8	6.98	0	0	0	0	0	0	0	0	0	0	19	133	19	133
10	9.50	0	0	0	0	0	0	0	0	0	0	5	48	5	48
12	12.16	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		8,960	8,990	1,441	1,716	13	24	275	433	0	0	115	507	10,804	11,670