

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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 (1)	Average Hourly Consumption			Maximum Hour Extra Capacity			Fire Protection		
	Thousand Gallons	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Allocation Factor	Weighted Factor	Allocation Factor
	(2)	(3)	(4)=(3) X 0.2987	(5)	(6)=(5) X 0.5974	(7)	(8)=(7) X 0.1039	(9)=(4)+(6)+(8)	
Residential	60.3	0.6402	0.1913	0.7127	0.4257				0.6170
Commercial	22.0	0.2335	0.0697	0.2080	0.1243				0.1940
Industrial	1.1	0.0117	0.0035	0.0057	0.0034				0.0069
Other Public Authority	1.5	0.0159	0.0047	0.0142	0.0085				0.0132
Sales for Resale	8.8	0.0934	0.0279	0.0594	0.0355				0.0634
Private Fire Protection	0.1	0.0011	0.0003			0.1636	0.0170		0.0173
Public Fire Protection	0.4	0.0042	0.0013			0.8364	0.0869		0.0882
Total	94.2	1.0000	0.2987	1.0000	0.5974	1.0000	0.1039		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
PARKVILLE WATER 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.

$$\text{Fire Protection Weight} = \frac{2,000 \text{ GPM} \times 60 \text{ Min.} \times 2 \text{ Hrs.}}{2,310,000 \text{ Gallons}} = 0.1039$$

$$\text{General Service Weight} = 1.0000 - 0.1039 = 0.8961$$

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

	<u>Maximum Hour Ratio</u>	<u>Percent</u>	<u>Weight</u>
Average Hour	1.00	33.33	0.2987
Extra Capacity Maximum Hour	<u>2.00</u>	<u>66.67</u>	<u>0.5974</u>
Total	<u><u>3.00</u></u>	<u><u>100.00</u></u>	<u><u>0.8961</u></u>

**MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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:

Customer Classification	Maximum Daily Consumption		Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		Allocation Factor
	Allocation Factor 2	Weighted Factor	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
(1)	(2)	(3)=(2)X 0.1358	(4)	(5)=(4)X 0.8642	(6)	(7)=(6)X 0.0000	(8)=(3)+ (5)+(7)
Residential	0.7276	0.0987	0.6979	0.6031	0.4817	0.0000	0.7018
Commercial	0.1854	0.0252	0.1778	0.1537	0.1516	0.0000	0.1789
Industrial	0.0079	0.0011	0.0075	0.0065	0.0054	0.0000	0.0076
Other Public Authority	0.0123	0.0017	0.0117	0.0101	0.0103	0.0000	0.0118
Sales for Resale	0.0648	0.0088	0.0622	0.0538	0.0495	0.0000	0.0626
Private Fire Protection	0.0004	0.0001	0.0070	0.0060	0.0494	0.0000	0.0061
Public Fire Protection	0.0016	0.0002	0.0359	0.0310	0.2521	0.0000	0.0312
Total	1.0000	0.1358	1.0000	0.8642	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	165	0.1358
Associated with Maximum Day and Fire	1,050	0.8642
Associated with Maximum Hour	0	0.0000
Total	1,215	1.0000

Schedule C-PKW

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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:

Customer Classification	Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		Allocation
	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
(1)	(2)	(3)=(2)X 0.2626	(4)	(5)=(4)X 0.7374	(6)=(3)+(5)
Residential	0.6979	0.1833	0.4817	0.3552	0.5385
Commercial	0.1778	0.0467	0.1516	0.1118	0.1585
Industrial	0.0075	0.0020	0.0054	0.0040	0.0060
Other Public Authority	0.0117	0.0031	0.0103	0.0076	0.0107
Sales for Resale	0.0622	0.0163	0.0495	0.0365	0.0528
Private Fire Protection	0.0070	0.0018	0.0494	0.0364	0.0382
Public Fire Protection	0.0359	0.0094	0.2521	0.1859	0.1953
Total	1.0000	0.2626	1.0000	0.7374	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	114,534	0.2626
Distribution Mains	321,700	0.7374
Total	436,234	1.0000

**MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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.

<u>Customer Classification</u> (1)	<u>Allocation Factor</u> (3)
Public Fire Protection	1.0000
Total	<u>1.0000</u>

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.

<u>Customer Classification</u> (1)	<u>5/8" Dollar Equivalents</u> (2)	<u>Allocation Factor</u> (3)
Residential	5,358	0.7747
Commercial	1,296	0.1874
Industrial	26	0.0038
Other Public Authority	150	0.0217
Sales for Resale	86	0.0124
Private Fire	0	0.0000
Total	<u>6,916</u>	<u>1.0000</u>

Schedule C-PKW

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size (1)	5/8" Dollar Equivalent (2)	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Total	
		Number of Meters (3)	Weighting (4)=(2)X(3)	Number of Meters (5)	Weighting (6)=(2)X(5)	Number of Meters (7)	Weighting (8)=(2)X(7)	Number of Meters (9)	Weighting (10)=(2)X(9)	Number of Meters (11)	Weighting (12)=(2)X(11)	Number of Meters (13)	Weighting (14)
5/8	1.0	4,686	4,686	261	261	6	6	17	17	0	0	4,970	4,970
3/4	1.3	0	0	0	0	0	0	0	0	0	0	0	0
1	1.7	308	524	74	126	0	0	4	7	0	0	386	657
1-1/2	3.5	20	70	30	105	2	7	7	25	0	0	59	207
2	4.3	7	30	53	228	3	13	8	34	0	0	71	305
3	19.0	1	19	17	323	0	0	1	19	3	57	22	418
4	29.3	1	29	2	59	0	0	0	0	1	29	4	117
6	48.4	0	0	4	194	0	0	1	48	0	0	5	242
8	112.9	0	0	0	0	0	0	0	0	0	0	0	0
Total		5,023	5,358	441	1,296	11	26	38	150	4	86	5,517	6,916

**MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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	5,098	0.8445
Commercial	572	0.0948
Industrial	15	0.0025
Other Public Authority	56	0.0093
Sales for Resale	11	0.0018
Private Fire Protection	284	0.0471
Total	6,036	1.0000

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

Residential	Commercial		Industrial		Other Public Authority		Sales for Resale		Private Fire Protection		Total	
Number of Services (3)	Number of Services (5)	Weighting (6)=(2)X(5)	Number of Services (7)	Weighting (8)=(2)X(7)	Number of Services (9)	Weighting (10)=(2)X(9)	Number of Services (11)	Weighting (12)=(2)X(11)	Number of Services (13)	Weighting (14)=(2)X(11)	Number of Services (15)	Weighting (16)
4,686	261	261	6	6	17	17	0	0	0	0	4,970	4,970
308	74	87	0	0	4	5	0	0	0	0	386	452
20	30	47	2	3	7	11	0	0	0	0	59	93
7	53	108	3	6	8	16	0	0	6	12	77	156
1	17	46	0	0	1	3	3	8	1	3	23	63
1	2	6	0	0	0	0	1	3	8	23	12	35
0	4	17	0	0	1	4	0	0	38	161	43	182
0	0	0	0	0	0	0	0	0	8	56	8	56
0	0	0	0	0	0	0	0	0	3	29	3	29
0	0	0	0	0	0	0	0	0	0	0	0	0
5,023	441	572	11	15	38	56	4	11	64	284	5,581	6,036

**MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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	\$ 4,248	0.5492
Commercial	1,236	0.1597
Industrial	46	0.0059
Other Public Authority	87	0.0112
Sales for Resale	394	0.0509
Private Fire Protection	282	0.0365
Public Fire Protection	1,444	0.1866
Total	<u>7,736</u>	<u>1.0000</u>

**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	\$ 1,616	0.5385
Commercial	476	0.1585
Industrial	18	0.0060
Other Public Authority	32	0.0107
Sales for Resale	158	0.0528
Private Fire Protection	115	0.0382
Public Fire Protection	586	0.1953
Total	<u>\$3,000</u>	<u>1.0000</u>

Schedule C-PKW

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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	5,023	0.8944
Commercial	441	0.0785
Industrial	11	0.0020
Other Public Authority	38	0.0068
Sales for Resale	4	0.0007
Private Fire Protection	99	0.0176
Public Fire Protection	0	0.0000
Total	5,616	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	5,023	0.9105
Commercial	441	0.0799
Industrial	11	0.0020
Other Public Authority	38	0.0069
Sales for Resale	4	0.0007
Total	5,517	1.0000

**MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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	\$271,842	0.6928
Commercial	57,014	0.1452
Industrial	2,108	0.0054
Other Public Authority	4,041	0.0103
Sales for Resale	16,203	0.0413
Private Fire Protection	7,996	0.0204
Public Fire Protection	33,199	0.0846
Total	\$392,404	1.0000

**MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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 (1)	Direct Labor Expense (2)	Allocation Factor (3)
Residential	\$170,430	0.7215
Commercial	33,952	0.1437
Industrial	1,277	0.0054
Other Public Authority	2,408	0.0102
Sales for Resale	9,536	0.0404
Private Fire Protection	3,708	0.0157
Public Fire Protection	14,901	0.0631
Total	<u>\$236,211</u>	<u>1.0000</u>

**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 (1)	Original Cost Less Depreciation (2)	Allocation Factor (3)
Residential	\$11,152,478	0.6222
Commercial	2,891,891	0.1613
Industrial	108,198	0.0060
Other Public Authority	208,749	0.0116
Sales for Resale	880,553	0.0491
Private Fire Protection	384,546	0.0215
Public Fire Protection	2,300,594	0.1283
Total	<u>\$17,927,011</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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 <u>(1)</u>	Original Cost Measure of Value <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	\$10,230,835	0.6215
Commercial	2,657,048	0.1614
Industrial	99,457	0.0060
Other Public Authority	191,872	0.0117
Sales for Resale	809,378	0.0492
Private Fire Protection	353,630	0.0215
Public Fire Protection	<u>2,118,778</u>	<u>0.1287</u>
Total	<u>\$16,460,998</u>	<u>1.0000</u>

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 <u>(1)</u>	Total Cost of Service <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	\$2,679,632	0.6435
Commercial	675,520	0.1622
Industrial	26,076	0.0063
Other Public Authority	48,148	0.0116
Sales for Resale	209,503	0.0503
Private Fire Protection	80,862	0.0194
Public Fire Protection	<u>444,360</u>	<u>0.1067</u>
Total	<u>\$4,164,100</u>	<u>1.0000</u>

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
RATE BASE									
Organization	17	\$ 2,152	\$ 1,339	\$ 347	\$ 13	\$ 25	\$ 106	\$ 46	\$ 276
Franchises	17	13	8	2	0	0	1	0	2
Land & Ld Rights SS	2	1,735	1,262	322	14	21	112	1	3
Land & Ld Rights P	6	0	0	0	0	0	0	0	0
Land & Ld Rights WT	2	432	314	80	3	5	28	0	1
Land & Ld Rights TD	7	35,898	19,331	5,690	215	384	1,895	1,371	7,011
Land & Land Rights AG	15	142	98	21	1	1	6	3	12
Struct & Imp SS	2	10,954	7,970	2,031	87	135	710	4	18
Struct & Imp P	6	8,805	6,179	1,575	67	104	551	54	275
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	383,330	278,911	71,069	3,028	4,715	24,840	153	613
Struct & Imp WT Nth Pft (ST	2	0	0	0	0	0	0	0	0
Struct & Imp WT Ctrl Pft 1	2	0	0	0	0	0	0	0	0
Struct & Imp WT Ctrl Pft 3	2	0	0	0	0	0	0	0	0
Struct & Imp WT Sh Pft (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	131,237	70,671	20,801	787	1,404	6,929	5,013	25,631
Struct & Imp TD Spec Cross	7	0	0	0	0	0	0	0	0
Struct & Imp Offices	15	36,980	25,620	5,369	200	381	1,527	754	3,129
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	19,036	13,188	2,764	103	196	786	388	1,610
Struct & Imp Misc	15	519,741	360,077	75,466	2,807	5,353	21,465	10,603	43,970
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Wells & Springs	2	129,080	93,919	23,931	1,020	1,588	8,364	52	207
Supply Mains	2	123,342	89,744	22,868	974	1,517	7,893	49	197
Supply Mains Nth Pft (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Ctrl Pft (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Sth Pft (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Meramec Pft (S	2	0	0	0	0	0	0	0	0
Power Generation Equip Othe	6	0	0	0	0	0	0	0	0
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	544,460	382,102	97,404	4,138	6,425	34,083	3,321	16,987
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	12,525	8,790	2,241	95	148	784	76	391
Pump Equip Diesel Stratman	6	0	0	0	0	0	0	0	0
Pump Equip Diesel Ctrl Pft	6	0	0	0	0	0	0	0	0
Pump Equip Hydraulic	6	81,548	57,230	14,589	620	962	5,105	497	2,544
Pump Equip Other	6	57,879	40,519	10,355	440	683	3,623	353	1,806

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Public (10)
WT Equip Non-Media	2	1,794,936	1,305,995	332,781	14,180	22,078	116,312	718	2,872
WT Equip Non-Med North (STL)	2	0	0	0	0	0	0	0	0
WT Equip Non Media Ctr 1 &	2	0	0	0	0	0	0	0	0
WT Equip Non Media Ctr 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	68,399	49,767	12,681	540	841	4,432	27	109
Dist Reservoirs & Standpipe	5	913,526	563,646	177,224	6,303	12,059	57,918	15,804	80,573
Elevated Tanks & Standpipes	5	49,925	30,804	9,685	344	659	3,165	864	4,403
Ground Level Facilities	5	51,076	31,514	9,909	352	674	3,238	884	4,505
TD Mains Not Classified by	7	4,531,096	2,439,995	718,179	27,187	48,483	239,242	173,088	884,923
TD Mains 4 & Less	4	178,191	85,834	27,014	962	1,835	8,820	8,803	44,922
TD Mains 6 to 8"	4	1,843,164	887,852	279,424	9,953	18,985	91,237	91,052	464,662
TD Mains 10 to 16"	3	3,081,081	2,150,287	547,816	23,108	36,049	191,643	21,568	110,611
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 Galle 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	72,599	0	0	0	0	0	0	72,599
Services	10	807,591	682,095	76,569	2,019	7,512	1,454	38,042	0
Meters Bronze Case	9	448,594	347,603	84,085	1,705	9,737	5,564	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	(2,448)	(1,896)	(459)	(9)	(53)	(30)	0	0
Meters Other-Rem Rdr Unts	9	0	0	0	0	0	0	0	0
Meter Installations	9	888,515	688,333	166,508	3,376	19,281	11,018	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	480,387	0	0	0	0	0	0	480,387
Other P/E Intangible	2	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	2	14,553	10,589	2,698	115	179	943	6	23
Office Furniture & Equip	2	20,246	14,731	3,754	160	249	1,312	8	32
Comp & Periph Equip	15	59,627	41,310	8,658	322	614	2,463	325	1,347
Computer Software	15	(64,014)	(44,349)	(9,295)	(346)	(659)	(2,644)	(1,306)	(5,416)
Comp Software Personal	15	67	46	10	0	1	3	1	6
Data Handling Equipment	15	127,239	88,151	18,475	687	1,311	5,255	2,596	10,764
Other Office Equipment	15	23,706	16,424	3,442	128	244	979	484	2,006

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Trans Equip Lt Duty Trks	15	22,791	15,790	3,309	123	235	941	465	1,928
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0
Trans Equip Autos	15	(5,078)	(3,518)	(737)	(27)	(52)	(210)	(104)	(430)
Trans Equip Other	15	(17,258)	(11,956)	(2,506)	(93)	(178)	(713)	(352)	(1,460)
Stores Equipment	15	1,569	1,087	228	8	16	65	32	133
Tools,Shop,Garage Equip	15	106,723	73,938	15,496	576	1,099	4,408	2,177	9,029
Tools,Shop,Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	50,573	36,797	9,376	400	622	3,277	20	81
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	(127)	(88)	(18)	(1)	(1)	(5)	(3)	(11)
Comm Equip Non-Telephone	15	9,268	6,421	1,346	50	95	383	189	784
Comm Equip Telephone	15	(412)	(285)	(60)	(2)	(4)	(17)	(8)	(35)
Misc Equipment	15	257,664	178,510	37,413	1,391	2,654	10,642	5,256	21,798
Other Tangible Property	17	0	0	0	0	0	0	0	0
Total Utility Plant in Service		17,928,176	11,153,825	2,892,241	108,211	208,774	880,660	384,593	2,300,872
Other Rate Base Items									
Add:									
Other Utility Plant Adjustments	17	0	0	0	0	0	0	0	0
Cash Working Capital	15	0	0	0	0	0	0	0	0
Materials and Supplies	15	7,903	5,475	1,148	43	81	326	161	689
Prepayments	15	8,180	5,667	1,188	44	84	338	167	692
OP&B's Contributed to External Fund	16	49,910	36,010	7,172	270	509	2,016	784	3,149
Premature Retirement	17	0	0	0	0	0	0	0	0
Regulatory Deferrals	17	90,986	56,611	14,676	546	1,055	4,467	1,956	11,674
Less:									
Accumulated Deferred ITC (3%)	17	0	0	0	0	0	0	0	0
Deferred Income Taxes	17	(1,468,251)	(913,546)	(236,829)	(8,810)	(17,032)	(72,091)	(31,567)	(188,377)
Pensions	16	(156,906)	(113,208)	(22,547)	(847)	(1,600)	(6,339)	(2,463)	(9,901)
Total Other Rate Base Elements		(1,468,176)	(922,990)	(235,193)	(8,755)	(16,902)	(71,282)	(30,963)	(182,094)
Total Original Cost Measure of Value		\$ 16,460,998	\$ 10,230,835	\$ 2,657,048	\$ 99,457	\$ 191,872	\$ 809,378	\$ 353,630	\$ 2,118,778

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE 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	N/A	2.867	N/A	N/A
1991	N/A	2.950	N/A	N/A
1992	N/A	2.700	N/A	N/A
1993	N/A	2.310	N/A	N/A
1994	1.710	3.200	1.87	N/A
1995	1.627	3.319	2.04	N/A
1996	1.764	3.200	1.81	N/A
1997	1.860	3.106	1.67	7/26/1997
1998	1.719	3.360	1.95	7/19/1998
1999	1.893	4.200	2.22	7/18/1999
2000	2.229	4.582	2.06	7/16/2000
2001	2.146	4.783	2.23	7/22/2001
2002	2.349	5.088	2.17	7/26/2002
2003	2.488	6.626	2.66	8/23/2003
2004	2.087	4.630	2.22	8/18/2004
2005	2.238	5.328	2.38	8/2/2005

**MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER DISTRICT**

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

<u>Description</u> (1)	<u>Restrictive Diameters Squared</u> (2)	<u>Quantity</u> (3)	<u>Relative Demand (4)=(2)x(3)</u>	<u>Allocation Factor (5)</u>
<u>PRIVATE FIRE PROTECTION</u>				
<u>Fire Lines</u>				
2 -inch	4.00	6	24	
3 -inch	9.00	1	9	
4 -inch	16.00	8	128	
6 -inch	36.00	38	1,368	
8 -inch	64.00	8	512	
10 -inch	100.00	3	300	
12 -inch	144.00	0	0	
Private Hydrants	32.75	<u>35</u>	<u>1,146</u>	
Total Private Fire Protection		<u>99</u>	<u>3,487</u>	0.1636
<u>PUBLIC FIRE PROTECTION</u>				
<u>Hydrant</u>	<u>Nozzle Sizes</u>			
6" Valve	2- 2-1/2" & 1- 4.5"	38	1,245	
6" Valve	2- 2-1/2" & 1- 4"	<u>582</u>	<u>16,587</u>	
Total Public Fire Protection		<u>620</u>	<u>17,832</u>	0.8364
Total Fire Protection		<u>719</u>	<u>21,319</u>	<u>1.0000</u>

ST. CHARLES DISTRICT

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES DISTRICT

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

Customer Classification (1)	Cost of Service		Revenues, Present Rates		Revenues, Proposed Rates		Proposed Increase	
	Amount (Schedule B) (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
Residential	\$ 10,112,716	88.6%	\$ 7,749,744	86.4%	\$ 9,706,789	86.3%	\$ 1,957,045	25.3%
Commercial	952,783	8.3%	921,076	10.3%	1,153,582	10.4%	232,506	25.2%
Industrial	2,072	0.0%	2,429	0.0%	3,043	0.0%	614	25.3%
Public Authority	167,045	1.5%	165,791	1.8%	207,637	1.8%	41,846	25.2%
Sales for Resale	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Private Fire Service	186,315	1.6%	136,606	1.5%	170,822	1.5%	34,216	25.0%
Public Fire Service	-	0.0%	\$0	0.0%	\$0	0.0%	-	0.0%
Total Sales	11,420,930	100.0%	8,975,646	100.0%	11,241,873	100.0%	2,266,227	25.2%
Other Revenues	265,173		265,173		265,173		-	0.0%
Total	\$ 11,686,102		\$ 9,240,819		\$ 11,507,046		\$ 2,266,227	24.5%

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (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	738	650	75	0	11	0	0	1
Purchased Water	1	711,384	602,542	90,203	285	14,370	0	640	3,344
TOTAL SS EXPENSE - OPERATION		712,122	603,192	90,278	285	14,381	0	641	3,345
MAINTENANCE EXPENSES									
Misc Exp Oper SS	2	0	0	0	0	0	0	0	0
Misc Exp Oper SS	2	9	8	1	0	0	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
Infil Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Infil 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
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Misc Plant Maint SS	2	268	236	27	0	4	0	0	1
Misc Plant Maint SS	2	3,284	2,895	333	0	48	0	0	6
TOTAL SS EXPENSE - MAINTENANCE		3,552	3,139	362	1	52	0	1	7
TOTAL SS EXPENSE		715,673	606,331	90,640	286	14,433	0	642	3,352
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	37,059	31,389	4,699	15	749	0	33	174
Labor & Exp Oper Pump	6	31,537	26,223	3,069	6	448	0	271	1,520
Labor & Exp Oper Pump	6	0	0	0	0	0	0	0	0
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		68,595	57,611	7,768	21	1,196	0	305	1,694

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (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	1,831	1,522	178	0	26	0	16	88
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Pump Equip Maint P	6	35,119	29,202	3,417	7	499	0	302	1,693
Pump Equip Maint P	6	105	87	10	0	1	0	1	5
TOTAL PUMPING EXPENSES - MAINTENANCE		37,065	30,812	3,805	7	526	0	319	1,786
TOTAL PUMPING EXPENSES		105,651	88,423	11,373	29	1,723	0	623	3,480
WATER TREATMENT									
Super & Eng Oper WT	2	0	0	0	0	0	0	0	0
Chemicals	1	(2)	(2)	(0)	(0)	(0)	0	(0)	(0)
Labor & Exp Oper WT	2	19	18	2	0	0	0	0	0
Labor & Exp Oper WT	2	369	325	37	0	5	0	0	1
Misc Exp Oper WT	2	(1,309)	(1,154)	(133)	(0)	(19)	0	(1)	(2)
Misc Exp Oper WT	1	100	85	13	0	2	0	0	0
Misc Exp Oper WT	2	(13)	(12)	(1)	(0)	(0)	0	(0)	(0)
Rents Oper WT	2	0	0	0	0	0	0	0	0
TOTAL WT EXPENSE - OPERATION		(838)	(740)	(82)	(0)	(12)	0	(0)	(1)
Super & Eng Maint WT	2	0	0	0	0	0	0	0	0
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	898	791	91	0	13	0	0	2
TOTAL WT EXPENSE - MAINTENANCE		898	791	91	0	13	0	0	2
TOTAL WT EXPENSE		62	51	9	0	1	0	0	0
TRANSMISSION AND DISTRIBUTION EXPENSES									
Super & Eng Oper TD	11	217	155	17	0	3	0	7	35
Storage Facility Exp	5	0	0	0	0	0	0	0	0
Storage Facility Exp	5	2,769	1,788	231	1	37	0	108	605
TD Lines Exp	7	244,466	166,579	20,780	49	3,227	0	8,116	45,715
TD Lines Exp	7	7,359	5,014	626	1	97	0	244	1,376
Meter Expense	9	81	72	7	0	2	0	0	0
Meter Expense	9	(132)	(118)	(11)	(0)	(4)	0	0	0
Customer Install Exp	10	39,471	36,586	1,654	4	197	0	1,030	0
Customer Install Exp	10	0	0	0	0	0	0	0	0
Misc Exp Oper TD	11	77,481	55,322	6,137	15	938	0	2,503	12,567

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Misc Exp Oper TD	11	609	435	48	0	7	0	20	99
Misc Exp Oper TD	11	4,473	3,194	354	1	54	0	144	726
Rents Oper TD	11	0	0	0	0	0	0	0	0
TOTAL T & D EXPENSE OPERATION		376,795	269,028	29,842	71	4,559	0	12,172	61,123
Super & Eng Maint TD	12	0	0	0	0	0	0	0	0
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	32,109	21,879	2,729	6	424	0	1,068	6,004
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	17,884	16,576	749	2	89	0	467	0
Services Maint TD	10	10	9	0	0	0	0	0	0
Meters Maint TD	9	10,370	9,235	856	1	278	0	0	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	8,347	0	0	0	0	0	0	8,347
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Misc Plant Maint TD	12	29,636	20,573	1,870	3	341	0	661	6,188
Mat and Sup Maint TD	12	53,988	37,485	3,407	5	621	0	1,204	11,275
Misc Maint TD	12	361	251	23	0	4	0	8	75
Amort Def Maint TD	5	(5,143)	(3,322)	(428)	(1)	(68)	0	(200)	(1,123)
TOTAL T & D EXPENSE - MAINTENANCE		147,572	102,687	9,206	17	1,690	0	3,206	30,766
TOTAL T & D EXPENSE		524,367	371,715	39,048	88	6,248	0	15,378	91,889
CUSTOMER ACCOUNTS									
Supervision CA	13	16,571	15,907	530	0	38	0	96	0
Meter Reading Exp CA	14	163,197	157,567	5,255	0	375	0	0	0
Meter Reading Exp CA	14	0	0	0	0	0	0	0	0
Meter Reading Exp CA	14	(29)	(28)	(1)	0	(0)	0	0	0
Cust Rec & Collection CA	13	143,765	138,000	4,600	0	331	0	834	0
Cust Rec & Collection CA	13	120,044	115,230	3,841	0	276	0	696	0
Uncollectible Accts	13	140,975	135,322	4,511	0	324	0	818	0
Misc Cust Accts Exp CA	13	1,496	1,436	48	0	3	0	8	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	11,639	11,172	372	0	27	0	68	0
Cust Serv & Info Exp CA	13	1,908	1,831	61	0	4	0	11	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		599,566	576,437	19,219	0	1,379	0	2,531	0

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
ADMINISTRATIVE AND GENERAL EXPENSES									
Salaries AG	15	77,953	65,723	4,256	8	581	0	1,208	6,197
Other Supplies & Exp AG	15	41	35	2	0	0	0	1	3
Other Supplies & Exp AG	15	63,769	53,764	3,482	6	459	0	988	5,070
Other Supplies & Exp AG	15	77,044	64,955	4,207	8	555	0	1,194	6,125
Mgmt Fees-Corporate/Shared Service Center	15	1,161,383	979,162	63,412	116	8,362	0	18,001	92,330
Mgmt Fees-Call Center	13	42,561	40,854	1,362	0	98	0	247	0
Mgmt Fees-Belleville Lab	2	53,586	47,208	5,437	16	782	0	21	102
Mgmt Fees- Financial ITS	15	404,746	341,242	22,098	40	2,914	0	6,274	32,177
Mgmt Fees- Customer Billings ITS	13	(15)	(14)	(0)	0	(0)	0	(0)	0
Mgmt Fees-Other ITS	15	5,251	4,427	287	1	38	0	81	417
Outside Services AG	15	43,161	36,389	2,357	4	311	0	689	3,431
Outside Services AG	15	95,928	80,877	5,238	10	691	0	1,487	7,626
Property Insurance	15	0	0	0	0	0	0	0	0
Ins Gen Liab Oper AG	15	183,145	154,410	10,000	18	1,319	0	2,839	14,560
Ins Work Comp AG	16	36,735	30,071	2,215	4	309	0	654	3,482
Ins Other Oper AG	15	69,874	58,911	3,815	7	503	0	1,083	5,555
Property Insurance	15	5,158	4,348	282	1	37	0	80	410
Injuries & Damages	16	237	194	14	0	2	0	4	22
Employee Pension & Benefits	16	298,803	244,601	18,018	30	2,510	0	5,319	28,327
Employee Pension & Benefits	16	113,353	92,791	6,835	11	952	0	2,018	10,746
Employee Pension & Benefits	16	30,073	24,617	1,813	3	253	0	535	2,851
Reg Commission Exp	15	16,948	14,289	925	2	122	0	263	1,347
Rents AG	15	11,510	9,704	628	1	83	0	178	915
Goodwill Advertising Exp	15	774	653	42	0	6	0	12	62
Misc Exp AG	15	201,957	170,270	11,027	20	1,454	0	3,130	16,056
Research & Development	15	0	0	0	0	0	0	0	0
TOTAL A & G OPERATIONS		2,993,955	2,519,479	167,752	308	22,319	0	46,287	237,812
General Plant Maint AG	15	0	0	0	0	0	0	0	0
General Plant Maint AG	15	24,833	20,937	1,356	2	179	0	385	1,974
TOTAL A & G EXPENSE - MAINTENANCE		24,833	20,937	1,356	2	179	0	385	1,974
TOTAL A & G EXPENSE		3,018,788	2,540,416	169,108	308	22,498	0	46,672	239,786
Total Operation & Maintenance Expenses		4,964,117	4,183,373	329,396	711	46,282	0	65,847	338,508

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
DEPRECIATION EXPENSE									
Struct & Imp P	8	40,105	33,347	3,902	8	568	0	345	1,933
Struct & Imp WT	2	3,515	3,098	357	1	51	0	1	7
Struct & Imp TD	7	20,126	13,714	1,711	4	266	0	668	3,764
Struct & Imp Offices	15	8,876	7,483	485	1	64	0	138	706
Struct & Imp Store, Shop, Gar	15	2,764	2,330	151	0	20	0	43	220
Struct & Imp Misc	15	10	8	1	0	0	0	0	1
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
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	6,089	5,063	592	1	86	0	52	293
Pump Equip Electric	6	45,592	37,910	4,436	9	647	0	392	2,198
Pump Equip Other	7	625	426	53	0	8	0	21	117
WT Equip Non-Media	2	347	306	35	0	5	0	0	1
Dist Reservoirs & Standpipe	5	35,764	23,100	2,878	7	476	0	1,391	7,811
Elevated Tanks & Standpipes	5	2,906	1,877	242	1	39	0	113	635
Ground Level Facilities	5	0	0	0	0	0	0	0	0
TD Mains Not Classified by	7	234,833	159,879	19,944	47	3,097	0	7,790	43,876
TD Mains 4 & Less	4	7,188	4,588	591	1	94	0	289	1,624
TD Mains 6 to 8"	4	111,209	70,985	9,141	22	1,457	0	4,471	25,133
TD Mains 10 to 16"	3	218,476	178,866	20,580	44	2,949	0	2,425	13,611
TD Mains 18 & Gtr	3	108,883	89,143	10,257	22	1,470	0	1,209	6,783
Fire Mains	8	3,992	0	0	0	0	0	0	3,992
Services	10	(202,061)	(187,290)	(8,466)	(20)	(1,010)	0	(5,274)	0
Meters Bronze Case	9	(10,824)	(9,638)	(893)	(1)	(291)	0	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	5,561	4,952	459	1	150	0	0	0
Meters Other-Rem Rdr Units	9	0	0	0	0	0	0	0	0
Meter Installations	9	88,242	78,580	7,280	9	2,374	0	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	51,696	0	0	0	0	0	0	51,696
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	98	67	8	0	1	0	3	18
Other P/E CPS	15	0	0	0	0	0	0	0	0
Office Furniture & Equip	15	19,681	16,593	1,075	2	142	0	305	1,565
Comp & Periph Equip	15	59,859	50,299	3,257	6	430	0	925	4,743
Computer Software	15	93,283	78,647	5,093	9	672	0	1,446	7,416
Comp Software Personal	15	18,932	15,962	1,034	2	136	0	293	1,505
Data Handling Equipment	15	0	0	0	0	0	0	0	0
Other Office Equipment	15	56	47	3	0	0	0	1	4
Trans Equip Lt Duty Trks	15	2,553	2,152	139	0	18	0	40	203
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0
Trans Equip Autos	15	1,188	1,002	65	0	9	0	18	94

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Fire Protection Private (9)	Public (10)
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	68	57	4	0	0	0	1	5
Tools, Shop, Garage Equip	15	15,725	13,258	859	2	113	0	244	1,250
Tools, Shop, Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	452	398	48	0	7	0	0	1
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	5,200	4,384	284	1	37	0	81	413
Comm Equip Non-Telephone	15	1,196	1,008	65	0	9	0	19	95
Comm Equip Telephone	15	423	357	23	0	3	0	7	34
Misc Equipment	16	10,030	8,211	605	1	84	0	179	951
Other Tangible Property	15	267,591	225,606	14,610	27	1,927	0	4,148	21,273
Total Depreciation Expense		1,279,849	936,773	101,007	206	16,109	0	21,782	203,972
Amort-Other UP	18	2,008	1,487	161	0	27	0	38	294
Taxes Other Than Income									
Utility Reg Assessment Fee	19	65,817	51,594	4,877	13	763	0	1,073	7,497
Property Taxes	18	687,463	509,067	55,272	137	9,281	0	13,062	100,645
FUTA	16	1,208	989	73	0	10	0	22	115
FICA	16	72,105	59,025	4,348	7	606	0	1,283	6,836
SUTA	16	388	318	23	0	3	0	7	37
Other Taxes & Licenses	15	35,944	30,304	1,963	4	259	0	557	2,858
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
Total Taxes, Other Than Income		862,927	651,298	66,556	162	10,922	0	16,004	117,965
Income Taxes	18	1,283,916	950,740	103,227	257	17,333	0	24,394	187,965
Utility Income Available for Return	18	3,293,285	2,438,678	254,780	659	44,459	0	52,572	482,137
Total Cost of Service		11,686,102	9,162,348	865,128	1,995	135,133	0	190,637	1,330,862
Less: Other Water Revenues	19	265,173	207,869	19,649	53	3,076	0	4,322	30,203
Revenue Contribution	19	0	0	0	0	0	0	0	0
Total Other Water Revenues		265,173	207,869	19,649	53	3,076	0	4,322	30,203
Total Cost of Service Related to Sales of Water		\$ 11,420,930	\$ 8,954,479	\$ 845,478	\$ 1,942	\$ 132,057	\$ -	\$ 186,315	\$ 1,300,659
Reallocation of Public Fire	20	0	1,158,237	107,304	130	34,988	0	0	(1,300,659)
Total		\$ 11,420,930	\$ 10,112,716	\$ 952,783	\$ 2,072	\$ 167,045	\$ -	\$ 186,315	\$ -

**MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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 (1)	Average Daily Consumption, Thousand Gallons (2)	Allocation Factor (3)
Residential	7,649	0.8470
Commercial	1,145	0.1268
Industrial	4	0.0004
Other Public Authority	182	0.0202
Sales for Resale	0	0.0000
Private Fire Protection	8	0.0009
Public Fire Protection	42	0.0047
Total	9,030	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:

Customer Classification (1)	Average Daily Consumption		Maximum Day Extra Capacity		Allocation Factor (6)=(3)+(5)
	Allocation Factor 1 (2)	Weighted Factor (3)=(2)x 0.4000	Allocation Factor (4)	Weighted Factor (5)=(4)x 0.6000	
Residential	0.8470	0.3387	0.9045	0.5426	0.8813
Commercial	0.1268	0.0507	0.0846	0.0508	0.1015
Industrial	0.0004	0.0002	0.0001	0.0001	0.0003
Other Public Authority	0.0202	0.0081	0.0108	0.0065	0.0146
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0009	0.0004			0.0004
Public Fire Protection	0.0047	0.0019			0.0019
Total	1.0000	0.4000	1.0000	0.6000	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
ST. CHARLES 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.**

Customer Classification	Average Daily Consumption, Thousand Gal.	Maximum Day Extra Capacity		
		Factor*	Rate of Flow, Thousand Gal. Per Day	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	7,649	1.6	12,238	0.9045
Commercial	1,145	1.0	1,145	0.0846
Industrial	4	0.5	2	0.0001
Other Public Authority	182	0.8	146	0.0108
Sales for Resale	0	0.6	0	0.0000
Total	8,980		13,531	1.0000

The weighting of the factors is based on the maximum day ratio of 2.50, 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	0.4000
Maximum Day Extra Capacity	1.50	0.6000
Total	2.50	1.0000

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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 (1)	Average Daily Consumption		Maximum Day Extra Capacity		Fire Protection		Allocation Factor (8)=(3)+(5)+(7)
	Allocation Factor (2)	Weighted Factor (3)=(2) X 0.3714	Allocation Factor (4)	Weighted Factor (5)=(4) X 0.5572	Allocation Factor (6)	Weighted Factor (7)=(6) X 0.0714	
Residential	0.8470	0.3147	0.9045	0.5040			0.8187
Commercial	0.1268	0.0471	0.0846	0.0471			0.0942
Industrial	0.0004	0.0001	0.0001	0.0001			0.0002
Other Public Authority	0.0202	0.0075	0.0108	0.0060			0.0135
Sales for Resale	0.0000	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.0009	0.0003			0.1511	0.0108	0.0111
Public Fire Protection	0.0047	0.0017			0.8489	0.0606	0.0623
Total	1.0000	0.3714	1.0000	0.5572	1.0000	0.0714	1.0000

**MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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 2.50 and the average daily system sendout for 2005 of 9,990 MGD. The system demand for fire protection is 8,000 Gallons per minute for 4 hours.

	<u>Ratio</u>	<u>Rate of Flow, (GPD)</u>	<u>Weight</u>
Average Day	1.00	9,990,000	0.3714
Maximum Day Extra Capacity	<u>1.50</u>	<u>14,985,000</u>	<u>0.5572</u>
Subtotal	<u>2.50</u>	24,975,000	0.9286
Fire Protection		<u>1,920,000</u>	<u>0.0714</u>
Total		<u>26,895,000</u>	<u>1.0000</u>

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
ST. CHARLES 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 (1)	Average Hourly Consumption			Maximum Hour Extra Capacity			Fire Protection		
	Thousand Gallons (2)	Allocation Factor (3)	Weighted Factor (4)=(3) X 0.2297	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.5054	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.2649	Allocation Factor (9)=(4)+(6)+(8)	
Residential	318.7	0.8469	0.1946	0.8779	0.4437			0.6383	
Commercial	47.7	0.1268	0.0291	0.1051	0.0531			0.0822	
Industrial	0.2	0.0005	0.0001	0.0002	0.0001			0.0002	
Other Public Authority	7.6	0.0202	0.0046	0.0168	0.0085			0.0131	
Sales for Resale	0.0	0.0000	0.0000	0.0000	0.0000			0.0000	
Private Fire Protection	0.3	0.0008	0.0002			0.1511	0.0400	0.0402	
Public Fire Protection	1.8	0.0048	0.0011			0.8489	0.2249	0.2260	
Total	376.3	1.0000	0.2297	1.0000	0.5054	1.0000	0.2649	1.0000	

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

**MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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 3.20 and the average daily system sendout for 2005 of 9.990 MGD. The system demand for fire protection is 8,000 gallons per minute.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	6,938	0.2297
Maximum Hour Extra Capacity	<u>2.20</u>	<u>15,264</u>	<u>0.5054</u>
Subtotal	<u>3.20</u>	<u>22,202</u>	<u>0.7351</u>
Fire Protection		<u>8,000</u>	<u>0.2649</u>
Total		<u>30,202</u>	<u>1.0000</u>

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	318.7	3.5	1,115.5	0.8779
Commercial	47.7	2.8	133.6	0.1051
Industrial	0.2	1.5	0.3	0.0002
Other Public Authority	7.6	2.8	21.3	0.0168
Sales for Resale	<u>0.0</u>	<u>2.0</u>	<u>0.0</u>	<u>0.0000</u>
Total	<u>374.2</u>		<u>1,270.7</u>	<u>1.0000</u>

* 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
ST. CHARLES 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 (9)=(4)+(6)+(8)
	Thousand Gallons (2)	Allocation Factor (3)	Weighted Factor (4)=(3) X 0.2325	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.5115	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.2560			
(1)										
Residential	318.7	0.8469	0.1969	0.8779	0.4490					0.6459
Commercial	47.7	0.1268	0.0295	0.1051	0.0538					0.0833
Industrial	0.2	0.0005	0.0001	0.0002	0.0001					0.0002
Other Public Authority	7.6	0.0202	0.0047	0.0168	0.0086					0.0133
Sales for Resale	0.0	0.0000	0.0000	0.0000	0.0000					0.0000
Private Fire Protection	0.3	0.0008	0.0002			0.1511	0.0387			0.0389
Public Fire Protection	1.8	0.0048	0.0011			0.8489	0.2173			0.2184
Total	376.3	1.0000	0.2325	1.0000	0.5115	1.0000	0.2560			1.0000

The weighting of the factors is based on the ratio of the capacity required for a 4 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

**MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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 4 hour demand of fire flow, as related to total storage capacity.

$$\text{Fire Protection Weight} = \frac{8,000 \text{ GPM} \times 60 \text{ Min.} \times 4 \text{ Hrs.}}{7,500,000 \text{ Gallons}} = 0.2560$$

$$\text{General Service Weight} = 1.0000 - 0.2560 = 0.7440$$

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

	<u>Maximum Hour Ratio</u>	<u>Percent</u>	<u>Weight</u>
Average Hour	1.00	31.25	0.2325
Extra Capacity Maximum Hour	<u>2.20</u>	<u>68.75</u>	<u>0.5115</u>
Total	<u><u>3.20</u></u>	<u><u>100.00</u></u>	<u><u>0.7440</u></u>

**MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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:

Customer Classification	Maximum Daily Consumption		Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		Allocation Factor
	Allocation Factor 2	Weighted Factor	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
(1)	(2)	(3)=(2)X 0.7144	(4)	(5)=(4)X 0.1084	(6)	(7)=(6)X 0.1772	(8)=(3)+ (5)+(7)
Residential	0.8813	0.6296	0.8187	0.0887	0.6383	0.1132	0.8315
Commercial	0.1015	0.0725	0.0942	0.0102	0.0822	0.0146	0.0973
Industrial	0.0003	0.0002	0.0002	0.0000	0.0002	0.0000	0.0002
Other Public Authority	0.0146	0.0104	0.0135	0.0015	0.0131	0.0023	0.0142
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0004	0.0003	0.0111	0.0012	0.0402	0.0071	0.0086
Public Fire Protection	0.0019	0.0014	0.0623	0.0068	0.2260	0.0400	0.0482
Total	1.0000	0.7144	1.0000	0.1084	1.0000	0.1772	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	1,351	0.7144
Associated with Maximum Day and Fire	205	0.1084
Associated with Maximum Hour	335	0.1772
Total	1,891	1.0000

Schedule C-SCH

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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:

Customer Classification	Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		Allocation Factor
	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
(1)	(2)	(3)=(2)X 0.2380	(4)	(5)=(4)X 0.7620	(6)=(3)+(5)
Residential	0.8187	0.1950	0.6383	0.4864	0.6814
Commercial	0.0942	0.0224	0.0822	0.0626	0.0850
Industrial	0.0002	0.0000	0.0002	0.0002	0.0002
Other Public Authority	0.0135	0.0032	0.0131	0.0100	0.0132
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0111	0.0026	0.0402	0.0306	0.0332
Public Fire Protection	0.0623	0.0148	0.2260	0.1722	0.1870
Total	1.0000	0.2380	1.0000	0.7620	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	590,244	0.2380
Distribution Mains	1,889,762	0.7620
Total	2,480,006	1.0000

**MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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.

<u>Customer Classification</u> (1)	<u>Allocation Factor</u> (3)
Public Fire Protection	<u>1.0000</u>
Total	<u><u>1.0000</u></u>

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.

<u>Customer Classification</u> (1)	<u>5/8" Dollar Equivalents</u> (2)	<u>Allocation Factor</u> (3)
Residential	29,379	0.8905
Commercial	2,722	0.0825
Industrial	4	0.0001
Other Public Authority	889	0.0269
Sales for Resale	0	0.0000
Private Fire	<u>0</u>	<u>0.0000</u>
Total	<u><u>32,994</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size (1)	5/8" Dollar Equivalent (2)	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Total	
		Number of Meters (3)	Weighting (4)=(2)X(3)	Number of Meters (5)	Weighting (6)=(2)X(5)	Number of Meters (7)	Weighting (8)=(2)X(7)	Number of Meters (9)	Weighting (10)=(2)X(9)	Number of Meters (11)	Weighting (12)=(2)X(11)	Number of Meters (13)	Weighting (14)
5/8	1.0	27,171	27,171	391	391	0	0	6	6	0	0	27,568	27,568
3/4	1.3	1	1	0	0	0	0	0	0	0	0	1	1
1	1.7	1,191	2,025	200	340	0	0	5	9	0	0	1,396	2,374
1-1/2	3.5	31	109	174	608	0	0	5	18	0	0	210	736
2	4.3	17	73	163	701	1	4	24	103	0	0	205	881
3	19.0	0	0	8	114	0	0	14	266	0	0	20	380
4	29.3	0	0	10	293	0	0	10	293	0	0	20	586
6	48.4	0	0	1	48	0	0	4	194	0	0	5	242
8	112.9	0	0	2	226	0	0	0	0	0	0	2	226
Total		28,411	29,379	947	2,722	1	4	68	889	0	0	29,427	32,994

**MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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.

<u>Customer Classification</u> (1)	<u>3/4" Dollar Equivalents</u> (2)	<u>Allocation Factor</u> (3)
Residential	28,649	0.9269
Commercial	1,296	0.0419
Industrial	2	0.0001
Other Public Authority	153	0.0050
Sales for Resale	0	0.0000
Private Fire Protection	<u>806</u>	<u>0.0261</u>
Total	<u><u>30,906</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

Service Size (1)	3/4" Dollar Equivalent (2)	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Private Fire Protection		Total	
		Number of Services (3)	Weighting (4)=(2)X(3)	Number of Services (5)	Weighting (6)=(2)X(5)	Number of Services (7)	Weighting (8)=(2)X(7)	Number of Services (9)	Weighting (10)=(2)X(9)	Number of Services (11)	Weighting (12)=(2)X(11)	Number of Services (13)	Weighting (14)=(2)X(13)	Number of Services (15)	Weighting (16)
3/4	1.00	27,172	27,172	391	391	0	0	6	6	0	0	0	0	27,569	27,569
1	1.17	1,191	1,393	200	234	0	0	5	6	0	0	0	0	1,396	1,633
1-1/2	1.58	31	49	174	275	0	0	5	8	0	0	0	0	210	332
2	2.04	17	35	163	333	1	2	24	49	0	0	12	24	217	443
3	2.73	0	0	6	16	0	0	14	38	0	0	1	3	21	57
4	2.88	0	0	10	29	0	0	10	29	0	0	18	52	38	110
6	4.24	0	0	1	4	0	0	4	17	0	0	87	284	72	305
8	6.88	0	0	2	14	0	0	0	0	0	0	58	405	60	419
10	9.50	0	0	0	0	0	0	0	0	0	0	4	38	4	38
12	12.16	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		28,411	28,649	947	1,296	1	2	68	153	0	0	160	806	28,537	30,908

**MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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	\$ 209,922	0.7140
Commercial	23,285	0.0792
Industrial	55	0.0002
Other Public Authority	3,557	0.0121
Sales for Resale	-	0.0000
Private Fire Protection	9,498	0.0323
Public Fire Protection	47,696	0.1622
Total	<u>294,014</u>	<u>1.0000</u>

**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	\$ 47,700	0.6942
Commercial	4,335	0.0631
Industrial	9	0.0001
Other Public Authority	792	0.0115
Sales for Resale	-	0.0000
Private Fire Protection	1,533	0.0223
Public Fire Protection	14,351	0.2088
Total	<u>\$68,720</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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.

<u>Customer Classification</u>	<u>Total Customers</u>	<u>Allocation Factor</u>
(1)	(2)	(3)
Residential	28,411	0.9599
Commercial	947	0.0320
Industrial	1	0.0000
Other Public Authority	68	0.0023
Sales for Resale	0	0.0000
Private Fire Protection	173	0.0058
Public Fire Protection	0	0.0000
Total	<u>29,600</u>	<u>1.0000</u>

FACTOR 14. ALLOCATION OF METER READING COSTS.

Factors are based on the number of metered customers.

<u>Customer Classification</u>	<u>Total Metered Customers</u>	<u>Allocation Factor</u>
(1)	(2)	(3)
Residential	28,411	0.9655
Commercial	947	0.0322
Industrial	1	0.0000
Other Public Authority	68	0.0023
Sales for Resale	0	0.0000
Total	<u>29,427</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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 (1)	Operation & Maintenance Expenses (2)	Allocation Factor (3)
Residential	\$1,008,943	0.8431
Commercial	65,373	0.0546
Industrial	103	0.0001
Other Public Authority	8,664	0.0072
Sales for Resale	0	0.0000
Private Fire Protection	18,501	0.0155
Public Fire Protection	95,204	0.0795
Total	<u>\$1,196,788</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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	\$762,810	0.8186
Commercial	56,181	0.0603
Industrial	102	0.0001
Other Public Authority	7,785	0.0084
Sales for Resale	0	0.0000
Private Fire Protection	16,586	0.0178
Public Fire Protection	88,356	0.0948
Total	<u>\$931,820</u>	<u>1.0000</u>

**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	\$31,788,849	0.7412
Commercial	3,440,142	0.0802
Industrial	7,314	0.0002
Other Public Authority	575,326	0.0134
Sales for Resale	0	0.0000
Private Fire Protection	815,538	0.0190
Public Fire Protection	6,259,310	0.1460
Total	<u>\$42,886,479</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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 <u>(1)</u>	Original Cost Measure of Value <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	\$28,625,024	0.7405
Commercial	3,107,556	0.0804
Industrial	6,507	0.0002
Other Public Authority	520,377	0.0135
Sales for Resale	0	0.0000
Private Fire Protection	735,191	0.0190
Public Fire Protection	<u>5,658,930</u>	<u>0.1464</u>
Total	<u><u>\$38,653,585</u></u>	<u><u>1.0000</u></u>

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 <u>(1)</u>	Total Cost of Service <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	\$9,105,917	0.7840
Commercial	860,414	0.0741
Industrial	1,983	0.0002
Other Public Authority	134,404	0.0116
Sales for Resale	0	0.0000
Private Fire Protection	189,306	0.0163
Public Fire Protection	<u>1,322,038</u>	<u>0.1138</u>
Total	<u><u>\$11,614,062</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES DISTRICT

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
RATE BASE									
Organization	17	\$ 11,448	\$ 8,485	\$ 918	\$ 2	\$ 163	\$ -	\$ 218	\$ 1,671
Franchises	17	12,572	9,318	1,008	3	168	0	239	1,836
Land & Ld Rights SS	2	5,308	4,678	539	2	77	0	2	10
Land & Ld Rights P	6	1,193	992	116	0	17	0	10	58
Land & Ld Rights WT	2	5,372	4,734	545	2	78	0	2	10
Land & Ld Rights TD	7	314,898	214,571	26,766	63	4,157	0	10,455	58,886
Land & Land Rights AG	15	0	0	0	0	0	0	0	0
Struct & Imp SS	2	0	0	0	0	0	0	0	0
Struct & Imp P	6	1,058,956	878,859	102,842	211	15,009	0	9,090	50,945
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	198,232	174,702	20,121	59	2,894	0	79	377
Struct & Imp WT Nth Pit (ST	2	0	0	0	0	0	0	0	0
Struct & Imp WT Crt Pit 1	2	0	0	0	0	0	0	0	0
Struct & Imp WT Crt Pit 3	2	0	0	0	0	0	0	0	0
Struct & Imp WT Sth Pit (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	604,029	411,585	51,342	121	7,973	0	20,054	112,953
Struct & Imp TD Spec Cross	7	0	0	0	0	0	0	0	0
Struct & Imp Offices	15	232,671	196,185	12,704	23	1,675	0	3,606	18,497
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	46,974	39,604	2,565	5	338	0	728	3,734
Struct & Imp Misc	15	952	803	52	0	7	0	15	78
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Wells & Springs	2	0	0	0	0	0	0	0	0
Supply Mains	2	0	0	0	0	0	0	0	0
Supply Mains Nth Pit (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Crt Pit (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Sth Pit (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Meramec Pit (S	2	0	0	0	0	0	0	0	0
Power Generation Equip Othe	6	192,971	160,455	18,776	39	2,740	0	1,660	9,301
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	1,493,671	1,241,987	145,334	299	21,210	0	12,846	71,995
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 Stralman	6	0	0	0	0	0	0	0	0
Pump Equip Diesel Crt Pit	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	48,528	40,351	4,722	10	689	0	417	2,338

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
WT Equip Non-Media	2	12,133	10,693	1,231	4	177	0	5	23
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	0	0	0	0	0	0	0	0
Dist Reservoirs & Standpipe	5	960,956	620,681	80,048	192	12,781	0	37,381	209,873
Elevated Tanks & Standpipes	5	119,027	76,880	9,815	24	1,583	0	4,630	25,995
Ground Level Facilities	5	0	0	0	0	0	0	0	0
TD Mains Not Classified by	7	7,608,901	5,184,705	646,757	1,522	100,437	0	252,616	1,422,865
TD Mains 4 & Less	4	325,019	207,450	26,717	65	4,258	0	13,066	73,454
TD Mains 6 to 8"	4	4,394,643	3,124,251	402,340	979	64,120	0	196,765	1,106,189
TD Mains 10 to 18"	3	9,606,749	7,865,046	904,956	1,921	129,691	0	106,635	598,500
TD Mains 18 & Grtr	3	4,750,006	3,888,830	447,451	950	64,125	0	52,725	295,925
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	245,343	0	0	0	0	0	0	245,343
Services	10	3,316,000	3,073,600	138,940	332	16,580	0	86,548	0
Meters Bronze Case	9	1,830,477	1,630,040	151,014	183	49,240	0	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	(15,146)	(13,488)	(1,250)	(2)	(407)	0	0	0
Meters Other-Rem Rdr Units	9	0	0	0	0	0	0	0	0
Meter Installations	9	3,102,628	2,762,888	255,967	310	83,461	0	0	0
Meter Installation Other	9	(388,359)	(345,834)	(32,040)	(39)	(10,447)	0	0	0
Hydrants	8	1,920,093	0	0	0	0	0	0	0
Other P/E Intangible	15	(306,586)	(258,483)	(16,740)	(31)	(2,207)	0	(4,752)	1,920,093
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	(24,374)
Other P/E TD	7	2,703	1,842	230	1	36	0	90	0
Other P/E CPS	15	(8,862)	(7,472)	(484)	(1)	(64)	0	(137)	505
Office Furniture & Equip	15	444,576	374,822	24,274	44	3,201	0	6,891	(705)
Comp & Periph Equip	15	192,358	162,177	10,503	19	1,365	0	2,982	35,344
Computer Software	15	(449,462)	(378,941)	(24,541)	(45)	(3,236)	0	(6,967)	15,292
Comp Software Personal	15	98,975	83,448	5,404	10	713	0	1,534	(35,732)
Data Handling Equipment	15	0	0	0	0	0	0	0	7,869
Other Office Equipment	15	(1,706)	(1,438)	(93)	(0)	(12)	0	0	0

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES DISTRICT

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Trans Equip Lt Duty Trks	15	16,965	14,303	926	2	122	0	263	1,349
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0
Trans Equip Autos	15	(29,602)	(24,957)	(1,616)	(3)	(213)	0	(459)	(2,353)
Trans Equip Other	15	760	641	41	0	5	0	12	60
Stores Equipment	15	(9)	(8)	(0)	(0)	(0)	0	(0)	(1)
Tools, Shop, Garage Equip	15	315,260	265,796	17,213	32	2,270	0	4,887	25,063
Tools, Shop, Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	(953)	(840)	(97)	(0)	(14)	0	(0)	(2)
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	41,085	34,639	2,243	4	296	0	637	3,266
Comm Equip Non-Telephone	15	12,876	10,687	692	1	91	0	196	1,008
Comm Equip Telephone	15	(13,219)	(11,145)	(722)	(1)	(95)	0	(205)	(1,051)
Misc Equipment	15	81,296	68,541	4,439	8	585	0	1,260	6,463
Other Tangible Property	17	647,746	480,109	51,949	130	8,680	0	12,307	94,571
Total Utility Plant in Service		43,558,245	32,286,762	3,494,018	7,449	584,328	0	828,301	6,357,388
Other Rate Base Items									
Add:									
Other Utility Plant Adjustments	17	0	0	0	0	0	0	0	0
Cash Working Capital	15	0	0	0	0	0	0	0	0
Materials and Supplies	15	128,860	108,842	7,036	13	928	0	1,997	10,244
Prepayments	15	43,514	36,687	2,376	4	313	0	674	3,459
OP&B's Contributed to External Fund	16	266,582	218,208	16,074	27	2,239	0	4,745	25,270
Premature Retirement	17	0	0	0	0	0	0	0	0
Regulatory Deferrals	17	133,588	99,023	10,715	27	1,790	0	2,538	19,505
Less:									
Accumulated Deferred ITC (3%)	17	0	0	0	0	0	0	0	0
Deferred Income Taxes	17	(4,642,560)	(3,441,065)	(372,333)	(929)	(62,210)	0	(88,208)	(677,814)
Pensions	16	(834,634)	(683,231)	(50,326)	(83)	(7,011)	0	(14,856)	(79,123)
Total Other Rate Base Elements		(4,904,660)	(3,551,738)	(388,462)	(941)	(63,951)	0	(93,110)	(698,458)
Total Original Cost Measure of Value		\$ 38,653,585	\$ 28,625,024	\$ 3,107,556	\$ 6,507	\$ 520,377	\$ -	\$ 735,191	\$ 5,658,930

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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	5.336	N/A	N/A	N/A
1991	6.749	N/A	N/A	N/A
1992	6.624	N/A	N/A	N/A
1993	6.001	10.000	1.67	6/18/1993
1994	7.158	16.543	2.31	6/15/1994
1995	8.125	18.000	2.22	7/13/1995
1996	7.343	17.573	2.39	7/7/1996
1997	8.345	18.550	2.22	7/25/1997
1998	7.802	19.001	2.44	7/19/1998
1999	8.835	20.447	2.31	7/24/1999
2000	8.290	17.570	2.12	7/9/2000
2001	8.755	19.920	2.28	8/5/2001
2002	8.970	21.350	2.38	7/21/2002
2003	8.580	21.570	2.51	8/24/2003
2004	8.753	16.100	1.84	6/30/2004
2005	9.990	21.650	2.17	7/10/2005

**MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES DISTRICT**

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

<u>Description</u> (1)	<u>Restrictive Diameters Squared</u> (2)	<u>Quantity</u> (3)	<u>Relative Demand*</u> (4)=(2)x(3)	<u>Allocation Factor</u> (5)
<u>PRIVATE FIRE PROTECTION</u>				
<u>Fire Lines</u>				
2 -inch	4.00	12	48	
3 -inch	9.00	0	0	
4 -inch	16.00	18	288	
6 -inch	36.00	67	2,412	
8 -inch	64.00	58	3,712	
10 -inch	100.00	4	400	
12 -inch	144.00	0	0	
Private Hydrants	32.75	14	459	
Total Private Fire Protection		173	7,319	0.1511
<u>PUBLIC FIRE PROTECTION</u>				
<u>Hydrant</u>	<u>Nozzle Sizes</u>			
6" Valve	2- 2-1/2" & 1- 4.5"	32.75	201	6,583
6" Valve	2- 2-1/2"	12.50	2,762	34,525
Total Public Fire Protection		2,963	41,108	0.8489
Total Fire Protection		3,136	48,427	1.0000

ST. JOSEPH DISTRICT

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

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

Customer Classification (1)	Cost of Service		Revenues, Present Rates		Revenues, Proposed Rates		Proposed Increase	
	Amount (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
Residential	\$ 10,600,587	50.6%	\$ 7,789,999	49.3%	\$ 9,884,475	50.0%	\$ 2,094,476	26.9%
Commercial	3,903,818	18.7%	3,092,963	19.6%	3,879,583	19.6%	786,620	25.4%
Industrial	2,921,721	14.0%	2,211,762	14.0%	2,718,194	13.7%	506,432	22.9%
Public Authority	851,423	4.1%	610,802	3.9%	760,317	3.8%	149,515	24.5%
Sales for Resale	2,408,757	11.5%	1,871,755	11.9%	2,303,257	11.6%	431,502	23.1%
Private Fire Service	229,087	1.1%	201,248	1.3%	263,147	1.3%	61,899	30.8%
Public Fire Service	-	0.0%	\$0	0.0%	\$0	0.0%	-	-
Total Sales	20,915,394	100.0%	15,778,529	100.0%	19,808,973	100.0%	4,030,444	25.5%
Other Revenues *	389,356		389,356		\$368,968		(20,388)	-5.2%
Total	\$ 21,304,750		\$ 16,167,885		\$ 20,177,941		\$ 4,010,056	24.8%

* Includes Industrial Contract Sales.

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
OPERATION AND MAINTENANCE EXPENSES									
SOURCE OF SUPPLY EXPENSES									
Super & Eng Oper SS	2	0	0	0	0	0	0	0	0
Labor & Exp Oper SS	2	0	0	0	0	0	0	0	0
Labor & Exp Oper SS	2	62,571	24,991	12,596	11,632	2,935	10,168	44	206
Purchased Water	1	0	0	0	0	0	0	0	0
TOTAL SS EXPENSE - OPERATION		62,571	24,991	12,596	11,632	2,935	10,168	44	206
MAINTENANCE EXPENSES									
Misc Exp Oper SS	2	0	0	0	0	0	0	0	0
Misc Exp Oper SS	2	406	162	82	75	19	66	0	1
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
Infil Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Infil 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	0	0	0	0	0	0	0	0
Misc Plant Maint SS	2	12	5	2	2	1	2	0	0
TOTAL SS EXPENSE - MAINTENANCE		17,004	6,792	3,423	3,161	798	2,763	12	56
		17,423	6,959	3,507	3,239	817	2,831	12	57
TOTAL SS EXPENSE		79,994	31,950	16,103	14,871	3,752	12,999	56	264
POWER AND PUMPING EXPENSES									
Super & Eng Oper P	6	60,858	23,680	11,928	10,942	2,775	9,543	359	1,631
Fuel for Power Prod	1	0	0	0	0	0	0	0	0
Labor & Exp Oper Pwr Prod	6	(1,259)	(490)	(247)	(226)	(57)	(197)	(7)	(34)
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Purch Fuel/Power for Pump	1	582,381	211,579	115,719	122,533	26,964	102,091	641	2,854
Labor & Exp Oper Pump	6	358,711	139,574	70,307	64,496	16,357	56,246	2,116	9,613
Labor & Exp Oper Pump	6	1,183	460	232	213	54	185	7	32
Expenses Transferred	6	0	0	0	0	0	0	0	0
Misc Exp Oper P	6	5,062	1,970	992	910	231	794	30	136
Rents Oper P	6	0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSE - OPERATION		1,006,936	376,773	198,932	198,868	46,324	168,662	3,145	14,232

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Super & Eng Maint P	6	16,219	6,311	3,179	2,916	740	2,543	96	435
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	156	61	31	28	7	24	1	4
TOTAL PUMPING EXPENSES - MAINTENANCE		16,375	6,372	3,209	2,944	747	2,568	97	439
TOTAL PUMPING EXPENSES		1,023,311	383,145	202,141	201,812	47,071	171,229	3,242	14,671
WATER TREATMENT									
Super & Eng Oper WT	2	72,590	28,992	14,612	13,494	3,404	11,796	51	240
Chemicals	1	730,060	265,231	145,063	153,605	33,802	127,980	803	3,577
Labor & Exp Oper WT	2	75,969	30,342	15,293	14,123	3,563	12,345	53	251
Labor & Exp Oper WT	2	38,364	15,323	7,723	7,132	1,799	6,234	27	127
Misc Exp Oper WT	2	3,003	1,199	604	558	141	488	2	10
Misc Exp Oper WT	1	258,724	93,994	51,408	54,436	11,979	45,354	285	1,268
Misc Exp Oper WT	2	37,368	14,925	7,522	6,947	1,753	6,072	26	123
Rents Oper WT	2	0	0	0	0	0	0	0	0
TOTAL WT EXPENSE - OPERATION		1,216,077	450,006	242,226	250,294	56,441	210,269	1,247	5,595
Super & Eng Maint WT	2	10,849	4,333	2,184	2,017	509	1,763	8	36
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	35,337	14,114	7,113	6,569	1,657	5,742	25	117
TOTAL WT EXPENSE - MAINTENANCE		46,186	18,447	9,297	8,586	2,166	7,505	32	152
TOTAL WT EXPENSE		1,262,263	468,453	251,523	258,880	58,607	217,774	1,279	5,748
TRANSMISSION AND DISTRIBUTION EXPENSES									
Super & Eng Oper TD	11	17,590	10,462	2,860	858	573	347	630	1,859
Storage Facility Exp	5	71	26	13	10	3	9	2	8
Storage Facility Exp	5	5,036	1,842	893	720	208	671	127	575
TD Lines Exp	7	207,416	84,646	41,628	15,204	9,707	6,160	9,043	41,027
TD Lines Exp	7	24,580	10,031	4,933	1,802	1,150	730	1,072	4,862
Meter Expense	9	105,082	84,371	14,396	2,995	2,354	967	0	0
Meter Expense	9	966	776	132	28	22	9	0	0
Customer Install Exp	10	96,594	79,874	9,486	695	889	135	5,516	0
Customer Install Exp	10	(1)	(1)	(0)	(0)	(0)	(0)	(0)	0
Misc Exp Oper TD	11	16,322	9,708	2,654	797	532	322	584	1,725

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Misc Exp Oper TD	11	3,176	1,889	516	155	104	63	114	336
Misc Exp Oper TD	11	42,432	25,239	6,900	2,071	1,383	836	1,519	4,485
Rents Oper TD	11	0	0	0	0	0	0	0	0
M & S Oper TD Mains	11	7,177	4,269	1,167	350	234	141	257	759
TOTAL T & D EXPENSE OPERATION		526,441	313,132	85,578	25,884	17,159	10,390	18,863	55,636
Super & Eng Maint TD	12	16,560	7,616	2,689	893	586	353	498	3,925
Struct & Improve Maint TD	12	0	0	0	0	0	0	0	0
Struct & Improve Maint TD	12	229	105	37	12	8	5	7	54
Dist Res Stand Maint TD	5	0	0	0	0	0	0	0	0
TD Main Maint TD	7	104,352	42,586	20,943	7,649	4,884	3,099	4,550	20,641
TD Main Maint TD	7	13	5	3	1	1	0	1	3
Fire Main Maint TD	8	93	0	0	0	0	0	0	93
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Services Maint TD	10	4,923	4,070	483	35	45	7	281	0
Services Maint TD	10	62	51	6	0	1	0	4	0
Meters Maint TD	9	28,482	22,868	3,902	812	638	262	0	0
Meters Maint TD	9	5,196	4,172	712	148	116	48	0	0
Hydrants Maint TD	8	17,277	0	0	0	0	0	0	17,277
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Misc Plant Maint TD	12	0	0	0	0	0	0	0	0
Mat and Sup Maint TD	12	120,665	55,494	19,596	6,504	4,272	2,570	3,632	28,598
Misc Maint TD	12	100	46	16	5	4	2	3	24
Amort Def Maint TD	5	359,120	131,330	63,672	51,318	14,868	47,871	9,050	41,012
TOTAL T & D EXPENSE - MAINTENANCE		657,072	268,344	112,060	67,378	25,422	54,217	18,025	111,625
TOTAL T & D EXPENSE		1,183,513	581,476	197,638	93,062	42,581	64,607	36,888	167,261
CUSTOMER ACCOUNTS									
Supervision CA	13	44,409	39,222	4,068	173	275	27	644	0
Meter Reading Exp CA	14	289,277	259,279	26,874	1,128	1,822	174	0	0
Meter Reading Exp CA	14	2,780	2,492	258	11	18	2	0	0
Meter Reading Exp CA	14	4,422	3,964	411	17	28	3	0	0
Cust Rec & Collection CA	13	16,364	14,453	1,499	84	101	10	237	0
Cust Rec & Collection CA	13	132,493	117,018	12,136	517	821	79	1,921	0
Uncollectible Accts	13	158,660	140,128	14,533	619	984	95	2,301	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	21,434	18,930	1,963	84	133	13	311	0
Cust Serv & Info Exp CA	13	0	0	0	0	0	0	0	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		669,830	595,478	61,742	2,612	4,183	402	5,414	0

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
ADMINISTRATIVE AND GENERAL EXPENSES									
Salaries AG	15	146,285	82,285	23,040	13,297	4,608	10,591	2,501	9,962
Other Supplies & Exp AG	15	646	363	102	59	20	47	11	44
Other Supplies & Exp AG	15	143,988	80,983	22,878	13,089	4,536	10,425	2,462	9,806
Other Supplies & Exp AG	15	77,732	43,724	12,243	7,066	2,449	5,628	1,329	5,294
Mgmt Fees-Corporate/Shared Service Center	15	1,272,315	715,677	200,390	115,653	40,078	92,116	21,757	86,645
Mgmt Fees-Call Center	13	46,557	41,119	4,265	182	289	28	675	0
Mgmt Fees-Belleville Lab	2	58,596	23,403	11,795	10,893	2,748	9,522	41	193
Mgmt Fees- Financial ITS	15	442,751	249,047	69,733	40,246	13,947	32,055	7,571	30,151
Mgmt Fees- Customer Billings ITS	13	(16)	(14)	(1)	(0)	(0)	(0)	(0)	0
Mgmt Fees-Other ITS	15	5,744	3,231	905	522	181	416	98	391
Outside Services AG	15	45,029	25,329	7,092	4,093	1,418	3,260	770	3,066
Outside Services AG	15	96,018	54,010	15,123	8,728	3,025	6,952	1,642	6,539
Property Insurance	15	0	0	0	0	0	0	0	0
Ins Gen Liab Oper AG	15	202,531	113,923	31,959	18,410	6,380	14,563	3,463	13,792
Ins Work Comp AG	16	67,221	38,410	10,715	6,010	2,144	4,591	1,069	4,282
Ins Other Oper AG	15	77,270	43,464	12,170	7,024	2,434	5,594	1,321	5,262
Property Insurance	15	7,545	4,244	1,188	686	238	546	129	514
Injuries & Damages	16	345	197	55	31	11	24	5	22
Employee Pension & Benefits	16	503,477	287,687	80,254	45,011	16,061	34,388	8,005	32,072
Employee Pension & Benefits	16	190,082	108,613	30,299	16,993	6,064	12,983	3,022	12,108
Employee Pension & Benefits	16	33,889	19,364	5,402	3,030	1,081	2,315	539	2,159
Reg Commission Exp	15	19,242	10,823	3,031	1,749	606	1,393	329	1,310
Rents AG	15	59,070	33,227	9,304	5,369	1,861	4,277	1,010	4,023
Goodwill Advertising Exp	15	2,753	1,549	434	250	87	199	47	187
Misc Exp AG	15	265,629	149,416	41,837	24,146	8,367	19,232	4,542	18,089
Research & Development	15	0	0	0	0	0	0	0	0
TOTAL A & G OPERATIONS		3,764,697	2,130,087	593,950	342,536	118,631	271,242	62,340	245,911
General Plant Maint AG	15	117	66	18	11	4	8	2	8
General Plant Maint AG	15	28,523	16,044	4,492	2,593	898	2,065	488	1,942
TOTAL A & G EXPENSE - MAINTENANCE		28,640	16,110	4,511	2,603	902	2,074	490	1,950
TOTAL A & G EXPENSE		3,793,337	2,146,196	598,461	345,139	119,533	273,316	62,830	247,862
Total Operation & Maintenance Expenses		8,012,248	4,206,697	1,327,607	916,376	275,726	740,327	109,709	435,805

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Fire Protection Private (9)	Public (10)
DEPRECIATION EXPENSE									
Struct & Imp SS	2	48,407	19,334	9,744	8,999	2,270	7,866	34	160
Struct & Imp P	6	137,109	53,349	26,873	24,652	6,252	21,499	809	3,675
Struct & Imp WT	2	442,789	176,850	89,133	82,314	20,767	71,953	310	1,461
Struct & Imp TD	7	8,530	3,481	1,712	625	399	253	372	1,687
Struct & Imp Offices	15	0	0	0	0	0	0	0	0
Struct & Imp Store, Shop, Gar	15	11,375	6,398	1,792	1,034	358	824	195	775
Struct & Imp Misc	15	17,851	10,041	2,812	1,623	562	1,292	305	1,216
Collected & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	669	267	135	124	31	109	0	2
Wells & Springs	2	881	272	137	127	32	111	0	2
Supply Mains	2	149,929	59,882	30,181	27,872	7,032	24,363	105	495
Pump Equip Electric	6	97,296	37,858	19,070	17,494	4,437	15,256	574	2,608
Pump Equip Other	6	31	12	6	6	1	5	0	1
WT Equip Non-Media	2	433,919	173,307	87,348	80,666	20,351	70,512	304	1,432
WT Equip Filter Media	2	415	166	84	77	19	67	0	1
Dist Reservoirs & Standpipes	5	35,825	13,028	6,316	5,091	1,475	4,749	898	4,068
Elevated Tanks & Standpipes	5	6,758	2,471	1,198	966	280	901	170	772
Ground Level Facilities	5	0	0	0	0	0	0	0	0
TD Mains Not Classified by	7	34,277	13,988	6,879	2,513	1,604	1,018	1,494	6,780
TD Mains 4 & Less	4	11,391	4,753	2,328	560	543	0	576	2,620
TD Mains 6 to 8"	4	128,986	53,929	26,365	6,346	6,153	0	6,527	29,667
TD Mains 10 to 16"	3	143,063	52,661	26,538	24,492	6,180	21,417	2,132	9,642
TD Mains 18 & Grtr	3	67,287	24,768	12,482	11,520	2,907	10,073	1,003	4,535
Services	10	59,804	49,452	5,873	431	550	84	3,415	0
Meters Bronze Case	9	13,934	11,188	1,909	397	312	128	0	0
Meters Plastic Case	9	2,084	1,873	286	59	47	19	0	0
Meters Other	9	7,113	5,711	974	203	159	65	0	0
Meters Other-Rem Rdr Units	9	0	0	0	0	0	0	0	0
Meter Installations	9	76,632	61,528	10,499	2,184	1,717	705	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	29,953	0	0	0	0	0	0	29,953
Utility Plant Acquisition Adjustment	17	0	0	0	0	0	0	0	0
Other P/E WT Res Hand Equip	2	25,943	10,362	5,222	4,823	1,217	4,216	18	86
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	16,002	9,001	2,520	1,455	504	1,159	274	1,090
Comp & Periph Equip	15	80,084	45,047	12,613	7,280	2,523	5,798	1,369	5,454
Computer Software	15	135,304	76,109	21,310	12,299	4,262	9,796	2,314	9,214
Comp Software Personal	15	4,974	2,798	783	452	157	360	85	339
Data Handling Equipment	15	2,396	1,348	377	218	75	173	41	163
Other Office Equipment	15	11,975	6,736	1,886	1,089	377	867	205	815
Trans Equip Lt Duty Trks	15	15,315	8,615	2,412	1,392	482	1,109	262	1,043
Trans Equip Hvy Duty Trks	15	3,768	2,120	593	343	119	273	64	257

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Fire Protection Private (9)	Public (10)
Trans Equip Autos	15	5,410	3,043	852	492	170	392	93	368
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	13,108	7,373	2,065	1,192	413	949	224	893
Tools Shop, Garage Equip	15	32,885	18,498	5,179	2,989	1,036	2,381	562	2,239
Tools Shop, Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	28,006	11,186	5,638	5,206	1,313	4,551	20	92
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	15,559	8,752	2,451	1,414	490	1,126	266	1,060
Comm Equip Non-Telephone	15	3,638	2,046	573	331	115	263	62	248
Comm Equip Telephone	15	1,420	799	224	129	45	103	24	97
Misc Equipment	15	9,526	5,358	1,500	866	300	690	163	649
Total Depreciation Expense		2,371,221	1,055,568	436,873	342,342	98,037	287,474	25,269	125,657
Amort-Other UP	18	3,026	1,273	571	469	130	397	27	159
Amort-Intangible Fin	2	153,908	63,468	31,988	29,541	7,453	25,823	111	524
Taxes Other Than Income									
Utility Reg Assessment Fee	19	81,759	37,953	14,851	11,275	3,229	9,386	899	4,366
Property Taxes	18	914,456	384,712	172,466	141,741	39,322	119,977	8,230	48,009
FUTA	16	1,965	1,123	313	176	63	134	31	125
FICA	16	132,731	75,843	21,157	11,866	4,234	9,066	2,110	8,455
SUTA	16	561	378	105	59	21	45	11	42
Other Taxes & Licenses	15	39,748	22,358	6,260	3,613	1,252	2,878	680	2,707
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
Total Taxes, Other Than Income		1,171,321	522,366	214,954	188,729	48,121	141,485	11,961	63,704
Income Taxes									
Utility Income Available for Return	18	2,690,462	1,131,877	507,421	417,022	115,690	352,989	24,214	141,249
Total Cost of Service		21,304,750	9,883,055	3,820,295	2,943,602	841,752	2,453,455	233,370	1,129,221
Less: Other Water Revenues									
Revenue Contribution	19	389,356	180,739	69,773	53,692	15,380	44,698	4,263	20,792
Total Other Water Revenues		389,356	180,739	69,773	53,692	15,380	44,698	4,263	20,792
Total Cost of Service Related to Sales of Water		20,915,394	9,702,316	3,750,522	2,889,909	826,373	2,408,757	229,087	1,108,429
Reallocation of Public Fire									
	20	0	898,271	153,296	31,812	25,051	0	0	(1,108,429)
Total		\$ 20,915,394	\$ 10,600,587	\$ 3,903,818	\$ 2,921,721	\$ 851,423	\$ 2,408,757	\$ 229,087	\$ -

**MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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	4,493	0.3633
Commercial	2,457	0.1987
Industrial	2,603	0.2104
Other Public Authority	573	0.0463
Sales for Resale	2,168	0.1753
Private Fire Protection	14	0.0011
Public Fire Protection	61	0.0049
Total	<u>12,369</u>	<u>1.0000</u>

**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:

Customer Classification	Average Daily Consumption		Maximum Day Extra Capacity		Allocation Factor
	Allocation Factor 1	Weighted Factor	Allocation Factor	Weighted Factor	
(1)	(2)	(3)=(2)x 0.6667	(4)	(5)=(4)x 0.3333	(6)=(3)+(5)
Residential	0.3633	0.2421	0.4719	0.1573	0.3994
Commercial	0.1987	0.1325	0.2065	0.0688	0.2013
Industrial	0.2104	0.1403	0.1368	0.0456	0.1859
Other Public Authority	0.0463	0.0309	0.0481	0.0160	0.0469
Sales for Resale	0.1753	0.1169	0.1367	0.0456	0.1625
Private Fire Protection	0.0011	0.0007			0.0007
Public Fire Protection	0.0049	0.0033			0.0033
Total	<u>1.0000</u>	<u>0.6667</u>	<u>1.0000</u>	<u>0.3333</u>	<u>1.0000</u>

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
ST. JOSEPH 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.**

Customer Classification	Average Daily Consumption, Thousand Gal.	Maximum Day Extra Capacity		
		Factor*	Rate of Flow, Thousand Gal. Per Day	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	4,493	1.0	4,493	0.4719
Commercial	2,457	0.8	1,966	0.2065
Industrial	2,603	0.5	1,302	0.1368
Other Public Authority	573	0.8	458	0.0481
Sales for Resale	2,168	0.6	1,301	0.1367
Total	12,294		9,520	1.0000

The weighting of the factors is based on the maximum day ratio of 1.50, 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	0.6667
Maximum Day Extra Capacity	0.50	0.3333
Total	1.50	1.0000

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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 (8)=(3)+(5)+(7)
	Allocation Factor (2)	Weighted Factor (3)=(2) X 0.6143	Allocation Factor (4)	Weighted Factor (5)=(4) X 0.3071	Allocation Factor (6)	Weighted Factor (7)=(6) X 0.0786	
Residential	0.3633	0.2232	0.4719	0.1449			0.3681
Commercial	0.1987	0.1221	0.2065	0.0634			0.1855
Industrial	0.2104	0.1292	0.1368	0.0420			0.1712
Other Public Authority	0.0463	0.0284	0.0481	0.0148			0.0432
Sales for Resale	0.1753	0.1077	0.1367	0.0420			0.1497
Private Fire Protection	0.0011	0.0007			0.1802	0.0142	0.0149
Public Fire Protection	0.0049	0.0030			0.8198	0.0644	0.0674
Total	1.0000	0.6143	1.0000	0.3071	1.0000	0.0786	1.0000

**MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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 1.50 and the average daily system sendout for 2005 of 15.003 MGD. The system demand for fire protection is 8,000 Gallons per minute for 4 hours.

	<u>Ratio</u>	<u>Rate of Flow, (GPD)</u>	<u>Weight</u>
Average Day	1.00	15,003,000	0.6143
Maximum Day			
Extra Capacity	<u>0.50</u>	<u>7,501,500</u>	<u>0.3071</u>
Subtotal	<u><u>1.50</u></u>	22,504,500	0.9214
Fire Protection		<u>1,920,000</u>	<u>0.0786</u>
Total		<u><u>24,424,500</u></u>	<u><u>1.0000</u></u>

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
ST. JOSEPH 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 (1)	Average Hourly Consumption		Maximum Hour Extra Capacity		Fire Protection		Allocation Factor (9)=(4)+(6)+(8)
	Thousand Gallons (2)	Allocation Factor (3)	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.3613	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.2774	
Residential	187.2	0.5374	0.1941	0.1941	0.6202	0.2240	0.4181
Commercial	102.4	0.2941	0.1063	0.1063	0.2714	0.0981	0.2044
Industrial	31.7	0.0910	0.0329	0.0329	0.0451	0.0163	0.0492
Other Public Authority	23.9	0.0686	0.0248	0.0248	0.0633	0.0229	0.0477
Sales for Resale	0.0	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.6	0.0017	0.0006	0.0006	0.1802	0.0500	0.0506
Public Fire Protection	2.5	0.0072	0.0026	0.0026	0.8198	0.2274	0.2300
Total	348.3	1.0000	0.3613	0.3613	1.0000	0.2774	1.0000

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

**MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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 2.0 and the average daily system sendout for 2005 of 15.003 MGD. The system demand for fire protection is 8,000 gallons per minute.

	<u>Ratio</u>	<u>Rate of Flow, (GPM)</u>	<u>Weight</u>
Average Hour	1.00	10,419	0.3613
Maximum Hour Extra Capacity	<u>1.00</u>	<u>10,419</u>	<u>0.3613</u>
Subtotal	<u>2.00</u>	20,838	0.7226
Fire Protection		<u>8,000</u>	<u>0.2774</u>
Total		<u>28,838</u>	<u>1.0000</u>

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

<u>Customer Classification</u> (1)	<u>Average Hourly Consumption Thousand Gal.</u> (2)	<u>Maximum Hour Extra Capacity</u>		
		<u>Factor*</u> (3)	<u>1,000 Gallons Per Hour (4)=(2)x(3)</u>	<u>Allocation Factor (5)</u>
Residential	187.2	3.5	655.2	0.6202
Commercial	102.4	2.8	286.7	0.2714
Industrial	31.7	1.5	47.6	0.0451
Other Public Authority	23.9	2.8	66.9	0.0633
Sales for Resale	<u>0.0</u>	2.0	<u>0.0</u>	<u>0.0000</u>
Total	<u>345.2</u>		<u>1,056.4</u>	<u>1.0000</u>

* 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
ST. JOSEPH 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 (1)	Average Hourly Consumption		Maximum Hour Extra Capacity		Fire Protection		Allocation Factor (9)=(4)+(6)+(8)
	Thousand Gallons (2)	Allocation Factor (3)	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.4316	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.1368	
Residential	187.2	0.3631	0.4845	0.2090			0.3657
Commercial	102.4	0.1987	0.2120	0.0915			0.1773
Industrial	108.5	0.2105	0.1204	0.0520			0.1429
Other Public Authority	23.9	0.0464	0.0495	0.0214			0.0414
Sales for Resale	90.3	0.1752	0.1336	0.0577			0.1333
Private Fire Protection	0.6	0.0012			0.1802	0.0247	0.0252
Public Fire Protection	2.5	0.0049			0.8198	0.1121	0.1142
Total	515.4	1.0000	1.0000	0.4316	1.0000	0.1368	1.0000

The weighting of the factors is based on the ratio of the capacity required for a 4 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

Schedule C-SJO

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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 4 hour demand of fire flow, as related to total storage capacity.

$$\text{Fire Protection Weight} = \frac{8,000 \text{ GPM} \times 60 \text{ Min.} \times 4 \text{ Hrs.}}{14,040,000 \text{ Gallons}} = 0.1368$$

$$\text{General Service Weight} = 1.0000 - 0.1368 = 0.8632$$

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	50.00	0.4316
Extra Capacity Maximum Hour	1.00	50.00	0.4316
Total	2.00	100.00	0.8632

Customer Classification	Average Hourly Consumption Thousand Gal. (2)	Factor*	Maximum Hour Extra Capacity	
			1,000 Gallons Per Hour (4)=(2)x(3)	Allocation Factor (5)
Residential	187.2	3.5	655.2	0.4845
Commercial	102.4	2.8	286.7	0.2120
Industrial	108.5	1.5	162.8	0.1204
Other Public Authority	23.9	2.8	66.9	0.0495
Sales for Resale	90.3	2.0	180.6	0.1336
Total	512.3		1352.2	1.0000

* Ratio of Maximum Hour To Average Hour Minus 1.0.

**MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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:

Customer Classification	Maximum Daily Consumption		Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		Allocation
	Allocation Factor 2	Weighted Factor	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
(1)	(2)	(3)=(2)X 0.6555	(4)	(5)=(4)X 0.3361	(6)	(7)=(6)X 0.0084	(8)=(3)+ (5)+(7)
Residential	0.3994	0.2617	0.3681	0.1238	0.4181	0.0036	0.3891
Commercial	0.2013	0.1320	0.1855	0.0623	0.2044	0.0017	0.1960
Industrial	0.1859	0.1219	0.1712	0.0575	0.0492	0.0004	0.1798
Other Public Authority	0.0469	0.0307	0.0432	0.0145	0.0477	0.0004	0.0456
Sales for Resale	0.1625	0.1065	0.1497	0.0503	0.0000	0.0000	0.1568
Private Fire Protection	0.0007	0.0005	0.0149	0.0050	0.0506	0.0004	0.0059
Public Fire Protection	0.0033	0.0022	0.0674	0.0227	0.2300	0.0019	0.0268
Total	1.0000	0.6555	1.0000	0.3361	1.0000	0.0084	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:

	<u>Horsepower of Pumps</u>	<u>Weight</u>
Associated with Maximum Day	2,350	0.6555
Associated with Maximum Day and Fire	1,205	0.3361
Associated with Maximum Hour	30	0.0084
Total	3,585	1.0000

Schedule C-SJO

**MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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:

Customer Classification	Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		Allocation
	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
(1)	(2)	(3)=(2)X 0.1983	(4)	(5)=(4)X 0.8017	(6)=(3)+(5)
Residential	0.3681	0.0729	0.4181	0.3352	0.4081
Commercial	0.1855	0.0368	0.2044	0.1639	0.2007
Industrial	0.1712	0.0339	0.0492	0.0394	0.0733
Other Public Authority	0.0432	0.0086	0.0477	0.0382	0.0468
Sales for Resale	0.1497	0.0297	0.0000	0.0000	0.0297
Private Fire Protection	0.0149	0.0030	0.0506	0.0406	0.0436
Public Fire Protection	0.0674	0.0134	0.2300	0.1844	0.1978
Total	<u>1.0000</u>	<u>0.1983</u>	<u>1.0000</u>	<u>0.8017</u>	<u>1.0000</u>

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	649,052	0.1983
Distribution Mains	<u>2,624,707</u>	<u>0.8017</u>
Total	<u>3,273,759</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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.

<u>Customer Classification</u> (1)	<u>Allocation Factor</u> (3)
Public Fire Protection	1.0000
Total	<u>1.0000</u>

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.

<u>Customer Classification</u> (1)	<u>5/8" Dollar Equivalents</u> (2)	<u>Allocation Factor</u> (3)
Residential	29,521	0.8029
Commercial	5,037	0.1370
Industrial	1,047	0.0285
Other Public Authority	822	0.0224
Sales for Resale	339	0.0092
Private Fire	<u>0</u>	<u>0.0000</u>
Total	<u>36,766</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size (1)	5/8" Dollar Equivalent (2)	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Total	
		Number of Meters (3)	Weighting (4)=(2)X(3)	Number of Meters (5)	Weighting (6)=(2)X(5)	Number of Meters (7)	Weighting (8)=(2)X(7)	Number of Meters (9)	Weighting (10)=(2)X(9)	Number of Meters (11)	Weighting (12)=(2)X(11)	Number of Meters (13)	Weighting (14)
5/8	1.0	26,809	26,809	2,045	2,045	6	6	39	39	0	0	28,999	28,999
3/4	1.3	1,101	1,431	157	204	4	5	13	17	0	0	1,275	1,657
1	1.7	636	1,081	387	658	18	31	38	65	0	0	1,079	1,835
1-1/2	3.5	6	21	85	298	3	11	19	67	0	0	113	397
2	4.3	14	60	273	1,174	73	314	82	353	11	47	453	1,948
3	19.0	1	19	11	209	3	57	3	57	0	0	18	342
4	29.3	0	0	12	352	13	381	6	178	5	147	36	1,056
6	48.4	0	0	2	97	5	242	1	48	3	145	11	532
8	112.9	0	0	0	0	0	0	0	0	0	0	0	0
Total		28,667	29,521	2,972	5,037	125	1,047	201	822	19	339	31,984	36,766

**MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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.

<u>Customer Classification</u> (1)	<u>3/4" Dollar Equivalents</u> (2)	<u>Allocation Factor</u> (3)
Residential	28,795	0.8269
Commercial	3,419	0.0982
Industrial	251	0.0072
Other Public Authority	322	0.0092
Sales for Resale	49	0.0014
Private Fire Protection	<u>1,990</u>	<u>0.0571</u>
Total	<u><u>34,826</u></u>	<u><u>1.0000</u></u>

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MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

Service Size (1)	3/4" Dollar Equivalent (2)	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Private Fire Protection		Total	
		Number of Services (3)	Weighting (4)=(2)X(3)	Number of Services (5)	Weighting (6)=(2)X(5)	Number of Services (7)	Weighting (8)=(2)X(7)	Number of Services (9)	Weighting (10)=(2)X(9)	Number of Services (11)	Weighting (12)=(2)X(11)	Number of Services (13)	Weighting (14)=(2)X(13)	Number of Services (15)	Weighting (16)
3/4	1.00	28,010	28,010	2,202	2,202	10	10	52	52	0	0	0	0	30,274	30,274
1	1.17	636	744	387	453	18	21	38	44	0	0	0	0	1,079	1,262
1-1/2	1.58	6	9	85	134	3	5	19	30	0	0	0	0	113	178
2	2.04	14	28	273	557	73	149	82	167	11	22	12	24	465	948
3	2.73	1	3	11	30	3	8	3	8	0	0	1	3	19	52
4	2.88	0	0	12	35	13	37	6	17	5	14	100	288	136	391
6	4.24	0	0	2	8	5	21	1	4	3	13	168	712	179	758
8	6.98	0	0	0	0	0	0	0	0	0	0	100	698	100	698
10	9.50	0	0	0	0	0	0	0	0	0	0	15	143	15	143
12	12.16	0	0	0	0	0	0	0	0	0	0	10	122	10	122
Total		28,667	28,795	2,972	3,419	125	251	201	322	19	49	406	1,990	32,390	34,828

**MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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	\$ 261,564	0.5948
Commercial	71,481	0.1626
Industrial	21,453	0.0488
Other Public Authority	14,333	0.0326
Sales for Resale	8,682	0.0197
Private Fire Protection	15,759	0.0358
Public Fire Protection	46,472	0.1057
Total	<u>439,744</u>	<u>1.0000</u>

**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	\$ 73,753	0.4599
Commercial	26,049	0.1624
Industrial	8,646	0.0539
Other Public Authority	5,685	0.0354
Sales for Resale	3,416	0.0213
Private Fire Protection	4,835	0.0301
Public Fire Protection	38,014	0.2370
Total	<u>\$160,397</u>	<u>1.0000</u>

Schedule C-SJO

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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	28,667	0.8832
Commercial	2,972	0.0916
Industrial	125	0.0039
Other Public Authority	201	0.0062
Sales for Resale	19	0.0006
Private Fire Protection	469	0.0145
Public Fire Protection	0	0.0000
Total	<u>32,453</u>	<u>1.0000</u>

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	28,667	0.8963
Commercial	2,972	0.0929
Industrial	125	0.0039
Other Public Authority	201	0.0063
Sales for Resale	19	0.0006
Total	<u>31,984</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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	\$1,489,697	0.5625
Commercial	416,956	0.1575
Industrial	240,664	0.0909
Other Public Authority	83,448	0.0315
Sales for Resale	191,586	0.0724
Private Fire Protection	45,151	0.0171
Public Fire Protection	180,245	0.0681
Total	\$2,647,745	1.0000

**MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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	\$974,280	0.5714
Commercial	271,812	0.1594
Industrial	152,385	0.0894
Other Public Authority	54,313	0.0319
Sales for Resale	116,510	0.0683
Private Fire Protection	27,164	0.0159
Public Fire Protection	108,696	0.0637
Total	<u>\$1,705,161</u>	<u>1.0000</u>

**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	\$37,100,891	0.4216
Commercial	16,587,366	0.1884
Industrial	13,613,886	0.1547
Other Public Authority	3,784,294	0.0430
Sales for Resale	11,517,757	0.1308
Private Fire Protection	794,623	0.0090
Public Fire Protection	4,623,818	0.0525
Total	<u>\$88,022,635</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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	\$34,063,952	0.4207
Commercial	15,266,609	0.1886
Industrial	12,545,652	0.1550
Other Public Authority	3,484,529	0.0430
Sales for Resale	10,618,000	0.1312
Private Fire Protection	728,765	0.0090
Public Fire Protection	4,249,828	0.0525
Total	<u>\$80,957,336</u>	<u>1.0000</u>

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	\$9,777,265	0.4642
Commercial	3,773,878	0.1792
Industrial	2,904,041	0.1379
Other Public Authority	831,222	0.0395
Sales for Resale	2,419,480	0.1149
Private Fire Protection	232,042	0.0110
Public Fire Protection	1,123,074	0.0533
Total	<u>\$21,061,001</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Public (10)
RATE BASE									
Organization	17	\$ 12,660	\$ 5,337	\$ 2,385	\$ 1,959	\$ 544	\$ 1,656	\$ 114	\$ 665
Franchises	17	0	0	0	0	0	0	0	0
Land & Ld Rights SS	2	1,414,424	564,921	284,724	262,941	66,336	229,844	990	4,668
Land & Ld Rights P	6	8,921	3,471	1,749	1,604	407	1,399	53	239
Land & Ld Rights WT	2	0	0	0	0	0	0	0	0
Land & Ld Rights TD	7	786,054	320,789	157,761	57,618	36,787	23,346	34,272	155,481
Land & Land Rights AG	15	8,112	4,563	1,278	737	256	587	139	552
Struct & Imp SS	2	1,932,594	771,878	369,031	359,269	90,639	314,047	1,353	6,378
Struct & Imp P	6	4,341,240	1,889,176	850,883	780,555	197,961	680,706	25,613	116,345
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	20,773,203	8,296,817	4,161,646	3,861,738	974,263	3,375,645	14,541	68,552
Struct & Imp WT Nth Plt (ST	2	0	0	0	0	0	0	0	0
Struct & Imp WT Crl Plt 1	2	0	0	0	0	0	0	0	0
Struct & Imp WT Crl 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	363,015	148,146	72,857	26,609	16,989	10,782	15,827	71,804
Struct & Imp TD Spec Cross	7	0	0	0	0	0	0	0	0
Struct & Imp Offices	15	441,210	248,181	69,491	40,106	13,898	31,944	7,545	30,046
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	173,427	97,553	27,315	15,765	5,463	12,556	2,966	11,810
Struct & Imp Misc	15	805,759	453,239	126,907	73,243	25,381	58,337	13,778	54,872
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	685,894	273,946	138,070	127,508	32,168	111,458	480	2,263
Wells & Springs	2	64,549	25,781	12,994	12,000	3,027	10,489	45	213
Supply Mains	2	8,342,997	3,332,193	1,679,445	1,550,963	391,287	1,355,737	5,840	27,532
Supply Mains Nth Plt (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Crl 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	0	0	0	0	0	0	0	0
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	4,102,802	1,596,400	804,149	737,684	187,088	643,319	24,207	109,955
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 Crl Plt	6	0	0	0	0	0	0	0	0
Pump Equip Hydraulic	6	0	0	0	0	0	0	0	0

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Public (10)
Pump Equip Other	6	2,618	1,019	513	471	119	411	15	70
WT Equip Non-Media	2	15,741,726	6,287,245	3,168,809	2,926,387	738,287	2,558,030	11,019	51,948
WT Equip Non-Med North (STL)	2	0	0	0	0	0	0	0	0
WT Equip Non Media Ctr 1 &	2	0	0	0	0	0	0	0	0
WT Equip Non Media Ctr 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	19,566	7,815	3,939	3,637	918	3,180	14	65
Dist Reservoirs & Standpipe	5	762,873	278,983	135,257	109,015	31,583	101,691	19,224	87,120
Elevated Tanks & Standpipes	5	280,791	102,685	49,784	40,125	11,625	37,429	7,076	32,066
Ground Level Facilities	5	0	0	0	0	0	0	0	0
TD Mains Not Classified by	7	(1,729,769)	(705,927)	(347,169)	(126,794)	(80,954)	(51,375)	(75,419)	(342,152)
TD Mains 4 & Less	4	648,995	271,345	132,655	31,931	30,957	0	32,839	149,269
TD Mains 6 to 8"	4	6,787,539	2,837,870	1,387,373	333,947	323,766	0	343,449	1,561,134
TD Mains 10 to 16"	3	7,440,914	2,739,000	1,380,289	1,273,884	321,447	1,113,905	110,870	501,518
TD Mains 18 & Grtr	3	3,482,459	1,281,893	645,996	596,197	150,442	521,324	51,889	234,718
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	2,264,277	1,872,330	222,352	16,303	20,831	3,170	128,290	0
Meters Bronze Case	9	2,496,813	2,004,691	342,063	71,159	55,929	22,971	0	0
Meters Plastic Case	9	69,596	55,879	9,535	1,983	1,559	640	0	0
Meters Other	9	(790,536)	(634,721)	(108,303)	(22,530)	(17,708)	(7,273)	0	0
Meters Other-Rem Rdr Units	9	0	0	0	0	0	0	0	0
Meter Installations	9	2,121,310	1,703,200	290,619	60,457	47,517	19,516	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	1,619,969	0	0	0	0	0	0	1,619,969
Other P/E Intangible	15	0	0	0	0	0	0	0	0
Other P/E WT Res Hand Equip	2	1,370,337	547,313	275,849	254,746	64,269	222,680	959	4,522
Other P/E TD	7	0	0	0	0	0	0	0	0
Other P/E CPS	15	(62,172)	(34,972)	(9,792)	(5,651)	(1,958)	(4,501)	(1,063)	(4,234)
Office Furniture & Equip	15	(90,229)	(50,754)	(14,211)	(8,202)	(2,842)	(6,533)	(1,543)	(6,145)
Comp & Periph Equip	15	355,957	200,226	56,083	32,356	11,213	25,771	6,087	24,241
Computer Software	15	(412,261)	(231,897)	(64,931)	(37,475)	(12,986)	(29,848)	(7,050)	(28,075)
Comp Software Personal	15	36,715	20,652	5,783	3,337	1,157	2,658	628	2,500

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Data Handling Equipment	15	31,096	17,492	4,898	2,827	980	2,251	532	2,118
Other Office Equipment	15	143,408	80,667	22,587	13,036	4,517	10,383	2,452	9,766
Trans Equip Lt Duty Trks	15	181,250	101,953	28,547	16,476	5,709	13,123	3,099	12,343
Trans Equip Hwy Duty Trks	15	40,665	22,874	6,405	3,696	1,281	2,944	696	2,769
Trans Equip Autos	15	(9,715)	(5,465)	(1,530)	(883)	(306)	(703)	(166)	(662)
Trans Equip Other	15	(237,688)	(133,700)	(37,436)	(21,606)	(7,487)	(17,209)	(4,064)	(16,187)
Stores Equipment	15	144,447	81,251	22,750	13,130	4,550	10,458	2,470	9,837
Tools, Shop, Garage Equip	15	580,249	326,390	91,389	52,745	18,278	42,010	9,922	39,515
Tools, Shop, Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	279,472	111,821	56,258	51,954	13,107	45,414	196	922
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	89,279	50,219	14,061	8,115	2,812	6,464	1,527	6,080
Comm Equip Non-Telephone	15	37,028	20,828	5,832	3,368	1,166	2,681	633	2,522
Comm Equip Telephone	15	16,835	9,470	2,652	1,530	530	1,219	288	1,146
Misc Equipment	15	64,640	36,360	10,181	5,876	2,036	4,680	1,105	4,402
Other Tangible Property	17	0	0	0	0	0	0	0	0
Total Utility Plant in Service		88,035,295	37,106,229	16,589,751	13,615,845	3,784,838	11,519,413	794,737	4,624,482
Other Rate Base Items									
Add:									
Other Utility Plant Adjustments	17	0	0	0	0	0	0	0	0
Cash Working Capital	15	0	0	0	0	0	0	0	0
Materials and Supplies	15	206,757	116,301	32,564	18,794	6,513	14,969	3,536	14,080
Prepayments	15	48,119	27,067	7,579	4,374	1,516	3,484	823	3,277
OPEB's Contributed to External Fund	16	294,866	168,372	46,970	26,343	9,400	20,126	4,685	18,770
Premature Retirement	17	0	0	0	0	0	0	0	0
Regulatory Deferrals	17	278,055	117,228	52,386	43,015	11,956	36,370	2,502	14,598
Less:									
Accumulated Deferred ITC (3%)	17	(22,972)	(9,685)	(4,328)	(3,554)	(988)	(3,005)	(207)	(1,206)
Deferred Income Taxes	17	(6,959,608)	(2,934,171)	(1,311,190)	(1,076,651)	(289,263)	(910,317)	(62,636)	(365,379)
Pensions	16	(922,976)	(527,388)	(147,122)	(82,514)	(29,443)	(63,039)	(14,675)	(58,794)
Total Other Rate Base Elements		(7,077,959)	(3,042,276)	(1,323,142)	(1,070,193)	(300,309)	(901,412)	(65,972)	(374,554)
Total Original Cost Measure of Value		\$ 80,957,336	\$ 34,063,952	\$ 15,266,609	\$ 12,545,652	\$ 3,484,529	\$ 10,618,000	\$ 728,765	\$ 4,249,928

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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	16.540	22.556	1.36	9/30/1990
1991	16.389	24.628	1.50	7/20/1991
1992	15.936	21.983	1.38	6/30/1992
1993	15.958	21.619	1.35	6/15/1993
1994	14.665	22.291	1.52	8/25/1994
1995	14.525	22.125	1.52	7/12/1995
1996	15.116	19.378	1.28	7/18/1996
1997	15.018	20.865	1.39	7/16/1997
1998	15.018	20.912	1.39	8/24/1998
1999	16.047	21.888	1.36	7/30/1999
2000	15.185	21.096	1.39	8/16/2000
2001	14.232	19.574	1.38	8/6/2001
2002	15.117	22.027	1.46	7/31/2002
2003	14.994	22.510	1.50	8/8/2003
2004	14.889	19.653	1.32	7/27/2004
2005	15.003	21.333	1.42	7/21/2005

**MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT**

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

<u>Description</u> (1)	<u>Restrictive Diameters Squared</u> (2)	<u>Quantity</u> (3)	<u>Relative Demand*</u> (4)=(2)x(3)	<u>Allocation Factor</u> (5)
<u>PRIVATE FIRE PROTECTION</u>				
<u>Fire Lines</u>				
2 -inch	4.00	12	48	
3 -inch	9.00	1	9	
4 -inch	16.00	100	1,600	
6 -inch	36.00	168	6,048	
8 -inch	64.00	100	6,400	
10 -inch	100.00	15	1,500	
12 -inch	144.00	10	1,440	
Private Hydrants	32.75	63	2,063	
Total Private Fire Protection		469	19,108	0.1802
<u>PUBLIC FIRE PROTECTION</u>				
<u>Hydrant</u>	<u>Nozzle Sizes</u>			
6" Valve	2- 2-1/2" & 1- 4.5"	141	4,618	
6" Valve	2- 2-1/2" & 1- 4"	2,888	82,308	
Total Public Fire Protection		3,029	86,926	0.8198
Total Fire Protection		3,498	106,034	1.0000

ST. LOUIS COUNTY DISTRICT

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY DISTRICT

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

Customer Classification (1)	Cost of Service		Revenues, Present Rates		Revenues, Proposed Rates		Proposed Increase	
	Amount (Schedule B) (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
Rate A	\$ 117,947,777	85.3%	\$ 100,449,288	86.8%	\$ 125,324,774	85.8%	\$ 24,875,486	24.8%
Rate B	2,126,085	1.5%	1,987,396	1.7%	2,573,864	1.8%	586,468	29.5%
Rate J	6,976,887	5.0%	6,158,095	5.3%	8,204,798	5.6%	2,046,703	33.2%
Rate G	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Rate F	1,023,737	0.7%	1,326,062	1.1%	1,772,725	1.2%	446,663	33.7%
Rate E	10,430,697	7.5%	6,081,874	5.1%	8,103,606	5.6%	2,021,732	33.2%
Total Sales	138,505,183	100.0%	116,002,715	100.0%	145,979,767	100.0%	29,977,052	25.8%
Other Revenues*	4,403,825		4,403,825		4,404,339		514	0.0%
Total	\$ 142,909,008		\$ 120,406,541		\$ 150,384,107		\$ 29,977,566	24.9%

* Includes Rate G and H Contract Sales.

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Rate A (4)	Rate B (5)	Rate J (6)	Rate G (7)	Other (8)	Rate F (9)	Rate E (10)
OPERATION AND MAINTENANCE EXPENSES									
SOURCE OF SUPPLY EXPENSES									
Super & Eng Oper SS	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor & Exp Oper SS	2	195,896	170,412	6,497	18,063	0	0	117	607
Labor & Exp Oper SS	2	124,796	108,671	4,143	11,519	0	0	75	387
Purchased Water	1	215,786	179,167	8,027	27,081	0	0	237	1,273
TOTAL SS EXPENSE - OPERATION		536,277	458,250	18,668	56,662	0	0	430	2,267
Misc Exp Oper SS	2	372,000	323,938	12,350	34,336	0	0	223	1,153
Misc Exp Oper SS	2	131	114	4	12	0	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	5,619	4,893	187	519	0	0	3	17
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
Lake, River & Oth Maint SS	2	70,912	61,750	2,354	6,545	0	0	43	220
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
Infiltr 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
Misc Plant Maint SS	2	103,511	90,137	3,437	9,554	0	0	62	321
Misc Plant Maint SS	2	116,095	101,096	3,854	10,716	0	0	70	360
TOTAL SS EXPENSE - MAINTENANCE		668,268	581,927	22,186	61,681	0	0	401	2,072
TOTAL SS EXPENSE		1,204,544	1,040,178	40,854	118,344	0	0	831	4,339
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	11,117	9,587	366	1,016	0	0	23	125
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Purch Fuel/Power for Pump	1	7,093,927	5,890,087	263,894	890,288	0	0	7,803	41,854
Labor & Exp Oper Pump	6	922,267	795,363	30,343	84,265	0	0	1,937	10,329
Labor & Exp Oper Pump	6	0	0	0	0	0	0	0	0
Expenses Transferred	6	0	0	0	0	0	0	0	0
Misc Exp Oper P	6	100,592	86,751	3,309	9,194	0	0	211	1,127
Rents Oper P	6	0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSE - OPERATION		8,127,903	6,781,788	297,912	984,793	0	0	9,975	53,435

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Rate A (4)	Rate B (5)	Rate J (6)	Rate G (7)	Other (8)	Rate F (9)	Fire Protection Rate E (10)
Super & Eng Maint P	6	21,910	18,895	721	2,003	0	0	46	245
Struct & Improve Maint P	6	374,237	322,742	12,312	34,205	0	0	786	4,191
Power Prod Equip Maint P	6	223,342	192,610	7,346	20,413	0	0	469	2,501
Pump Equip Maint P	6	42,882	38,964	1,410	3,918	0	0	90	480
Pump Equip Maint P	6	78,064	67,322	2,568	7,135	0	0	164	874
TOTAL PUMPING EXPENSES - MAINTENANCE		740,415	638,534	24,360	67,674	0	0	1,555	8,293
TOTAL PUMPING EXPENSES		8,868,317	7,420,322	322,272	1,052,467	0	0	11,530	61,727
WATER TREATMENT									
Super & Eng Oper WT	2	74,451	64,832	2,472	6,872	0	0	45	231
Chemicals	1	4,848,894	4,026,037	180,379	608,536	0	0	5,334	28,608
Labor & Exp Oper WT	2	1,575,061	1,371,563	52,292	145,378	0	0	945	4,883
Labor & Exp Oper WT	2	129,368	112,654	4,295	11,941	0	0	78	401
Misc Exp Oper WT	2	(155,426)	(135,345)	(5,160)	(14,346)	0	0	(93)	(482)
Misc Exp Oper WT	1	379,059	314,733	14,101	47,572	0	0	417	2,236
Misc Exp Oper WT	2	43,503	37,862	1,444	4,015	0	0	28	135
Rents Oper WT	2	0	0	0	0	0	0	0	0
TOTAL WT EXPENSE - OPERATION		6,894,910	5,792,355	249,823	809,968	0	0	6,751	36,012
Super & Eng Maint WT	2	45,253	39,406	1,502	4,177	0	0	27	140
Struct & Improve Maint WT	2	49,960	43,505	1,659	4,611	0	0	30	155
WT Equip Maint WT	2	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	483,898	421,378	16,065	44,664	0	0	290	1,500
WT Equip Maint WT	2	427,572	372,330	14,195	39,465	0	0	257	1,325
TOTAL WT EXPENSE - MAINTENANCE		1,006,683	876,619	33,422	92,917	0	0	604	3,121
TOTAL WT EXPENSE		7,901,592	6,668,974	283,245	902,885	0	0	7,355	39,133
TRANSMISSION AND DISTRIBUTION EXPENSES									
Super & Eng Oper TD	11	998,037	919,891	4,391	24,552	0	0	16,168	33,035
Storage Facility Exp	5	8,920	8,965	257	679	0	0	163	856
Storage Facility Exp	5	0	0	0	0	0	0	0	0
TD Lines Exp	7	638,376	582,263	4,022	15,896	0	0	5,809	30,387
TD Lines Exp	7	1,564,812	1,427,265	9,858	38,964	0	0	14,240	74,485
Meter Expense	9	513,958	487,129	0	22,152	0	0	4,677	0
Meter Expense	9	0	0	0	0	0	0	0	0
Customer Install Exp	10	486,932	439,149	0	934	0	0	26,849	0
Customer Install Exp	10	335	315	0	1	0	0	19	0
Misc Exp Oper TD	11	367,362	338,598	1,616	9,037	0	0	5,951	12,160
Misc Exp Oper TD	11	0	0	0	0	0	0	0	0
Misc Exp Oper TD	11	462,474	426,263	2,035	11,377	0	0	7,492	15,308
Rents Oper TD	11	52,503	48,392	231	1,292	0	0	851	1,738
TOTAL T & D EXPENSE OPERATION		5,073,710	4,676,230	22,411	124,882	0	0	82,219	167,969

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2008, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Rate A (4)	Rate B (5)	Rate J (6)	Rate G (7)	Other (8)	Rate F (9)	Fire Protection Rate E (10)
Super & Eng Maint TD	12	102,310	76,630	307	2,005	0	0	1,688	21,679
Struct & Improve Maint TD	12	6,589	4,935	20	129	0	0	109	1,398
Struct & Improve Maint TD	12	0	0	0	0	0	0	0	0
Dist Res Stand Maint TD	5	18,726	14,621	539	1,425	0	0	343	1,798
TD Main Maint TD	7	0	0	0	0	0	0	0	0
TD Main Maint TD	7	832,721	759,525	5,246	20,735	0	0	7,578	39,638
Fire Main Maint TD	8	278	0	0	711	0	0	0	278
Services Maint TD	10	355,718	334,553	0	0	0	0	20,454	0
Services Maint TD	10	0	0	0	0	0	0	0	0
Meters Maint TD	9	336,073	318,530	0	14,485	0	0	3,058	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	362,123	0	0	0	0	0	0	362,123
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Misc Plant Maint TD	12	3,836,980	2,873,898	11,511	75,205	0	0	63,310	813,056
Mat and Sup Maint TD	12	1,129,074	845,676	3,387	22,130	0	0	18,630	239,251
Misc Maint TD	12	(77,855)	(58,313)	(234)	(1,526)	0	0	(1,285)	(16,497)
Amort Def Maint TD	5	546,806	426,946	15,748	41,612	0	0	10,007	52,493
Permits TD	12	80,945	60,628	243	1,587	0	0	1,336	17,152
TOTAL T & D EXPENSE - MAINTENANCE		7,530,488	5,657,629	36,768	178,498	0	0	125,227	1,532,367
TOTAL T & D EXPENSE		12,604,198	10,333,859	59,178	303,379	0	0	207,446	1,700,336
CUSTOMER ACCOUNTS									
Supervision CA	13	0	0	0	0	0	0	0	0
Meter Reading Exp CA	14	998,307	997,609	0	699	0	0	0	0
Meter Reading Exp CA	14	(172)	(172)	0	(0)	0	0	0	0
Meter Reading Exp CA	14	(356)	(356)	0	(0)	0	0	0	0
Cust Rec & Collection CA	13	460,498	454,604	0	322	0	0	5,572	0
Cust Rec & Collection CA	13	1,436,524	1,418,137	0	1,006	0	0	17,382	0
Uncollectible Accts	13	1,610,836	1,590,218	0	1,128	0	0	19,491	0
Misc Cust Accts Exp CA	13	130,878	129,203	0	92	0	0	1,584	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	97,129	95,885	0	68	0	0	1,175	0
Cust Serv & Info Exp CA	13	(75)	(74)	0	(0)	0	0	(1)	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		4,733,569	4,685,053	0	3,313	0	0	45,203	0

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

Account (1)	Factor Ref. (2)	Cost of Service (3)	Rate A (4)	Rate B (5)	Rate J (6)	Rate G (7)	Other (8)	Rate F (9)	Fire Protection Rate E (10)
ADMINISTRATIVE AND GENERAL EXPENSES									
Salaries AG	15	2,523,128	2,186,795	26,493	89,319	0	0	28,764	191,758
Other Supplies & Exp AG	15	52,687	45,664	553	1,865	0	0	601	4,004
Other Supplies & Exp AG	15	747,473	847,835	7,848	28,461	0	0	8,521	56,808
Other Supplies & Exp AG	15	887,123	768,869	9,315	31,404	0	0	10,113	67,421
Mgmt Fees-Corporate/Shared Service Center	15	13,653,064	11,833,110	143,357	483,318	0	0	155,645	1,037,633
Mgmt Fees-Call Center	13	500,339	493,935	0	350	0	0	6,054	0
Mgmt Fees-Belleville Lab	2	529,717	548,358	20,907	58,123	0	0	378	1,952
Mgmt Fees- Financial ITS	15	4,758,144	4,123,884	49,961	166,438	0	0	54,243	361,619
Mgmt Fees- Customer Billings ITS	13	(171)	(169)	0	(0)	0	0	(2)	0
Mgmt Fees-Other ITS	15	61,728	53,500	648	2,185	0	0	704	4,691
Outside Services AG	15	787,426	682,462	8,268	27,875	0	0	8,977	59,844
Outside Services AG	15	1,009,954	875,327	10,605	35,752	0	0	11,513	76,756
Property Insurance	15	0	0	0	0	0	0	0	0
Ins Gen Lab Oper AG	15	2,170,838	1,881,465	22,794	76,848	0	0	24,748	164,984
Ins Work Comp AG	16	643,583	544,471	7,401	25,357	0	0	7,466	58,888
Ins Other Oper AG	15	828,222	717,820	8,696	29,319	0	0	9,442	62,945
Property Insurance	15	63,859	55,346	671	2,261	0	0	728	4,853
Injuries & Damages	16	45,705	38,666	526	1,801	0	0	530	4,182
Employee Pension & Benefits	16	4,216,157	3,566,869	48,486	166,117	0	0	48,907	385,778
Employee Pension & Benefits	16	1,858,783	1,572,531	21,376	73,236	0	0	21,562	170,079
Employee Pension & Benefits	16	594,529	587,572	7,987	27,364	0	0	8,057	63,549
Reg Commission Exp	15	200,891	174,113	2,109	7,112	0	0	2,290	15,268
Rents AG	15	338,302	293,206	3,552	11,976	0	0	3,857	25,711
Goodwill Advertising Exp	15	17,315	15,007	182	613	0	0	197	1,316
Misc Exp AG	15	639,934	554,631	6,719	22,654	0	0	7,295	48,635
Research & Development	15	0	0	0	0	0	0	0	0
TOTAL A & G OPERATIONS		37,328,731	32,261,267	408,453	1,369,747	0	0	420,588	2,868,675
General Plant Maint AG	15	26	23	0	1	0	0	0	2
General Plant Maint AG	15	252,814	219,114	2,655	8,950	0	0	2,882	19,214
TOTAL A & G EXPENSE - MAINTENANCE		252,840	219,136	2,655	8,951	0	0	2,882	19,216
TOTAL A & G EXPENSE		37,581,571	32,480,403	411,108	1,378,698	0	0	423,471	2,887,891
Total Operation & Maintenance Expenses		72,893,792	62,828,789	1,116,567	3,759,086	0	0	695,835	4,693,425