

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)
DEPRECIATION EXPENSE									
Struct & Imp SS	2	137,379	119,630	4,561	12,680	0	0	82	426
Struct & Imp P	6	8,919	7,692	293	815	0	0	19	100
Struct & Imp Pumps (STL)	6	144,340	124,479	4,749	13,193	0	0	303	1,617
Struct & Imp Pump Boosters	6	75,560	65,163	2,486	6,906	0	0	159	846
Struct & Imp WT	2	205,136	178,632	6,811	18,934	0	0	123	636
Struct & Imp WT Nth Pit (ST)	2	103,678	90,283	3,442	9,569	0	0	62	321
Struct & Imp WT Ctr Pit 1	2	48,645	42,360	1,615	4,490	0	0	29	151
Struct & Imp WT Ctr Pit 3	2	393,609	342,755	13,068	36,330	0	0	236	1,220
Struct & Imp WT Sth Pit (ST)	2	40,153	34,965	1,333	3,706	0	0	24	124
Struct & Imp WT Meramec (ST)	2	168,295	146,551	5,587	15,534	0	0	101	522
Struct & Imp TD	7	468,653	427,458	2,953	11,669	0	0	4,265	22,308
Struct & Imp TD Spec Cross	7	16,630	15,168	105	414	0	0	151	792
Struct & Imp Offices	15	0	0	0	0	0	0	0	0
Struct & Imp Leasehold	15	16,055	13,915	169	568	0	0	183	1,220
Struct & Imp Leasehold	15	94,563	81,958	993	3,348	0	0	1,078	7,187
Struct & Imp Store, Shop, Gar	15	73,669	63,762	772	2,604	0	0	839	5,591
Struct & Imp Misc	15	26,330	22,820	276	932	0	0	300	2,001
Collected & 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	63	55	2	6	0	0	0	0
Supply Mains Nth Pit (STL)	2	3,956	3,445	131	365	0	0	2	12
Supply Mains Ctr Pit (STL)	2	63,265	55,091	2,100	5,839	0	0	38	196
Supply Mains Sth Pit (STL)	2	5,433	4,731	180	501	0	0	3	17
Supply Mains Meramec Pit (S	2	21,153	18,420	702	1,952	0	0	13	66
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	9,510	8,201	313	869	0	0	20	107
Pump Equip Elec Pre46 (STL)	6	10,228	8,821	337	935	0	0	21	115
Pump Equip Elec Post46 (STL)	6	514,018	443,289	16,911	46,981	0	0	1,079	5,757
Pump Equip Elec Boosters Po	6	17,396	15,002	572	1,590	0	0	37	195
Pump Equip Diesel	6	0	0	0	0	0	0	0	0
Pump Equip Diesel Stratman\	6	5,240	4,519	172	479	0	0	11	59
Pump Equip Diesel Ctr Pit	6	42,810	36,919	1,408	3,913	0	0	90	479
Pump Equip Hydraulic	6	0	0	0	0	0	0	0	0
Pump Equip Other	6	408	352	13	37	0	0	1	5
WT Equip Non-Media	2	35,521	30,932	1,179	3,279	0	0	21	110
WT Equip Non-Med North (STL)	2	152,915	133,158	5,077	14,114	0	0	92	474
WT Equip Non-Media Ctr 1 &	2	48,057	41,848	1,595	4,436	0	0	29	149
WT Equip Non-Media Ctr 3 (	2	464,448	404,441	15,420	42,869	0	0	279	1,440
WT Equip Non-Media Sth (STL)	2	55,990	48,756	1,859	5,168	0	0	34	174
WT Equip Non-Media Mer (STL)	2	156,681	136,438	5,202	14,462	0	0	94	486
WT Equip Filter Media	2	20,577	17,918	683	1,899	0	0	12	64
Dist Reservoirs & Standpipe	5	0	0	0	0	0	0	0	0

Schedule B-STL

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)
Elevated Tanks & Standpipes	5	52,204	40,761	1,503	3,973	0	0	955	5,012
Ground Level Facilities	5	210,499	164,358	6,062	16,019	0	0	3,852	20,208
TD Mains Not Classified by	7	336,494	306,916	2,120	8,379	0	0	3,062	16,017
TD Mains 4 & Less	4	0	0	0	0	0	0	0	0
TD Mains 6 to 8"	4	0	0	0	0	0	0	0	0
TD Mains 10 to 16"	3	0	0	0	0	0	0	0	0
TD Mains 18 & Gtr	3	0	0	0	0	0	0	0	0
TD Mains AC 4 (STL)	4	29,390	27,312	0	270	0	0	288	1,519
TD Mains CI <10 1900-28 (S"	4	31,405	29,185	0	289	0	0	308	1,624
TD Mains CI <10 1829-56 (S"	4	240,298	223,309	0	2,211	0	0	2,355	12,423
TD Mains CI <10 1957-93 (S"	4	695,477	646,307	0	6,398	0	0	6,816	35,956
TD Mains CI 12 (STL)	3	150,974	127,135	4,846	13,482	0	0	891	4,620
TD Mains CI 16 (STL)	3	237,138	199,694	7,612	21,176	0	0	1,399	7,256
TD Mains DI 6-8 (STL)	4	3,463,314	3,218,458	0	31,862	0	0	33,940	179,053
TD Mains DI 12 (STL)	3	813,674	685,195	26,119	72,661	0	0	4,801	24,898
TD Mains DI 16 & > (STL)	3	1,367,201	1,151,320	43,887	122,091	0	0	8,066	41,836
TD Mains Galve 1 (STL)	4	371	345	0	3	0	0	4	19
TD Mains LJ 20 (STL)	3	49,496	41,681	1,589	4,420	0	0	292	1,515
TD Mains PL 6-8in (STL)	4	12,936	12,021	0	119	0	0	127	669
TD Mains PL 12in (STL)	3	5,184	4,365	166	483	0	0	31	159
Fire Mains	8	0	0	0	0	0	0	0	0
Services	10	(2,837,026)	(2,668,223)	0	(5,674)	0	0	(163,129)	0
Meters Bronze Case	9	0	0	0	0	0	0	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	564,782	535,300	0	24,342	0	0	5,140	0
Meters Other-Rem Rdr Units	9	111,481	105,662	0	4,805	0	0	1,014	0
Meter Installations	9	50,134	47,517	0	2,151	0	0	456	0
Meter Installation Other	9	214,047	202,874	0	9,225	0	0	1,948	0
Hydrants	8	582,484	0	0	0	0	0	0	592,484
Utility Plant Acquisition Adjustment	17	0	0	0	0	0	0	0	0
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0
Other P/E TD	7	0	0	0	0	0	0	0	0
Other P/E CPS	15	0	0	0	0	0	0	0	0
Office Furniture & Equip	15	367,920	318,876	3,863	13,024	0	0	4,194	27,962
Comp & Perph Equip	15	1,217,280	1,055,017	12,781	43,092	0	0	13,877	92,513
Computer Software	15	1,501,261	1,301,143	15,763	53,145	0	0	17,114	114,096
Comp Software Personal	15	14,468	12,539	152	512	0	0	165	1,100
Data Handling Equipment	15	0	0	0	0	0	0	0	0
Other Office Equipment	15	11,192	9,700	118	396	0	0	128	851
Trans Equip Lt Duty Trks	15	1,907	1,653	20	68	0	0	22	145
Trans Equip Hwy Duty Trks	15	356,807	309,245	3,746	12,631	0	0	4,068	27,117
Trans Equip Autos	15	14,085	12,207	148	499	0	0	161	1,070
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	8,890	7,705	93	315	0	0	101	676
Tools,Shop,Garage Equip	15	49,319	42,745	518	1,746	0	0	562	3,748
Tools,Shop,Garage Equip Oth	15	166,578	144,373	1,749	5,897	0	0	1,899	12,660
Laboratory Equipment	2	89,993	78,366	2,988	8,306	0	0	54	279

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)
Laboratory Equip Other	2	19,181	16,703	637	1,770	0	0	12	59
Power Operated Equipment	15	39,831	34,522	418	1,410	0	0	454	3,027
Comm Equip Non-Telephone	15	59,679	51,724	627	2,113	0	0	680	4,536
Comm Equip Telephone	15	2,453	2,126	26	87	0	0	28	186
Misc Equipment	15	23,679	20,523	249	838	0	0	270	1,800
Other Tangible Property	17	11,738	9,913	176	580	0	0	81	1,008
Total Depreciation Expense		13,997,401	11,720,498	241,049	776,472	0	0	(33,884)	1,293,067
Amort-Other UP	18	20,742	17,525	311	989	0	0	143	1,773
Amort-Intangible Fin	2	110,764	96,453	3,677	10,223	0	0	66	343
Taxes Other Than Income									
Utility Reg Assessment Fee	19	807,121	687,264	12,430	40,679	0	0	5,973	60,776
Property Taxes	18	7,053,541	5,959,537	105,803	336,454	0	0	48,669	603,078
FUTA	16	18,987	16,063	218	748	0	0	220	1,737
FICA	16	1,269,219	1,073,759	14,596	50,007	0	0	14,723	116,134
SUTA	16	(5,418)	(4,584)	(62)	(213)	0	0	(63)	(496)
Other Taxes & Licenses	15	426,045	368,253	4,473	15,082	0	0	4,857	32,379
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
Total Taxes, Other Than Income		9,569,495	8,101,292	137,458	442,757	0	0	74,379	813,609
Income Taxes									
Utility Income Available for Return	18	12,969,686	10,958,088	194,545	618,654	0	0	89,491	1,108,908
Total Cost of Service		33,347,129	28,174,989	500,207	1,590,658	0	0	230,095	2,851,180
Less: Other Water Revenues									
Contract Sales	19	1,595,131	1,358,254	24,565	80,395	0	0	11,804	120,113
Revenue Contribution	19	2,808,694	2,391,603	43,254	141,558	0	0	20,784	211,495
Total Other Water Revenues		4,403,825	3,749,857	67,819	221,953	0	0	32,588	331,608
Total Cost of Service Related to Sales of Water		\$ 138,505,183	\$ 117,947,777	\$ 2,126,085	\$ 6,976,887	\$ -	\$ -	\$ 1,023,737	\$ 10,430,697

**MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY 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)
Rate A	109,515	0.8303
Rate B	4,911	0.0372
Rate J	16,555	0.1255
Rate G	0	0.0000
Other	0	0.0000
Rate F	149	0.0011
Rate E	781	0.0059
Total	131,911	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	Average Daily Consumption		Maximum Day Extra Capacity		Allocation Factor
	Allocation Factor 1	Weighted Factor	Allocation Factor	Weighted Factor	
(1)	(2)	(3)=(2)x	(4)	(5)=(4)x	(6)=(3)+(5)
		0.5263		0.4737	
Rate A	0.8303	0.4369	0.9158	0.4339	0.8708
Rate B	0.0372	0.0196	0.0288	0.0136	0.0332
Rate J	0.1255	0.0661	0.0554	0.0262	0.0923
Rate G	0.0000	0.0000	0.0000	0.0000	0.0000
Other	0.0000	0.0000	0.0000	0.0000	0.0000
Rate F	0.0011	0.0006			0.0006
Rate E	0.0059	0.0031			0.0031
Total	1.0000	0.5263	1.0000	0.4737	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. LOUIS COUNTY 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 (4)=(2)x(3)	Allocation Factor (5)
(1)	(2)	(3)	(4)	(5)
Rate A	109,515	1.0	109,515	0.9158
Rate B	4,911	0.7	3,438	0.0288
Rate J	16,555	0.4	6,622	0.0554
Rate G	0	0.5	0	0.0000
Other	0	0.0	0	0.0000
Total	<u>130,981</u>		<u>119,575</u>	<u>1.0000</u>

The weighting of the factors is based on the maximum day ratio of 1.90, based on a review of maximum day ratios experienced during the period 1999 through 2005 (see Schedule D).

	Maximum Day Ratio	Weight
Average Day	1.00	0.5263
Maximum Day Extra Capacity	<u>0.90</u>	<u>0.4737</u>
Total	<u>1.90</u>	<u>1.0000</u>

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY 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 0.5090	Allocation Factor (4)	Weighted Factor (5)=(4) X 0.4581	Allocation Factor (6)	Weighted Factor (7)=(6) X 0.0329	
Rate A	0.8303	0.4226	0.9158	0.4195			0.8421
Rate B	0.0372	0.0189	0.0288	0.0132			0.0321
Rate J	0.1255	0.0639	0.0554	0.0254			0.0893
Rate G	0.0000	0.0000	0.0000	0.0000			0.0000
Other	0.0000	0.0000	0.0000	0.0000			0.0000
Rate F	0.0011	0.0006			0.1598	0.0053	0.0059
Rate E	0.0059	0.0030			0.8402	0.0276	0.0306
Total	<u>1.0000</u>	<u>0.5090</u>	<u>1.0000</u>	<u>0.4581</u>	<u>1.0000</u>	<u>0.0329</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY 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 1.90 and the average daily system sendout for 2005 of 185.871 MGD. The system demand for fire protection is 20,000 Gallons per minute for 10 hours.

	<u>Ratio</u>	<u>Rate of Flow, (GPD)</u>	<u>Weight</u>
Average Day	1.00	185,871,000	0.5090
Maximum Day Extra Capacity	<u>0.90</u>	<u>167,283,900</u>	<u>0.4581</u>
Subtotal	<u>1.90</u>	353,154,900	0.9671
Fire Protection		<u>12,000,000</u>	<u>0.0329</u>
Total		<u>365,154,900</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. LOUIS COUNTY 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 0.3766	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.5650	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.0584	Allocation Factor (9)=(4)+(6)+(8)	
Rate A	4,563.1	0.9769	0.3679	0.9936	0.5614			0.9293	
Rate B	0.0	0.0000	0.0000	0.0000	0.0000			0.0000	
Rate J	69.0	0.0148	0.0056	0.0064	0.0036			0.0092	
Rate G	0.0	0.0000	0.0000	0.0000	0.0000			0.0000	
Other	0.0	0.0000	0.0000	0.0000	0.0000			0.0000	
Rate F	6.2	0.0013	0.0005			0.1598	0.0093	0.0098	
Rate E	32.5	0.0070	0.0026			0.8402	0.0491	0.0517	
Total	4,670.8	1.0000	0.3766	1.0000	0.5650	1.0000	0.0584	1.0000	

The maximum hour extra capacity factors in column 5 are determined as follows:

Schedule C-STL

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY DISTRICT

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

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

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum hour ratio of 2.5 and the average daily system sendout for 2005 of 185.871 MGD. The system demand for fire protection is 20,000 gallons per minute.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	129,077	0.3766
Maximum Hour Extra Capacity	1.50	193,616	0.5650
Subtotal	2.50	322,693	0.9416
Fire Protection		20,000	0.0584
Total		342,693	1.0000

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

Customer Classification	Average Hourly Consumption Thousand Gal.	Maximum Hour Extra Capacity		
		Factor*	1,000 Gallons Per Hour	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Rate A	4,563.1	3.5	15,970.9	0.9936
Rate B	0.0	2.5	0.0	0.0000
Rate J	69.0	1.5	103.5	0.0064
Rate G	0.0	2.0	0.0	0.0000
Other	0.0	0.0	0.0	0.0000
Total	4,632.1		16,074.4	1.0000

* Ratio of Maximum Hour To Average Hour Minus 1.0.

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

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY 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 0.5329	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.1118	
Rate A	4,563.1	0.8303	0.2950	0.4858			0.7808
Rate B	204.6	0.0372	0.0132	0.0156			0.0288
Rate J	689.8	0.1255	0.0446	0.0315			0.0761
Rate G	0.0	0.0000	0.0000	0.0000			0.0000
Other	0.0	0.0000	0.0000	0.0000			0.0000
Rate F	6.2	0.0011	0.0004		0.1598	0.0179	0.0183
Rate E	32.5	0.0059	0.0021		0.8402	0.0939	0.0960
Total	5,496.2	1.0000	0.3553	0.5329	1.0000	0.1118	1.0000

The weighting of the factors is based on the ratio of the capacity required for a 10 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

Schedule C-STL

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY 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 10 hour demand of fire flow, as related to total storage capacity.

$$\text{Fire Protection Weight} = \frac{20,000 \text{ GPM} \times 60 \text{ Min.} \times 10 \text{ Hrs.}}{107,320,000 \text{ Gallons}} = 0.1118$$

$$\text{General Service Weight} = 1.0000 - 0.1118 = 0.8882$$

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

	Maximum Hour Ratio	Percent	Weight
Average Hour	1.00	40.00	0.3553
Extra Capacity Maximum Hour	1.50	60.00	0.5329
Total	2.50	100.00	0.8882

Customer Classification	Average Hourly Consumption Thousand Gal.	Maximum Hour Extra Capacity		
		1,000 Gallons		Allocation
		Factor*	Per Hour	Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Rate A	4,563.1	3.5	15,970.9	0.9117
Rate B	204.6	2.5	511.5	0.0292
Rate J	689.8	1.5	1,034.7	0.0591
Rate G	-	2.0	0.0	0.0000
Other	-	0.0	0.0	0.0000
Total	5,457.5		17,517.1	1.0000

* Ratio of maximum day to average day minus 1.0.

**MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY 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 0.7055	(4)	(5)=(4)X 0.2945	(6)	(7)=(6)X 0.0000	(8)=(3)+ (5)+(7)
Rate A	0.8708	0.6144	0.8421	0.2480	0.9293	0.0000	0.8624
Rate B	0.0332	0.0234	0.0321	0.0095	0.0000	0.0000	0.0329
Rate J	0.0923	0.0651	0.0893	0.0263	0.0092	0.0000	0.0914
Rate G	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Other	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Rate F	0.0006	0.0004	0.0059	0.0017	0.0098	0.0000	0.0021
Rate E	0.0031	0.0022	0.0306	0.0090	0.0517	0.0000	0.0112
Total	<u>1.0000</u>	<u>0.7055</u>	<u>1.0000</u>	<u>0.2945</u>	<u>1.0000</u>	<u>0.0000</u>	<u>1.0000</u>

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	43,023	0.7055
Associated with Maximum Day and Fire	17,955	0.2945
Associated with Maximum Hour	<u>0</u>	<u>0.0000</u>
Total	<u>60,978</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY 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 0.1956	(4)	(5)=(4)X 0.8044	(6)=(3)+(5)
Rate A	0.8421	0.1646	0.9293	0.7475	0.9121
Rate B	0.0321	0.0063	0.0000	0.0000	0.0063
Rate J	0.0893	0.0175	0.0092	0.0074	0.0249
Rate G	0.0000	0.0000	0.0000	0.0000	0.0000
Other	0.0000	0.0000	0.0000	0.0000	0.0000
Rate F	0.0059	0.0012	0.0098	0.0079	0.0091
Rate E	0.0306	0.0060	0.0517	0.0416	0.0476
Total	1.0000	0.1956	1.0000	0.8044	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	4,267,601	0.1956
Distribution Mains	17,551,169	0.8044
Total	21,818,770	1.0000

**MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY 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 Rate E.

Customer Classification <u>(1)</u>	Allocation Factor <u>(3)</u>
Rate E	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.

Customer Classification <u>(1)</u>	5/8" Dollar Equivalents <u>(2)</u>	Allocation Factor <u>(3)</u>
Rate A	326,511	0.9478
Rate B	0	0.0000
Rate J	14,838	0.0431
Rate G	0	0.0000
Other	0	0.0000
Rate F	<u>3,149</u>	<u>0.0091</u>
Total	<u>344,498</u>	<u>1.0000</u>

Schedule C-STL

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size (1)	5/8" Dollar Equivalent (2)	Rate A		Rate B		Rate J		Rate G		Other		Rate F		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 Services (13)	Weighting (14)=(2)X(13)	Number of Meters (15)	Weighting (16)
5/8	1.0	285,892	285,892	0	0	4	4	0	0	0	0	35	35	285,931	285,931
3/4	1.2	16,562	19,875	0	0	1	1	0	0	0	0	2,434	2,921	18,997	22,797
1	1.9	2,698	5,122	0	0	3	6	0	0	0	0	31	59	2,730	5,187
1-1/2	5.0	278	1,390	0	0	12	60	0	0	0	0	2	10	292	1,460
2	6.5	495	3,218	0	0	50	325	0	0	0	0	19	124	564	3,667
3	36.6	1	37	0	0	31	1,135	0	0	0	0		0	32	1,172
4	78.8	0	0	0	0	60	4,728	0	0	0	0		0	80	4,728
6	147.8	4	591	0	0	34	5,025	0	0	0	0		0	38	5,610
8	193.1	2	386	0	0	14	2,703	0	0	0	0		0	16	3,089
10	283.8	0	0	0	0	3	851	0	0	0	0		0	3	851
12	400.0	0	0	0	0	0	0	0	0	0	0		0	0	0
Total		315,930	326,511	0	0	212	14,838	0	0	0	0	2,521	3,148	318,663	344,496

**MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY 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 <u>(1)</u>	3/4" Dollar Equivalents <u>(2)</u>	Allocation Factor <u>(3)</u>
Rate A	317,091	0.9405
Rate B	0	0.0000
Rate J	659	0.0020
Rate G	0	0.0000
Other	0	0.0000
Rate F	<u>19,384</u>	<u>0.0575</u>
Total	<u><u>337,134</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

Service Size (1)	3/4" Dollar Equivalent (2)	Rate A		Rate B		Rate J		Rate G		Other		Rate F		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	312,454	312,454	0	0	5	5	0	0	0	0	0	0	312,459	312,459
1	1.17	2,696	3,154	0	0	3	4	0	0	0	0	0	0	2,699	3,158
1-1/2	1.58	278	439	0	0	12	19	0	0	0	0	0	0	290	458
2	2.04	495	1,010	0	0	50	102	0	0	0	0	128	261	673	1,373
3	2.73	1	3	0	0	31	85	0	0	0	0	0	0	32	88
4	2.88	0	0	0	0	60	173	0	0	0	0	484	1,384	544	1,567
6	4.24	4	17	0	0	34	144	0	0	0	0	1,960	8,310	1,998	8,471
8	6.98	2	14	0	0	14	98	0	0	0	0	1,184	8,264	1,200	8,376
10	9.50	0	0	0	0	3	28	0	0	0	0	37	352	40	381
12	12.16	0	0	0	0	0	0	0	0	0	0	66	803	66	803
Total		315,930	317,091	0	0	212	659	0	0	0	0	3,859	19,384	320,001	337,134

**MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY 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)
Rate A	\$ 2,943,087	0.9217
Rate B	14,137	0.0044
Rate J	78,624	0.0246
Rate G	-	0.0000
Other	-	0.0000
Rate F	51,757	0.0162
Rate E	105,728	0.0331
Total	<u>3,193,333</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)
Rate A	\$ 1,427,229	0.7490
Rate B	5,785	0.0030
Rate J	37,356	0.0196
Rate G	-	0.0000
Other	-	0.0000
Rate F	31,433	0.0165
Rate E	403,836	0.2119
Total	<u>\$1,905,639</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY 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)
Rate A	315,930	0.9872
Rate B	0	0.0000
Rate J	212	0.0007
Rate G	0	0.0000
Other	0	0.0000
Rate F	3,859	0.0121
Rate E	0	0.0000
Total	320,001	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)
Rate A	315,930	0.9993
Rate B	0	0.0000
Rate J	212	0.0007
Rate G	0	0.0000
Other	0	0.0000
Total	316,142	1.0000

**MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY 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)
Rate A	\$19,738,362	0.8667
Rate B	239,147	0.0105
Rate J	806,911	0.0354
Rate G	0	0.0000
Other	0	0.0000
Rate F	258,573	0.0114
Rate E	1,731,562	0.0760
Total	\$22,774,555	1.0000

**MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY 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)
Rate A	\$13,809,432	0.8460
Rate B	188,121	0.0115
Rate J	643,874	0.0394
Rate G	0	0.0000
Other	0	0.0000
Rate F	189,413	0.0116
Rate E	1,494,474	0.0915
Total	<u>\$16,325,313</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)
Rate A	\$370,852,738	0.8445
Rate B	6,586,930	0.0150
Rate J	20,951,300	0.0477
Rate G	0	0.0000
Other	0	0.0000
Rate F	3,032,877	0.0069
Rate E	37,716,820	0.0859
Total	<u>\$439,140,664</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY 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)
Rate A	\$330,710,064	0.8449
Rate B	5,866,772	0.0150
Rate J	18,650,464	0.0477
Rate G	0	0.0000
Other	0	0.0000
Rate F	2,695,603	0.0069
Rate E	33,475,322	0.0855
Total	<u>\$391,398,225</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)
Rate A	\$120,836,258	0.8515
Rate B	2,179,365	0.0154
Rate J	7,151,049	0.0504
Rate G	0	0.0000
Other	0	0.0000
Rate F	1,048,063	0.0074
Rate E	10,686,261	0.0753
Total	<u>\$141,900,996</u>	<u>1.0000</u>

Schedule C-STL

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)
Rate Base									
Organization	17	\$ 157,215	\$ 132,768	\$ 2,358	\$ 7,499	\$ -	\$ -	\$ 1,085	\$ 13,506
Franchises	17	0	0	0	0	0	0	0	0
Land & Ld Rights SS	2	91,400	79,591	3,034	8,436	0	0	55	283
Land & Ld Rights P	6	284,588	245,429	9,363	26,011	0	0	598	3,187
Land & Ld Rights WT	2	1,494,922	1,301,778	49,631	137,981	0	0	897	4,634
Land & Ld Rights TD	7	3,998,413	3,646,952	25,190	99,560	0	0	36,386	190,324
Land & Land Rights AG	15	0	0	0	0	0	0	0	0
Struct & Imp SS	2	3,155,148	2,747,503	104,751	291,220	0	0	1,893	9,781
Struct & Imp P	6	238,286	205,498	7,840	21,779	0	0	500	2,669
Struct & Imp Pumps (STL)	6	2,378,382	2,051,117	78,249	217,384	0	0	4,995	26,638
Struct & Imp Pump Boosters	6	1,936,129	1,669,718	63,899	176,962	0	0	4,066	21,685
Struct & Imp WT	2	11,384,095	9,913,270	377,952	1,050,752	0	0	6,830	35,291
Struct & Imp WT Nth Pilt (ST)	2	3,297,014	2,871,040	109,461	304,314	0	0	1,978	10,221
Struct & Imp WT Cnt Pilt 1	2	478,933	417,055	15,901	44,208	0	0	287	1,485
Struct & Imp WT Cnt Pilt 3	2	11,116,877	9,680,578	369,080	1,026,098	0	0	6,670	34,462
Struct & Imp WT Sth Pilt (ST)	2	931,479	811,132	30,925	85,976	0	0	559	2,888
Struct & Imp WT Meramec (ST)	2	5,047,894	4,395,706	167,590	465,921	0	0	3,029	15,648
Struct & Imp TD	7	20,209,099	18,432,719	127,317	503,207	0	0	183,903	961,953
Struct & Imp TD Spec Cross	7	(65,915)	(60,121)	(415)	(1,641)	0	0	(600)	(3,138)
Struct & Imp Offices	15	(183,305)	(158,870)	(1,925)	(6,489)	0	0	(2,080)	(13,931)
Struct & Imp Leasehold	15	241,586	208,383	2,537	8,552	0	0	2,754	18,361
Struct & Imp Leasehold	15	1,031,377	893,894	10,829	36,511	0	0	11,758	78,385
Struct & Imp Store, Shop, Gar	15	1,433,860	1,242,726	15,056	50,759	0	0	16,346	108,973
Struct & Imp Misc	15	1,059,310	918,104	11,123	37,500	0	0	12,076	80,508
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	8,348	7,269	277	771	0	0	5	26
Supply Mains Nth Pilt (STL)	2	80,093	69,745	2,659	7,393	0	0	48	248
Supply Mains Cnt Pilt (STL)	2	2,022,967	1,761,600	67,163	186,720	0	0	1,214	6,271
Supply Mains Sth Pilt (STL)	2	8,754	7,623	291	808	0	0	5	27
Supply Mains Meramec Pilt (S)	2	619,385	539,360	20,564	57,169	0	0	372	1,920
Power Generation Equip Othe	6	(5,541)	(4,779)	(182)	(506)	0	0	(12)	(62)
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	817,649	705,140	26,901	74,733	0	0	1,717	9,158
Pump Equip Elec Pre46 (STL)	6	860,418	742,024	26,308	78,642	0	0	1,807	9,637
Pump Equip Elec Post46 (STL)	6	12,394,568	10,680,451	407,452	1,131,950	0	0	26,008	138,707
Pump Equip Elec Boosters Po	6	(247,583)	(213,516)	(8,145)	(22,629)	0	0	(520)	(2,773)
Pump Equip Diesel	6	0	0	0	0	0	0	0	0
Pump Equip Diesel Stratman	6	188,768	162,794	6,210	17,253	0	0	396	2,114
Pump Equip Diesel Cnt Pilt	6	470,648	405,887	15,484	43,017	0	0	988	5,271
Pump Equip Hydraulic	6	0	0	0	0	0	0	0	0
Pump Equip Other	6	22,182	19,130	730	2,027	0	0	47	248
WT Equip Non-Media	2	1,639,336	1,427,534	54,426	151,311	0	0	984	5,082
WT Equip Non-Med North (STL)	2	3,329,607	2,896,422	110,543	307,323	0	0	1,998	10,322

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)
WT Equip Non Media Ctl 1 &	2	30,660	26,699	1,018	2,830	0	0	18	95
WT Equip Non Media Ctl 3 (	2	12,282,870	10,695,923	407,791	1,133,709	0	0	7,370	38,077
WT Equip Non Media Sth (STL	2	648,906	565,067	21,544	59,894	0	0	389	2,012
WT Equip Non Media Mer (STL	2	3,008,164	2,919,509	99,871	277,654	0	0	1,805	9,325
WT Equip Filter Media	2	977,930	851,581	32,467	90,263	0	0	587	3,032
Dist Reservoirs & Standpipe	5	0	0	0	0	0	0	0	0
Elevated Tanks & Standpipes	5	1,556,388	1,215,228	44,824	118,441	0	0	28,482	149,413
Ground Level Facilities	5	4,634,596	3,618,893	133,476	352,693	0	0	84,813	444,921
TD Mains Not Classified by	7	25,073,263	22,869,323	157,962	624,324	0	0	228,167	1,193,487
TD Mains 4 & Less	4	0	0	0	0	0	0	0	0
TD Mains 6 to 8"	4	0	0	0	0	0	0	0	0
TD Mains 10 to 16"	3	0	0	0	0	0	0	0	0
TD Mains 18 & Gtr	3	0	0	0	0	0	0	0	0
TD Mains AC 4 (STL)	4	983,100	895,008	0	8,861	0	0	9,438	49,792
TD Mains CI <10 1900-28 (S"	4	849,544	789,481	0	7,816	0	0	8,326	43,921
TD Mains CI <10 1929-56 (S"	4	2,211,414	2,055,067	0	20,345	0	0	21,672	114,330
TD Mains CI <10 1957-93 (S"	4	12,872,871	11,962,759	0	118,430	0	0	126,154	665,527
TD Mains CI 12 (STL)	3	4,714,222	3,969,846	151,327	420,980	0	0	27,814	144,255
TD Mains CI 16 (STL)	3	6,061,457	5,104,353	194,573	541,288	0	0	35,763	185,481
TD Mains DI 6-8 (STL)	4	118,150,039	109,796,831	0	1,086,980	0	0	1,157,870	6,108,357
TD Mains DI 12 (STL)	3	28,708,212	25,017,285	953,634	2,652,943	0	0	175,278	908,071
TD Mains DI 16 & >(STL)	3	54,643,322	46,015,142	1,754,051	4,879,649	0	0	322,396	1,672,086
TD Mains Galve 1 (STL)	4	(48,578)	(45,144)	0	(447)	0	0	(476)	(2,511)
TD Mains LJ 20 (STL)	3	1,771,548	1,491,821	56,867	158,199	0	0	10,452	54,209
TD Mains PL 6-8in (STL)	4	382,854	355,787	0	3,522	0	0	3,752	19,794
TD Mains PL 12in (STL)	3	159,790	134,559	5,129	14,269	0	0	943	4,890
Fire Mains	8	0	0	0	0	0	0	0	0
Services	10	17,151	16,130	0	34	0	0	986	0
Meters Bronze Case	9	0	0	0	0	0	0	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	13,585,466	12,857,349	0	584,672	0	0	123,446	0
Meters Other-Rem Rdr Units	9	2,038,652	1,932,234	0	87,866	0	0	18,552	0
Meter Installations	9	1,006,717	954,166	0	43,390	0	0	9,161	0
Meter Installation Other	9	3,871,569	3,669,473	0	166,865	0	0	35,231	0
Hydrants	8	22,354,274	0	0	0	0	0	0	22,354,274
Other P/E Intangible	15	0	0	0	0	0	0	0	0
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0
Other P/E TD	7	0	0	0	0	0	0	0	0
Other P/E CPS	15	430,744	373,326	4,523	15,248	0	0	4,910	32,737
Office Furniture & Equip	15	8,729,186	7,565,586	91,656	309,013	0	0	99,513	663,418
Comp & Periph Equip	15	3,950,414	3,423,824	41,478	139,845	0	0	45,035	300,231
Computer Software	15	6,417,480	5,562,030	67,384	227,179	0	0	73,159	487,728
Comp Software Personal	15	88,707	76,882	931	3,140	0	0	1,011	6,742
Data Handling Equipment	15	0	0	0	0	0	0	0	0
Other Office Equipment	15	112,473	97,480	1,181	3,982	0	0	1,282	8,548
Trans Equip Lt Duty Trks	15	(782,343)	(678,057)	(8,215)	(27,695)	0	0	(8,919)	(59,458)
Trans Equip Hwy Duty Trks	15	788,781	683,636	8,282	27,923	0	0	8,982	59,947

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)
Trans Equip Autos	15	(8,775)	(7,605)	(92)	(311)	0	0	(100)	(667)
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	417,728	362,045	4,386	14,788	0	0	4,762	31,747
Tools, Shop, Garage Equip	15	371,032	321,573	3,896	13,135	0	0	4,230	28,198
Tools, Shop, Garage Equip Oth	15	1,831,894	1,587,703	19,235	64,849	0	0	20,884	139,224
Laboratory Equipment	2	433,289	377,308	14,385	39,993	0	0	260	1,343
Laboratory Equip Other	2	88,374	76,956	2,934	8,157	0	0	53	274
Power Operated Equipment	15	129,187	111,966	1,356	4,573	0	0	1,473	9,818
Comm Equip Non-Telephone	15	464,205	402,326	4,874	16,433	0	0	5,292	35,280
Comm Equip Telephone	15	79,043	68,507	830	2,798	0	0	901	6,007
Misc Equipment	15	333,673	289,194	3,504	11,812	0	0	3,804	25,359
Other Tangible Property	17	(7,507)	(6,340)	(113)	(358)	0	0	(52)	(645)
Total Utility Plant In Service		439,290,372	370,979,166	6,589,175	20,958,441	0	0	3,033,910	37,729,680
Other Rate Base Items									
Add:									
Other Utility Plant Adjustments	17	0	0	0	0	0	0	0	0
Cash Working Capital	15	5,662,000	4,907,255	59,451	200,435	0	0	64,547	430,312
Materials and Supplies	15	2,410,307	2,089,013	25,308	85,325	0	0	27,477	183,183
Prepayments	15	515,772	447,020	5,416	18,258	0	0	5,880	38,199
OPEB's Contributed to External Fund	16	0	0	0	0	0	0	0	0
Premature Retirement	17	0	0	0	0	0	0	0	0
Regulatory Deferrals	17	1,933,487	1,632,830	29,002	92,227	0	0	13,341	166,087
Less: Accumulated Amortization	17	(386,257)	(326,194)	(5,794)	(18,424)	0	0	(2,665)	(33,179)
Accumulated Deferred ITC (3%)	17	0	0	0	0	0	0	0	0
Deferred Income Taxes	17	(48,134,475)	(40,849,564)	(722,017)	(2,296,014)	0	0	(332,128)	(4,134,751)
Pensions	16	(9,892,981)	(8,369,462)	(113,769)	(389,793)	0	0	(114,759)	(905,208)
Total Other Rate Base Elements		(47,892,147)	(40,269,102)	(722,403)	(2,307,977)	0	0	(338,306)	(4,254,358)
Total Original Cost Measure of Value		\$ 391,398,225	\$ 330,710,064	\$ 5,866,772	\$ 18,650,464	\$ -	\$ -	\$ 2,695,603	\$ 33,475,322

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1999-2005

Year	Average Daily Send out (MGD)	Maximum Daily Use		
		MGD	Ratio to Average	Highest Use Day
(1)	(2)	(3)	(4)	(5)
1999	167.199	317.210	1.90	7/22/1999
2000	158.813	258.520	1.63	7/11/2000
2001	164.312	274.090	1.67	8/21/2001
2002	166.256	309.430	1.86	8/5/2002
2003	167.899	322.790	1.92	8/23/2003
2004	171.808	268.970	1.57	7/22/2004
2005	185.871	333.620	1.79	6/25/2005

**MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS COUNTY 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>				
Fire Lines				
2 -inch	4.00	128	512	
3 -inch	9.00	-	0	
4 -inch	16.00	484	7,744	
6 -inch	36.00	1,960	70,560	
8 -inch	64.00	1,184	75,776	
10 -inch	100.00	37	3,700	
12 -inch	144.00	65	9,360	
20 -inch	400.00	1	400	
Private Hydrants	32.75	-	0	
Total Rate F		<u>3,859</u>	<u>168,052</u>	<u>0.1598</u>
<u>PUBLIC FIRE PROTECTION</u>				
Hydrant	Nozzle Sizes			
6" Valve	2- 2-1/2" & 1- 4.5"	32.75	738	24,170
6" Valve	2- 2-1/2" & 1- 4"	28.50	<u>30,147</u>	<u>859,190</u>
Total Rate E		<u>30,885</u>	<u>883,360</u>	<u>0.8402</u>
Total Fire Protection		<u><u>34,744</u></u>	<u><u>1,051,412</u></u>	<u><u>1.0000</u></u>

WARREN COUNTY WATER DISTRICT

MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS

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	\$ 300,938	99.4%	\$ 111,571	98.8%	\$ 139,716	98.8%	\$ 28,145	25.2%
Commercial	1,790	0.6%	1,355	1.2%	1,696	1.2%	341	25.2%
Industrial	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Public Authority	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Sales for Resale	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Private Fire Service	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Public Fire Service	-	0.0%	\$0	0.0%	\$0	0.0%	-	0.0%
Total Sales	302,728	100.0%	112,926	100.0%	141,412	100.0%	28,486	25.2%
Other Revenues	-	-	-	-	-	-	-	0.0%
Total	\$ 302,728	-	\$ 112,926	-	\$ 141,412	-	\$ 28,486	25.2%

MISSOURI-AMERICAN WATER COMPANY

WARREN COUNTY WATER OPERATIONS

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

Schedule B-WCW

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)
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	13	13	0	0	0	0	0	0
Purchased Water	1	0	0	0	0	0	0	0	0
TOTAL SS EXPENSE - OPERATION		13	13	0	0	0	0	0	0
Misc Exp Oper SS	2	7,595	7,489	71	0	0	0	0	35
Misc Exp Oper SS	2	0	0	0	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
Infillt Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Infillt 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	0	0	0	0	0	0	0	0
TOTAL SS EXPENSE - MAINTENANCE		(0)	(0)	(0)	0	0	0	0	(0)
TOTAL SS EXPENSE		7,595	7,490	71	0	0	0	0	35
POWER AND PUMPING EXPENSES		7,609	7,503	71	0	0	0	0	35
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	(86)	(84)	(1)	0	0	0	0	(1)
Labor & Exp Oper Pump	6	0	0	0	0	0	0	0	0
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		(86)	(84)	(1)	0	0	0	0	(1)

MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS

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)	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
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Pump Equip Maint P	6	0	0	0	0	0	0	0	0
Pump Equip Maint P	6	0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSES - MAINTENANCE		0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSES		(86)	(84)	(1)	0	0	0	0	(1)
WATER TREATMENT									
Super & Eng Oper WT	2	0	0	0	0	0	0	0	0
Chemicals	1	2,249	2,197	26	0	0	0	0	26
Labor & Exp Oper WT	2	0	0	0	0	0	0	0	0
Labor & Exp Oper WT	2	49	49	0	0	0	0	0	0
Misc Exp Oper WT	2	(0)	(0)	(0)	0	0	0	0	(0)
Misc Exp Oper WT	1	1	1	0	0	0	0	0	0
Misc Exp Oper WT	2	(0)	(0)	(0)	0	0	0	0	(0)
Rents Oper WT	2	0	0	0	0	0	0	0	0
TOTAL WT EXPENSE - OPERATION		2,299	2,246	27	0	0	0	0	26
Super & Eng Maint WT									
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	16	16	0	0	0	0	0	0
TOTAL WT EXPENSE - MAINTENANCE		16	16	0	0	0	0	0	0
TOTAL WT EXPENSE		2,315	2,262	27	0	0	0	0	26
TRANSMISSION AND DISTRIBUTION EXPENSES									
Super & Eng Oper TD	11	0	0	0	0	0	0	0	0
Storage Facility Exp	5	0	0	0	0	0	0	0	0
Storage Facility Exp	5	0	0	0	0	0	0	0	0
TD Lines Exp	7	49,718	25,466	0	0	0	0	0	24,253
TD Lines Exp	7	1,399	717	0	0	0	0	0	682
Meter Expense	9	0	0	0	0	0	0	0	0
Meter Expense	9	(1)	(1)	(0)	0	0	0	0	0
Customer Install Exp	10	0	0	0	0	0	0	0	0
Customer Install Exp	10	(1)	(1)	(0)	0	0	0	0	0
Misc Exp Oper TD	11	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS
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	0	0	0	0	0	0	0	0
Misc Exp Oper TD	11	27	14	0	0	0	0	0	13
Rents Oper TD	11	0	0	0	0	0	0	0	0
TOTAL T & D EXPENSE OPERATION		51,142	26,194	(0)	0	0	0	0	24,948
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	0	0	0	0	0	0	0	0
TD Main Maint TD	7	0	0	0	0	0	0	0	0
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Services Maint TD	10	0	0	0	0	0	0	0	0
Services Maint TD	10	0	0	0	0	0	0	0	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Misc Plant Maint TD	12	0	0	0	0	0	0	0	0
Mat and Sup Maint TD	12	2,873	1,472	0	0	0	0	0	1,402
Misc Maint TD	12	0	0	0	0	0	0	0	0
Amort Def Maint TD	5	0	0	0	0	0	0	0	0
TOTAL T & D EXPENSE - MAINTENANCE		2,873	1,472	0	0	0	0	0	1,402
TOTAL T & D EXPENSE		54,016	27,666	(0)	0	0	0	0	26,350
CUSTOMER ACCOUNTS									
Supervision CA	13	0	0	0	0	0	0	0	0
Meter Reading Exp CA	14	0	0	0	0	0	0	0	0
Meter Reading Exp CA	14	0	0	0	0	0	0	0	0
Meter Reading Exp CA	14	0	0	0	0	0	0	0	0
Cust Rec & Collection CA	13	0	0	0	0	0	0	0	0
Cust Rec & Collection CA	13	(13,798)	(13,733)	(65)	0	0	0	0	0
Uncollectible Accts	13	3,044	3,029	14	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	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Cust Serv & Info Exp CA	13	2	2	0	0	0	0	0	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		(0)	(0)	(0)	0	0	0	0	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		(10,752)	(10,702)	(51)	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS
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	0	0	0	0	0	0	0	0
Other Supplies & Exp AG	15	0	0	0	0	0	0	0	0
Other Supplies & Exp AG	15	446	215	0	0	0	0	0	231
Other Supplies & Exp AG	15	369	178	0	0	0	0	0	191
Mgmt Fees-Corporate/Shared Service Center	15	7,270	3,501	3	0	0	0	0	3,766
Mgmt Fees-Call Center	13	266	265	1	0	0	0	0	0
Mgmt Fees-Belleville Lab	2	335	331	3	0	0	0	0	2
Mgmt Fees- Financial ITS	15	2,534	1,220	1	0	0	0	0	1,312
Mgmt Fees- Customer Billings ITS	13	(0)	(0)	(0)	0	0	0	0	0
Mgmt Fees-Other ITS	15	33	16	0	0	0	0	0	17
Outside Services AG	15	732	352	0	0	0	0	0	379
Outside Services AG	15	1	1	0	0	0	0	0	1
Property Insurance	15	0	0	0	0	0	0	0	0
Ins Gen Liab Oper AG	15	2,315	1,115	1	0	0	0	0	1,199
Ins Work Comp AG	16	1,960	1,004	0	0	0	0	0	956
Ins Other Oper AG	15	883	425	0	0	0	0	0	457
Property Insurance	15	0	0	0	0	0	0	0	0
Injuries & Damages	16	4	2	0	0	0	0	0	2
Employee Pension & Benefits	16	16,237	8,317	0	0	0	0	0	7,920
Employee Pension & Benefits	16	5,267	2,698	0	0	0	0	0	2,569
Employee Pension & Benefits	16	1,383	708	0	0	0	0	0	675
Reg Commission Exp	15	214	103	0	0	0	0	0	111
Rents AG	15	59	28	0	0	0	0	0	30
Goodwill Advertising Exp	15	10	5	0	0	0	0	0	5
Misc Exp AG	15	340	164	0	0	0	0	0	176
Research & Development	15	0	0	0	0	0	0	0	0
TOTAL A & G OPERATIONS		40,657	20,647	10	0	0	0	0	20,000
General Plant Maint AG	15	0	0	0	0	0	0	0	0
General Plant Maint AG	15	238	115	0	0	0	0	0	124
TOTAL A & G EXPENSE - MAINTENANCE		238	115	0	0	0	0	0	124
TOTAL A & G EXPENSE		40,896	20,762	11	0	0	0	0	20,123
Total Operation & Maintenance Expenses		93,997	47,407	56	0	0	0	0	46,534

MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS
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	0	0	0	0	0	0	0	0
Struct & Imp P	6	0	0	0	0	0	0	0	0
Struct & Imp WT	2	1,231	1,231	12	0	0	0	0	6
Struct & Imp TD	7	44	23	0	0	0	0	0	21
Struct & Imp Offices	15	0	0	0	0	0	0	0	0
Struct & Imp Store, Shop, Gar	15	0	0	0	0	0	0	0	0
Struct & Imp Misc	15	0	0	0	0	0	0	0	0
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Wells & Springs	2	21,343	21,046	198	0	0	0	0	98
Supply Mains	2	0	0	0	0	0	0	0	0
Power Generation Equip Othe	6	0	0	0	0	0	0	0	0
Pump Equip Electric	6	3,013	2,971	28	0	0	0	0	14
Pump Equip Diesel	6	0	0	0	0	0	0	0	0
Pump Equip Other	6	0	0	0	0	0	0	0	0
WT Equip Non-Media	2	434	428	4	0	0	0	0	2
Dist Reservoirs & Standpipe	5	0	0	0	0	0	0	0	0
Elevated Tanks & Standpipes	5	372	305	0	0	0	0	0	67
Ground Level Facilities	5	0	0	0	0	0	0	0	0
TD Mains Not Classified by	7	371	190	0	0	0	0	0	181
TD Mains 4 & Less	4	650	333	0	0	0	0	0	317
TD Mains 6 to 8"	4	2,312	1,184	0	0	0	0	0	1,128
TD Mains 6 to 10in (TN)*	4	141	72	0	0	0	0	0	69
TD Mains 10 to 16"	3	0	0	0	0	0	0	0	0
TD Mains 18 & Grtr	3	0	0	0	0	0	0	0	0
Fire Mains	8	0	0	0	0	0	0	0	0
Services	10	1,220	1,214	6	0	0	0	0	0
Meters Bronze Case	9	2,385	2,374	11	0	0	0	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	357	355	2	0	0	0	0	0
Meters Other-Rem Rdr Units	9	0	0	0	0	0	0	0	0
Meter Installations	9	535	532	3	0	0	0	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	278	0	0	0	0	0	0	0
Utility Plant Acquisition Adjustment	17	0	0	0	0	0	0	0	278
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0
Other P/E TD	7	0	0	0	0	0	0	0	0
Other P/E CPS	15	0	0	0	0	0	0	0	0
Office Furniture & Equip	15	98	47	0	0	0	0	0	51
Comp & Periph Equip	15	711	342	0	0	0	0	0	368
Computer Software	15	1,136	547	0	0	0	0	0	588
Comp Software Personal	15	15	7	0	0	0	0	0	8
Data Handling Equipment	15	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS

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)
Other Office Equipment	15	1	0	0	0	0	0	0	1
Trans Equip Lt Duty Trks	15	2	1	0	0	0	0	0	1
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0
Trans Equip Autos	15	15	7	0	0	0	0	0	8
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	0	0	0	0	0	0	0	0
Tools Shop Garage Equip	15	2,752	1,325	1	0	0	0	0	1,426
Tools Shop Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	0	0	0	0	0	0	0	0
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	0	0	0	0	0	0	0	0
Comm Equip Non-Telephone	15	572	275	0	0	0	0	0	286
Comm Equip Telephone	15	1	0	0	0	0	0	0	1
Misc Equipment	15	309	149	0	0	0	0	0	160
Other Tangible Property	15	0	0	0	0	0	0	0	0
Total Depreciation Expense		40,315	34,962	286	0	0	0	0	5,088
Amort-Other UP	18	33	28	0	0	0	0	0	4
Taxes Other Than Income									
Utility Reg Assessment Fee	19	800	606	4	0	0	0	0	190
Property Taxes	18	7,054	6,235	49	0	0	0	0	770
FUTA	16	10	5	0	0	0	0	0	5
FICA	16	3,932	2,014	0	0	0	0	0	1,918
SUTA	16	28	14	0	0	0	0	0	14
Other Taxes & Licenses	15	455	219	0	0	0	0	0	236
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
Total Taxes, Other Than Income		12,278	9,093	53	0	0	0	0	3,132
Income Taxes									
Utility Income Available for Return	18	58,190	52,318	408	0	0	0	0	5,464
	18	96,915	85,663	669	0	0	0	0	10,583
Total Cost of Service		302,728	229,472	1,452	0	0	0	0	71,803
Less: Other Water Revenues	19	0	0	0	0	0	0	0	0
Revenue Contribution	19	0	0	0	0	0	0	0	0
Total Other Water Revenues		0	0	0	0	0	0	0	0
Total Cost of Service Related to Sales of Water		\$ 302,728	\$ 229,472	\$ 1,452	\$ -	\$ -	\$ -	\$ -	\$ 71,803
Reallocation of Public Fire	20	0	71,466	337	0	0	0	0	(71,803)
Total		\$ 302,728	\$ 300,938	\$ 1,790	\$ -	\$ -	\$ -	\$ -	\$ -

**MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS**

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	84	0.9768
Commercial	1	0.0116
Industrial	0	0.0000
Other Public Authority	0	0.0000
Sales for Resale	0	0.0000
Private Fire Protection	0	0.0000
Public Fire Protection	1	0.0116
Total	86	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	Average Daily Consumption		Maximum Day Extra Capacity		Allocation Factor
	Allocation Factor 1	Weighted Factor	Allocation Factor	Weighted Factor	
(1)	(2)	(3)=(2)x 0.4000	(4)	(5)=(4)x 0.6000	(6)=(3)+(5)
Residential	0.9768	0.3908	0.9921	0.5953	0.9861
Commercial	0.0116	0.0046	0.0079	0.0047	0.0093
Industrial	0.0000	0.0000	0.0000	0.0000	0.0000
Other Public Authority	0.0000	0.0000	0.0000	0.0000	0.0000
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0000	0.0000			0.0000
Public Fire Protection	0.0116	0.0046			0.0046
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
WARREN COUNTY WATER OPERATIONS**

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	84	1.5	126	0.9921
Commercial	1	0.8	1	0.0079
Industrial	0	0.5	0	0.0000
Other Public Authority	0	0.8	0	0.0000
Sales for Resale	0	0.6	0	0.0000
Total	85		127	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 2005

	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
WARREN COUNTY WATER OPERATIONS

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 0.3498	Allocation Factor (4)	Weighted Factor (5)=(4) X 0.5248	Allocation Factor (6)	Weighted Factor (7)=(6) X 0.1254	
Residential	0.9768	0.3416	0.9921	0.5207			0.8623
Commercial	0.0116	0.0041	0.0079	0.0041			0.0082
Industrial	0.0000	0.0000	0.0000	0.0000			0.0000
Other Public Authority	0.0000	0.0000	0.0000	0.0000			0.0000
Sales for Resale	0.0000	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.0000	0.0000			0.0000	0.0000	0.0000
Public Fire Protection	0.0116	0.0041			1.0000	0.1254	0.1295
Total	1.0000	0.3498	1.0000	0.5248	1.0000	0.1254	1.0000

**MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS**

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 2.5 and the average daily system sendout for 2005 of .100 MGD. The system demand for fire protection is 300 Gallons per minute for 2 hours.

	<u>Ratio</u>	<u>Rate of Flow, (GPD)</u>	<u>Weight</u>
Average Day	1.00	100,400	0.3498
Maximum Day Extra Capacity	<u>1.50</u>	<u>150,600</u>	<u>0.5248</u>
Subtotal	<u>2.50</u>	251,000	0.8746
Fire Protection		<u>36,000</u>	<u>0.1254</u>
Total		<u>287,000</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
WARREN COUNTY WATER OPERATIONS

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)	Weighted Factor (4)=(3) X 0.1138	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.3984	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.4878	
Residential	3.5	1.0000	0.1138	1.0000	0.3984			0.5122
Commercial	0.0	0.0000	0.0000	0.0000	0.0000			0.0000
Industrial	0.0	0.0000	0.0000	0.0000	0.0000			0.0000
Other Public Authority	0.0	0.0000	0.0000	0.0000	0.0000			0.0000
Sales for Resale	0.0	0.0000	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.0	0.0000	0.0000			0.0000	0.0000	0.0000
Public Fire Protection	0.0	0.0000	0.0000			1.0000	0.4878	0.4878
Total	3.5	1.0000	0.1138	1.0000	0.3984	1.0000	0.4878	1.0000

The maximum hour extra capacity factors in column 5 are determined as follows:

**MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS**

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 3.5 and the average daily system sendout for 2005 of .100 MGD. The system demand for fire protection is 300 gallons per minute.

	<u>Ratio</u>	<u>Rate of Flow, (GPM)</u>	<u>Weight</u>
Average Hour	1.00	70	0.1138
Maximum Hour Extra Capacity	<u>3.50</u>	<u>245</u>	<u>0.3984</u>
Subtotal	<u>4.50</u>	315	0.5122
Fire Protection		<u>300</u>	<u>0.4878</u>
Total		<u>615</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	3.5	3.5	12.3	1.0000
Commercial	0.0	2.8	0.0	0.0000
Industrial	0.0	1.5	0.0	0.0000
Other Public Authority	0.0	2.8	0.0	0.0000
Sales for Resale	<u>0.0</u>	<u>2.0</u>	<u>0.0</u>	<u>0.0000</u>
Total	<u>3.5</u>		<u>12.3</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
WARREN COUNTY WATER OPERATIONS

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 0.1822	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.6378	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.1800		
(1)									
Residential	3.5	1.0000	0.1822	1.0000	0.6378				0.8200
Commercial	0.0	0.0000	0.0000	0.0000	0.0000				0.0000
Industrial	0.0	0.0000	0.0000	0.0000	0.0000				0.0000
Other Public Authority	0.0	0.0000	0.0000	0.0000	0.0000				0.0000
Sales for Resale	0.0	0.0000	0.0000	0.0000	0.0000				0.0000
Private Fire Protection	0.0	0.0000	0.0000			0.0000	0.0000		0.0000
Public Fire Protection	0.0	0.0000	0.0000			1.0000	0.1800		0.1800
Total	3.5	1.0000	0.1822	1.0000	0.6378	1.0000	0.1800		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.

Schedule C-WCW

MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS

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.

$$\text{Fire Protection Weight} = \frac{300 \text{ GPM} \times 60 \text{ Min.} \times 2 \text{ Hrs.}}{200,000 \text{ Gallons}} = 0.1800$$

$$\text{General Service Weight : } 1.0000 - 0.1800 = 0.8200$$

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	22.22	0.1822
Extra Capacity Maximum Hour	<u>3.50</u>	<u>77.78</u>	<u>0.6378</u>
Total	<u>4.50</u>	<u>100.00</u>	<u>0.8200</u>

**MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS**

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 1.0000	(4)	(5)=(4)X 0.0000	(6)	(7)=(6)X 0.0000	(8)=(3)+ (5)+(7)
Residential	0.9861	0.9861	0.8623	0.0000	0.5122	0.0000	0.9861
Commercial	0.0093	0.0093	0.0082	0.0000	0.0000	0.0000	0.0093
Industrial	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Other Public Authority	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Public Fire Protection	0.0046	0.0046	0.1295	0.0000	0.4878	0.0000	0.0046
Total	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>0.0000</u>	<u>1.0000</u>	<u>0.0000</u>	<u>1.0000</u>

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	30	1.0000
Associated with Maximum Day and Fire	0	0.0000
Associated with Maximum Hour	0	0.0000
Total	<u>30</u>	<u>1.0000</u>

Schedule C-WCW

MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS

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 0.0000	(4)	(5)=(4)X 1.0000	(6)=(3)+(5)
Residential	0.8623	0.0000	0.5122	0.5122	0.5122
Commercial	0.0082	0.0000	0.0000	0.0000	0.0000
Industrial	0.0000	0.0000	0.0000	0.0000	0.0000
Other Public Authority	0.0000	0.0000	0.0000	0.0000	0.0000
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0000	0.0000	0.0000	0.0000	0.0000
Public Fire Protection	0.1295	0.0000	0.4878	0.4878	0.4878
Total	1.0000	0.0000	1.0000	1.0000	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	0	0.0000
Distribution Mains	58,173	1.0000
Total	58,173	1.0000

**MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS**

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	421	0.9953
Commercial	2	0.0047
Industrial	0	0.0000
Other Public Authority	0	0.0000
Sales for Resale	0	0.0000
Private Fire	<u>0</u>	<u>0.0000</u>
Total	<u>423</u>	<u>1.0000</u>

Schedule C-WCW

MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS

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	421	421	2	2	0	0	0	0	0	0	423	423
3/4	1.3	0	0	0	0	0	0	0	0	0	0	0	0
1	1.7	0	0	0	0	0	0	0	0	0	0	0	0
1-1/2	3.5	0	0	0	0	0	0	0	0	0	0	0	0
2	4.3	0	0	0	0	0	0	0	0	0	0	0	0
3	19.0	0	0	0	0	0	0	0	0	0	0	0	0
4	29.3	0	0	0	0	0	0	0	0	0	0	0	0
6	43.4	0	0	0	0	0	0	0	0	0	0	0	0
8	112.9	0	0	0	0	0	0	0	0	0	0	0	0
Total		421	421	2	2	0	0	0	0	0	0	423	423

**MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS**

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	421	0.9953
Commercial	2	0.0047
Industrial	0	0.0000
Other Public Authority	0	0.0000
Sales for Resale	0	0.0000
Private Fire Protection	0	0.0000
Total	423	1.0000

Schedule C-WCW

MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS
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	421	421	2	2	0	0	0	0	0	0	0	0	423	423
1	1.17	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1-1/2	1.58	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	2.04	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	2.73	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	2.88	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	4.24	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	6.98	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	9.50	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	12.16	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		421	421	2	2	0	0	0	0	0	0	0	0	423	423

**MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS**

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	\$ 26,180	0.5122
Commercial	(0)	0.0000
Industrial	-	0.0000
Other Public Authority	-	0.0000
Sales for Resale	-	0.0000
Private Fire Protection	-	0.0000
Public Fire Protection	24,935	0.4878
Total	51,115	1.0000

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

Factors are based on transmission and distribution maintenance expenses other than those being allocated, however, due to no expenses in these categories, Factor 7 is used as follows:

Customer Classification	Transmission & Distribution Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
		Factor 7
Residential	\$ -	0.5122
Commercial	-	0.0000
Industrial	-	0.0000
Other Public Authority	-	0.0000
Sales for Resale	-	0.0000
Private Fire Protection	-	0.0000
Public Fire Protection	-	0.4878
Total	\$0	1.0000

**MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS**

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	421	0.9953
Commercial	2	0.0047
Industrial	0	0.0000
Other Public Authority	0	0.0000
Sales for Resale	0	0.0000
Private Fire Protection	0	0.0000
Public Fire Protection	0	0.0000
Total	<u>423</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	421	0.9953
Commercial	2	0.0047
Industrial	0	0.0000
Other Public Authority	0	0.0000
Sales for Resale	0	0.0000
Total	<u>423</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS**

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	\$24,531	0.4816
Commercial	21	0.0004
Industrial	0	0.0000
Other Public Authority	0	0.0000
Sales for Resale	0	0.0000
Private Fire Protection	0	0.0000
Public Fire Protection	26,385	0.5180
Total	\$50,937	1.0000

**MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS**

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.

<u>Customer Classification</u> (1)	<u>Direct Labor Expense</u> (2)	<u>Allocation Factor</u> (3)
Residential	\$25,466	0.5122
Commercial	0	0.0000
Industrial	0	0.0000
Other Public Authority	0	0.0000
Sales for Resale	0	0.0000
Private Fire Protection	0	0.0000
Public Fire Protection	24,253	0.4878
Total	<u>\$49,718</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:

<u>Customer Classification</u> (1)	<u>Original Cost Less Depreciation</u> (2)	<u>Allocation Factor</u> (3)
Residential	\$1,087,777	0.8825
Commercial	8,462	0.0069
Industrial	0	0.0000
Other Public Authority	0	0.0000
Sales for Resale	0	0.0000
Private Fire Protection	0	0.0000
Public Fire Protection	136,283	0.1106
Total	<u>\$1,232,522</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS**

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

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

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

Customer Classification	Original Cost Measure of Value	Allocation Factor
(1)	(2)	(3)
Residential	\$1,005,392	0.8839
Commercial	7,840	0.0069
Industrial	0	0.0000
Other Public Authority	0	0.0000
Sales for Resale	0	0.0000
Private Fire Protection	0	0.0000
Public Fire Protection	124,271	0.1092
Total	\$1,137,503	1.0000

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

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

Customer Classification	Total Cost of Service	Allocation Factor
(1)	(2)	(3)
Residential	\$228,935	0.7583
Commercial	1,450	0.0048
Industrial	0	0.0000
Other Public Authority	0	0.0000
Sales for Resale	0	0.0000
Private Fire Protection	0	0.0000
Public Fire Protection	71,504	0.2369
Total	\$301,889	1.0000

MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS
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)
RATE BASE									
Organization	17	\$ 145	\$ 128	\$ 1	\$ -	\$ -	\$ -	\$ -	16
Franchises	17	0	0	0	0	0	0	0	0
Land & Ld Rights SS	2	0	0	0	0	0	0	0	0
Land & Ld Rights P	6	0	0	0	0	0	0	0	0
Land & Ld Rights WT	2	0	0	0	0	0	0	0	0
Land & Ld Rights TD	7	65,000	33,293	0	0	0	0	0	31,707
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	0	0	0	0	0	0	0	0
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	31,606	31,167	294	0	0	0	0	145
Struct & Imp WT Nth Pit (ST	2	0	0	0	0	0	0	0	0
Struct & Imp WT Ctr Pit 1	2	0	0	0	0	0	0	0	0
Struct & Imp WT Ctr 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	966	495	0	0	0	0	0	471
Struct & Imp TD Spec Cross	7	0	0	0	0	0	0	0	0
Struct & Imp Offices	15	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0
Struct & Imp Misc	15	0	0	0	0	0	0	0	0
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Wells & Springs	2	667,771	658,489	6,210	0	0	0	0	3,072
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 Ctr 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 Other	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	119,855	118,189	1,115	0	0	0	0	551
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 Ctr Pit	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
WARREN COUNTY WATER OPERATIONS
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)
Pump Equip Other	6	0	0	0	0	0	0	0	0
WT Equip Non-Media	2	19,727	19,453	183	0	0	0	0	91
WT Equip Non-Med North (STL)	2	0	0	0	0	0	0	0	0
WT Equip Non-Media Ctrt 1 &	2	0	0	0	0	0	0	0	0
WT Equip Non-Media Ctrt 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	0	0	0	0	0	0	0	0
Elevated Tanks & Standpipes	5	7,863	6,448	0	0	0	0	0	1,415
Ground Level Facilities	5	0	0	0	0	0	0	0	0
TD Mains Not Classified by	7	31,152	15,956	0	0	0	0	0	15,196
TD Mains 4 & Less "	4	19,699	10,090	0	0	0	0	0	9,609
TD Mains 6 to 8"	4	39,141	20,048	0	0	0	0	0	19,093
TD Mains 6 to 10in (TN)"	4	2,211	1,132	0	0	0	0	0	1,079
TD Mains 10 to 16"	3	0	0	0	0	0	0	0	0
TD Mains 18 & Grtr "	3	0	0	0	0	0	0	0	0
TD Mains AC 4 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1900-28 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1929-56 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1957-93 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI 12 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains CI 16 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains DI 6-8 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains DI 12 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains DI 16 & >(STL) "	3	0	0	0	0	0	0	0	0
TD Mains Galve 1 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains LJ 20 (STL) "	3	0	0	0	0	0	0	0	0
Fire Mains	8	0	0	0	0	0	0	0	0
Services	10	44,803	44,592	211	0	0	0	0	0
Meters Bronze Case	9	72,431	72,091	340	0	0	0	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	1,706	1,898	8	0	0	0	0	0
Meters Other-Rem Rdr Units	9	0	0	0	0	0	0	0	0
Meter Installations	9	14,325	14,258	67	0	0	0	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	10,423	0	0	0	0	0	0	10,423
Other P/E Intangible	15	0	0	0	0	0	0	0	0
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0
Other P/E TD	7	0	0	0	0	0	0	0	0
Other P/E CPS	15	228	110	0	0	0	0	0	118
Office Furniture & Equip	15	2,788	1,343	1	0	0	0	0	1,444
Comp & Periph Equip	15	2,746	1,323	1	0	0	0	0	1,422
Computer Software	15	4,843	2,332	2	0	0	0	0	2,509

MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS
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)
Comp Software Personal	15	95	46	0	0	0	0	0	49
Data Handling Equipment	15	0	0	0	0	0	0	0	0
Other Office Equipment	15	11	5	0	0	0	0	0	6
Trans Equip Lt Duty Trks	15	33	16	0	0	0	0	0	17
Trans Equip Hwy Duty Trks	15	0	0	0	0	0	0	0	0
Trans Equip Autos	15	120	58	0	0	0	0	0	62
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	0	0	0	0	0	0	0	0
Tools,Shop,Garage Equip	15	66,729	32,137	27	0	0	0	0	34,566
Tools,Shop,Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	0	0	0	0	0	0	0	0
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	0	0	0	0	0	0	0	0
Comm Equip Non-Telephone	15	9,521	4,585	4	0	0	0	0	4,932
Comm Equip Telephone	15	25	12	0	0	0	0	0	13
Misc Equipment	15	(3,296)	(1,587)	(1)	0	0	0	0	(1,707)
Other Tangible Property	17	0	0	0	0	0	0	0	0
Total Utility Plant in Service		1,232,667	1,087,905	8,463	0	0	0	0	136,299
Other Rate Base Items									
Add:									
Other Utility Plant Adjustments	17	0	0	0	0	0	0	0	0
Cash Working Capital	15	5,000	2,408	2	0	0	0	0	2,590
Materials and Supplies	15	526	253	0	0	0	0	0	272
Prepayments	15	550	265	0	0	0	0	0	285
OREB's Contributed to External Fund	16	0	0	0	0	0	0	0	0
Premature Retirement	17	0	0	0	0	0	0	0	0
Regulatory Deferrals	17	0	0	0	0	0	0	0	0
Less:									
Accumulated Deferred ITC (3%)	17	0	0	0	0	0	0	0	0
Deferred Income Taxes	17	(90,692)	(80,036)	(626)	0	0	0	0	(10,031)
Pensions	16	(10,548)	(5,403)	0	0	0	0	0	(5,145)
Total Other Rate Base Elements		(95,164)	(82,512)	(623)	0	0	0	0	(12,028)
Total Original Cost Measure of Value		\$ 1,137,503	\$ 1,005,392	\$ 7,840	\$ -	\$ -	\$ -	\$ -	\$ 124,271

**MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY WATER OPERATIONS**

**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	0	0	
3 -inch	9.00	0	0	
4 -inch	16.00	0	0	
6 -inch	36.00	0	0	
8 -inch	64.00	0	0	
10 -inch	100.00	0	0	
12 -inch	144.00	0	0	
Private Hydrants	32.75	0	0	
Total Private Fire Protection		0	0	0.0000
<u>PUBLIC FIRE PROTECTION</u>				
<u>Hydrant</u>	<u>Nozzle Sizes</u>			
6" Valve	2- 2-1/2" & 1- 4.5"	32.75	62	2,031
6" Valve	2- 2-1/2" & 1- 4"	28.50	0	0
Total Public Fire Protection		62	2,031	1.0000
Total Fire Protection		62	2,031	1.0000

WARRENSBURG DISTRICT

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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	\$ 1,955,526	60.4%	\$ 1,372,655	54.6%	\$ 1,719,306	54.7%	\$ 346,651	25.3%
Commercial	539,364	16.6%	500,354	20.1%	626,649	20.0%	126,295	25.2%
Industrial	66,189	2.0%	56,501	2.3%	70,758	2.3%	14,257	25.2%
Public Authority	425,775	13.1%	332,428	13.3%	416,334	13.3%	83,906	25.2%
Sales for Resale	198,380	6.1%	176,746	7.1%	221,353	7.1%	44,607	25.2%
Private Fire Service	58,328	1.8%	66,176	2.6%	82,881	2.6%	16,705	25.2%
Public Fire Service	-	0.0%	-	0.0%	\$0	0.0%	-	-
Total Sales	3,243,563	100.0%	2,504,860	100.0%	3,137,281	100.0%	632,421	25.2%
Other Revenues	72,750		72,750		72,750		-	0.0%
Total	\$ 3,316,313		\$ 2,577,610		\$ 3,210,031		\$ 632,421	24.5%

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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)
OPERATION AND MAINTENANCE EXPENSES									
SOURCE OF SUPPLY EXPENSES									
Super & Eng Oper SS	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor & Exp Oper SS	2	4,439	2,168	909	131	758	459	2	12
Labor & Exp Oper SS	2	2,018	986	413	59	345	209	1	6
Purchased Water	1	0	0	0	0	0	0	0	0
TOTAL SS EXPENSE - OPERATION		6,457	3,154	1,322	190	1,103	668	3	18
Misc Exp Oper SS	2	63,472	31,000	12,993	1,866	10,841	6,563	32	178
Misc Exp Oper SS	2	2	1	0	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	308	150	63	9	53	32	0	1
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	644	315	132	19	110	67	0	2
Infil Gail & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Infil Gail & 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	2	1	0	0	0	0	0	0
Misc Plant Maint SS	2	1,192	582	244	35	204	123	1	3
TOTAL SS EXPENSE - MAINTENANCE		65,619	32,049	13,432	1,929	11,208	6,785	33	184
TOTAL SS EXPENSE		72,077	35,202	14,754	2,119	12,311	7,453	36	202
POWER AND PUMPING EXPENSES									
Super & Eng Oper P	6	0	0	0	0	0	0	0	0
Fuel for Power Prod	1	0	0	0	0	0	0	0	0
Labor & Exp Oper Pwr Prod	6	(1,163)	(567)	(237)	(34)	(198)	(120)	(1)	(6)
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Purch Fuel/Power for Pump	1	(2,164)	(986)	(455)	(77)	(379)	(255)	(2)	(10)
Labor & Exp Oper Pump	6	18	9	4	1	3	2	0	0
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		(3,309)	(1,544)	(689)	(110)	(574)	(373)	(3)	(16)

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Pump Equip Maint P	6	0	0	0	0	0	0	0	0
Pump Equip Maint P	6	0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSES - MAINTENANCE		3,870	1,885	790	113	659	399	3	19
TOTAL PUMPING EXPENSES		3,870	1,885	790	113	659	399	3	19
TOTAL PUMPING EXPENSES		581	341	102	3	85	26	0	3
WATER TREATMENT									
Super & Eng Oper WT	2	0	0	0	0	0	0	0	0
Chemicals	1	29,804	13,585	6,265	1,055	5,225	3,508	27	140
Labor & Exp Oper WT	2	26,583	12,983	5,442	782	4,540	2,749	13	74
Misc Exp Oper WT	2	8,049	3,931	1,648	237	1,375	832	4	23
Misc Exp Oper WT	2	29,426	14,372	6,024	865	5,026	3,043	15	82
Misc Exp Oper WT	1	24	11	5	1	4	3	0	0
Rents Oper WT	2	2,465	1,204	505	72	421	255	1	7
TOTAL WT EXPENSE - OPERATION		96,352	46,086	19,887	3,012	16,581	10,389	60	326
Super & Eng Maint WT	2	868	424	178	26	148	90	0	2
Struct & Improve Maint WT	2	280	137	57	8	48	29	0	1
WT Equip Maint WT	2	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	9,260	4,523	1,896	272	1,582	957	5	26
TOTAL WT EXPENSE - MAINTENANCE		3,245	1,585	664	95	554	336	2	9
TOTAL WT EXPENSE		13,653	6,668	2,795	401	2,332	1,412	7	38
TOTAL WT EXPENSE		110,005	52,754	22,682	3,413	18,923	11,801	67	365
TRANSMISSION AND DISTRIBUTION EXPENSES									
Super & Eng Oper TD	11	0	0	0	0	0	0	0	0
Storage Facility Exp	5	175	60	24	3	20	11	7	49
Storage Facility Exp	5	0	0	0	0	0	0	0	0
TD Lines Exp	7	71,845	26,287	10,668	1,383	8,898	5,080	2,551	16,779
TD Lines Exp	7	1,569	576	234	30	195	111	56	367
Meter Expense	9	23,734	17,855	2,962	316	2,492	109	0	0
Meter Expense	9	63	47	8	1	7	0	0	0
Customer Install Exp	10	2,186	1,796	212	7	66	2	102	0
Customer Install Exp	10	0	0	0	0	0	0	0	0
Misc Exp Oper TD	11	15,246	7,153	2,165	267	1,791	816	416	2,638

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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)
Misc Exp Oper TD	11	42,680	20,025	6,061	747	5,015	2,283	1,155	7,384
Misc Exp Oper TD	11	15,542	7,292	2,207	272	1,826	832	424	2,689
Rents Oper TD	11	0	0	0	0	0	0	0	0
TOTAL T & D EXPENSE OPERATION		172,841	81,093	24,540	3,026	20,311	9,244	4,722	29,906
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	5,342	1,960	795	103	663	379	190	1,251
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	4,024	3,306	390	14	122	4	188	0
Services Maint TD	10	0	0	0	0	0	0	0	0
Meters Maint TD	9	5,872	4,417	733	78	617	27	0	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	8,433	0	0	0	0	0	0	8,433
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	73,289	29,990	5,936	601	4,339	1,268	1,173	29,983
Misc Maint TD	12	0	0	0	0	0	0	0	0
Amort Def Maint TD	5	71,403	24,534	9,854	1,228	8,218	4,598	3,035	19,936
TOTAL T & D EXPENSE - MAINTENANCE		168,363	64,207	17,709	2,024	13,959	6,276	4,586	59,603
TOTAL T & D EXPENSE		341,204	145,300	42,249	5,050	34,270	15,520	9,308	89,508
CUSTOMER ACCOUNTS									
Supervision CA	13	0	0	0	0	0	0	0	0
Meter Reading Exp CA	14	29,757	26,404	2,645	57	640	12	0	0
Meter Reading Exp CA	14	237	210	21	0	5	0	0	0
Meter Reading Exp CA	14	(22)	(20)	(2)	(0)	(0)	(0)	0	0
Cust Rec & Collection CA	13	2,518	2,209	221	5	53	1	28	0
Cust Rec & Collection CA	13	43,600	38,259	3,832	78	924	17	488	0
Uncollectible Accts	13	35,750	31,371	3,142	64	758	14	400	0
Misc Cust Accts Exp CA	13	4,165	3,655	366	7	88	2	47	0
Misc Cust Accts Exp CA	13	1,579	1,386	139	3	33	1	18	0
Misc Cust Accts Exp CA	13	9,594	8,418	843	17	203	4	107	0
Cust Serv & Info Exp CA	13	(1)	(1)	(0)	(0)	(0)	(0)	(0)	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		127,176	111,891	11,209	232	2,705	51	1,089	0

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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	39,043	20,849	5,333	617	3,975	1,979	656	5,634
Other Supplies & Exp AG	15	2,641	1,410	361	42	269	134	44	381
Other Supplies & Exp AG	15	19,372	10,345	2,646	306	1,972	982	325	2,795
Other Supplies & Exp AG	15	15,194	8,113	2,075	240	1,547	770	255	2,192
Mgmt Fees-Corporate/Shared Service Center	15	268,990	143,641	36,744	4,250	27,383	13,638	4,519	38,815
Mgmt Fees-Call Center	13	9,858	8,650	866	18	209	4	110	0
Mgmt Fees-Belleville Lab	2	12,407	6,059	2,540	365	2,119	1,283	6	35
Mgmt Fees- Financial ITS	15	93,744	50,059	12,805	1,481	9,543	4,753	1,575	13,527
Mgmt Fees- Customer Billings ITS	13	(3)	(3)	(0)	(0)	(0)	(0)	(0)	0
Mgmt Fees-Other ITS	15	1,215	649	166	19	124	62	20	175
Outside Services AG	15	8,550	4,566	1,168	135	870	433	144	1,234
Outside Services AG	15	26	14	4	0	3	1	0	4
Property Insurance	15	0	0	0	0	0	0	0	0
Ins Gen Lab Oper AG	15	42,821	22,866	5,849	677	4,359	2,171	719	6,179
Ins Work Comp AG	16	9,989	5,364	1,378	161	1,044	500	166	1,375
Ins Other Oper AG	15	16,337	8,724	2,232	258	1,663	828	274	2,357
Property Insurance	15	1,105	590	151	17	112	56	19	159
Injuries & Damages	16	91	49	13	1	9	5	2	13
Employee Pension & Benefits	16	92,364	49,599	12,746	1,487	9,652	4,627	1,533	12,718
Employee Pension & Benefits	16	31,083	16,692	4,289	500	3,248	1,557	516	4,280
Employee Pension & Benefits	16	10,347	5,557	1,428	167	1,081	518	172	1,425
Reg Commission Exp	15	4,263	2,276	582	67	434	216	72	615
Rents AG	15	6,592	3,520	900	104	671	334	111	951
Goodwill Advertising Exp	15	2,286	1,221	312	36	233	116	38	330
Misc Exp AG	15	26,543	14,174	3,626	419	2,702	1,346	446	3,830
Research & Development	15	0	0	0	0	0	0	0	0
TOTAL A & G OPERATIONS		714,857	384,984	98,216	11,369	73,223	36,315	11,729	99,027
General Plant Maint AG	15	0	0	0	0	0	0	0	0
General Plant Maint AG	15	3,985	2,128	544	63	406	202	67	575
TOTAL A & G EXPENSE - MAINTENANCE		3,985	2,128	544	63	406	202	67	575
TOTAL A & G EXPENSE		718,842	387,112	98,760	11,432	73,628	36,517	11,790	99,602
Total Operation & Maintenance Expenses		1,369,864	732,600	189,755	22,249	141,922	71,368	22,290	189,680

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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	837	409	171	25	143	87	0	2
Struct & Imp P	6	2,637	1,285	538	77	449	272	2	13
Struct & Imp WT	2	17,905	8,745	3,665	526	3,058	1,851	9	50
Struct & Imp TD	7	4,618	1,694	688	89	574	327	164	1,082
Struct & Imp Offices	15	3,516	1,878	480	56	358	178	59	507
Struct & Imp Store, Shop, Gar	15	0	0	0	0	0	0	0	0
Struct & Imp Misc	15	0	0	0	0	0	0	0	0
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Wells & Springs	2	0	0	0	0	0	0	0	0
Supply Mains	2	16,181	7,903	3,312	476	2,764	1,673	8	45
Power Generation Equip Othe	2	2,941	1,436	602	86	502	304	1	8
Pump Equip Electric	6	129	63	26	4	22	13	0	1
Pump Equip Diesel	6	5,515	2,687	1,126	162	940	569	4	28
Pump Equip Other	6	0	0	0	0	0	0	0	0
WT Equip Non-Media	6	148	72	30	4	25	15	0	1
Dist Reservoirs & Standpipe	2	73,013	35,660	14,946	2,147	12,471	7,550	37	204
Elevated Tanks & Standpipes	5	36,542	12,556	5,043	629	4,206	2,353	1,553	10,203
Ground Level Facilities	5	1,278	439	176	22	147	82	54	357
TD Mains Not Classified by	7	0	0	0	0	0	0	0	0
TD Mains 4 & Less	4	70,852	25,996	10,550	1,367	8,800	5,023	2,522	16,594
TD Mains 6 to 8"	4	1,242	429	172	21	144	80	52	343
TD Mains 10 to 16"	4	26,204	9,048	3,634	453	3,032	1,698	1,101	7,238
TD Mains 18 & Grtr	3	16,586	7,663	3,214	463	2,682	1,622	126	816
Fire Mains	3	0	0	0	0	0	0	0	0
Services	8	1,514	0	0	0	0	0	0	1,514
Meters Bronze Case	10	7,258	5,963	704	25	220	7	340	0
Meters Plastic Case	9	108	81	13	1	11	0	0	0
Meters Other	9	0	0	0	0	0	0	0	0
Meters Other-Rem Rdr Units	9	3,467	2,608	433	46	364	16	0	0
Meter Installations	9	0	0	0	0	0	0	0	0
Meter Installation Other	9	23,140	17,408	2,888	308	2,430	106	0	0
Hydrants	9	0	0	0	0	0	0	0	0
Utility Plant Acquisition Adjustment	8	7,426	0	0	0	0	0	0	7,426
Other P/E WT Res Hand Equip	17	0	0	0	0	0	0	0	0
Other P/E TD	2	0	0	0	0	0	0	0	0
Other P/E CPS	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	2,941	1,570	402	46	299	149	49	424
Comp & Periph Equip	15	13,177	7,037	1,800	208	1,341	668	221	1,901
Computer Software	15	21,018	11,224	2,871	332	2,140	1,066	353	3,033
Comp Software Personal	15	285	152	39	5	29	14	5	41
Data Handling Equipment	15	0	0	0	0	0	0	0	0
Other Office Equipment	15	13	7	2	0	0	1	0	2
Trans Equip Lt Duty Trks	15	5,640	3,012	770	89	574	286	95	814
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0

Schedule B-WAR

MISSOURI-AMERICAN WATER COMPANY

WARRENSBURG 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 Autos	15	278	148	38	4	28	14	5	40
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	0	0	0	0	0	0	0	0
Tools Shop Garage Equip	15	3,145	1,679	430	50	320	159	53	454
Tools Shop Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	4,752	2,321	973	140	812	491	2	13
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	1,418	757	194	22	144	72	24	205
Comm Equip Non-Telephone	15	714	381	98	11	73	36	12	103
Comm Equip Telephone	15	118	63	16	2	12	6	2	17
Misc Equipment	15	3,591	1,918	491	57	386	182	60	518
Other Tangible Property	15	2,105	1,124	288	33	214	107	35	304
Total Depreciation Expense		382,252	175,416	60,823	7,987	49,695	27,080	6,951	54,300
Amort-Other UP	18	485	228	75	10	60	33	9	70
Taxes Other Than Income									
Utility Reg Assessment Fee	18	16,161	8,014	2,400	299	1,879	989	291	2,288
Property Taxes	18	189,032	88,732	29,319	3,781	23,553	12,684	3,686	27,277
FUTA	16	467	251	64	8	49	23	8	64
FICA	16	19,245	10,334	2,656	310	2,011	964	319	2,650
SUTA	16	286	154	40	5	30	14	5	39
Other Taxes & Licenses	15	8,404	4,488	1,148	133	856	426	141	1,213
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
Total Taxes, Other Than Income		233,595	111,972	35,626	4,534	28,378	15,101	4,450	33,532
Income Taxes	18	313,739	147,269	48,661	6,275	39,092	21,052	6,118	45,272
Utility Income Available for Return	18	1,016,378	477,088	157,640	20,328	126,541	68,199	19,819	146,663
Total Cost of Service		3,316,313	1,644,573	492,582	61,382	385,788	202,832	59,638	469,519
Less: Other Water Revenues	19	72,750	36,077	10,803	1,346	8,461	4,452	1,309	10,301
Revenue Contribution	19	0	0	0	0	0	0	0	0
Total Other Water Revenues		72,750	36,077	10,803	1,346	8,461	4,452	1,309	10,301
Total Cost of Service Related to Sales of Water		\$ 3,243,563	\$ 1,608,496	\$ 481,778	\$ 60,036	\$ 377,327	\$ 198,380	\$ 58,328	\$ 459,217
Reallocation of Public Fire	20	0	347,030	57,586	6,154	48,447	0	0	(459,217)
Total		\$ 3,243,563	\$ 1,955,526	\$ 539,364	\$ 66,189	\$ 425,775	\$ 198,380	\$ 58,328	\$ -

**MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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	1,069	0.4558
Commercial	493	0.2102
Industrial	83	0.0354
Other Public Authority	411	0.1753
Sales for Resale	276	0.1177
Private Fire Protection	2	0.0009
Public Fire Protection	11	0.0047
Total	<u>2,345</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 (1)	Average Daily Consumption		Maximum Day Extra Capacity		Allocation Factor (6)=(3)+(5)
	Allocation Factor 1 (2)	Weighted Factor (3)=(2)x 0.5882	Allocation Factor (4)	Weighted Factor (5)=(4)x 0.4118	
Residential	0.4558	0.2682	0.5345	0.2202	0.4884
Commercial	0.2102	0.1236	0.1970	0.0811	0.2047
Industrial	0.0354	0.0208	0.0210	0.0086	0.0294
Other Public Authority	0.1753	0.1031	0.1645	0.0677	0.1708
Sales for Resale	0.1177	0.0692	0.0830	0.0342	0.1034
Private Fire Protection	0.0009	0.0005			0.0005
Public Fire Protection	0.0047	0.0028			0.0028
Total	<u>1.0000</u>	<u>0.5882</u>	<u>1.0000</u>	<u>0.4118</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
WARRENSBURG 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	1,069	1.0	1,069	0.5345
Commercial	493	0.8	394	0.1970
Industrial	83	0.5	42	0.0210
Other Public Authority	411	0.8	329	0.1645
Sales for Resale	276	0.6	166	0.0830
Total	<u>2,332</u>		<u>2,000</u>	<u>1.0000</u>

The weighting of the factors is based on the maximum day ratio of 1.70, based on a review of maximum day ratios experienced during the period 1990 through 2002 (see Schedule D).

	Maximum Day Ratio	Weight
Average Day	1.00	0.5882
Maximum Day Extra Capacity	<u>0.70</u>	<u>0.4118</u>
Total	<u>1.70</u>	<u>1.0000</u>

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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 0.5566	Allocation Factor (4)	Weighted Factor (5)=(4) X 0.3897	Allocation Factor (6)	Weighted Factor (7)=(6) X 0.0537	
Residential	0.4558	0.2537	0.5345	0.2083			0.4620
Commercial	0.2102	0.1170	0.1970	0.0768			0.1938
Industrial	0.0354	0.0197	0.0210	0.0082			0.0279
Other Public Authority	0.1753	0.0976	0.1645	0.0641			0.1617
Sales for Resale	0.1177	0.0655	0.0830	0.0323			0.0978
Private Fire Protection	0.0009	0.0005			0.1319	0.0071	0.0076
Public Fire Protection	0.0047	0.0026			0.8681	0.0466	0.0492
Total	1.0000	0.5566	1.0000	0.3897	1.0000	0.0537	1.0000

Schedule C-WAR

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT

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

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

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum day ratio of 1.70 and the average daily system sendout for 2005 of 2,488 MGD. The system demand for fire protection is 2,000 Gallons per minute for 2 hours.

	<u>Ratio</u>	<u>Rate of Flow, (GPD)</u>	<u>Weight</u>
Average Day	1.00	2,488,000	0.5566
Maximum Day			
Extra Capacity	<u>0.70</u>	<u>1,741,600</u>	<u>0.3897</u>
Subtotal	<u>1.70</u>	4,229,600	0.9463
Fire Protection		<u>240,000</u>	<u>0.0537</u>
Total		<u>4,469,600</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
WARRENSBURG DISTRICT

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

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

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

Customer Classification	Average Hourly Consumption			Maximum Hour Extra Capacity			Fire Protection		Allocation Factor (9)=(4)+(6)+(8)
	Thousand Gallons (2)	Allocation Factor (3)	Weighted Factor (4)=(3) X 0.2734	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.4101	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.3165		
Residential	44.5	0.4556	0.1245	0.5384	0.2208				0.3453
Commercial	20.5	0.2098	0.0574	0.1983	0.0813				0.1387
Industrial	3.5	0.0358	0.0098	0.0183	0.0075				0.0173
Other Public Authority	17.1	0.1750	0.0478	0.1655	0.0679				0.1157
Sales for Resale	11.5	0.1177	0.0322	0.0795	0.0326				0.0648
Private Fire Protection	0.1	0.0010	0.0003			0.1319	0.0417		0.0420
Public Fire Protection	0.5	0.0051	0.0014			0.8681	0.2748		0.2762
Total	97.7	1.0000	0.2734	1.0000	0.4101	1.0000	0.3165		1.0000

The maximum hour extra capacity factors in column 5 are determined as follows:

**MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT**

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

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

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum hour ratio of 2.5 and the average daily system sendout for 2005 of 2.488 MGD. The system demand for fire protection is 2,000 gallons per minute.

	<u>Ratio</u>	<u>Rate of Flow, (GPM)</u>	<u>Weight</u>
Average Hour	1.00	1,728	0.2734
Maximum Hour Extra Capacity	<u>1.50</u>	<u>2,592</u>	<u>0.4101</u>
Subtotal	<u>2.50</u>	4,320	0.6835
Fire Protection		<u>2,000</u>	<u>0.3165</u>
Total		<u>6,320</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	44.5	3.5	155.8	0.5384
Commercial	20.5	2.8	57.4	0.1983
Industrial	3.5	1.5	5.3	0.0183
Other Public Authority	17.1	2.8	47.9	0.1655
Sales for Resale	<u>11.5</u>	2.0	<u>23.0</u>	<u>0.0795</u>
Total	<u>97.1</u>		<u>289.4</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
WARRENSBURG 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 0.2720	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.4080	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.3200		
Residential	44.5	0.4556	0.1239	0.5384	0.2197				0.3436
Commercial	20.5	0.2098	0.0571	0.1983	0.0809				0.1380
Industrial	3.5	0.0358	0.0097	0.0183	0.0075				0.0172
Other Public Authority	17.1	0.1750	0.0476	0.1655	0.0675				0.1151
Sales for Resale	11.5	0.1177	0.0320	0.0795	0.0324				0.0644
Private Fire Protection	0.1	0.0010	0.0003			0.1319	0.0422		0.0425
Public Fire Protection	0.5	0.0051	0.0014			0.8681	0.2778		0.2792
Total	97.7	1.0000	0.2720	1.0000	0.4080	1.0000	0.3200		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
WARRENSBURG 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.

$$\text{Fire Protection Weight} = \frac{2,000 \text{ GPM} \times 60 \text{ Min.} \times 2 \text{ Hrs.}}{750,000 \text{ Gallons}} = 0.3200$$

$$\text{General Service Weight} \quad 1.0000 \quad - \quad 0.3200 \quad = \quad 0.6800$$

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

	Maximum Hour Ratio	Percent	Weight
Average Hour	1.00	40.00	0.2720
Extra Capacity Maximum Hour	1.50	60.00	0.4080
Total	<u>2.50</u>	<u>100.00</u>	<u>0.6800</u>

**MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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 0.9921	(4)	(5)=(4)X 0.0000	(6)	(7)=(6)X 0.0079	(8)=(3)+ (5)+(7)
Residential	0.4884	0.4844	0.4620	0.0000	0.3453	0.0028	0.4872
Commercial	0.2047	0.2031	0.1938	0.0000	0.1387	0.0011	0.2042
Industrial	0.0294	0.0292	0.0279	0.0000	0.0173	0.0001	0.0293
Other Public Authority	0.1708	0.1695	0.1617	0.0000	0.1157	0.0009	0.1704
Sales for Resale	0.1034	0.1026	0.0978	0.0000	0.0648	0.0005	0.1031
Private Fire Protection	0.0005	0.0005	0.0076	0.0000	0.0420	0.0003	0.0008
Public Fire Protection	0.0028	0.0028	0.0492	0.0000	0.2762	0.0022	0.0050
Total	1.0000	0.9921	1.0000	0.0000	1.0000	0.0079	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	1,010	0.9921
Associated with Maximum Day and Fire	0	0.0000
Associated with Maximum Hour	8	0.0079
Total	1,018	1.0000

Schedule C-WAR

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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 0.1851	(4)	(5)=(4)X 0.8149	(6)=(3)+(5)
Residential	0.4620	0.0855	0.3453	0.2814	0.3669
Commercial	0.1938	0.0359	0.1387	0.1130	0.1489
Industrial	0.0279	0.0052	0.0173	0.0141	0.0193
Other Public Authority	0.1617	0.0299	0.1157	0.0943	0.1242
Sales for Resale	0.0978	0.0181	0.0648	0.0528	0.0709
Private Fire Protection	0.0076	0.0014	0.0420	0.0342	0.0356
Public Fire Protection	0.0492	0.0091	0.2762	0.2251	0.2342
Total	1.0000	0.1851	1.0000	0.8149	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	102,638	0.1851
Distribution Mains	451,735	0.8149
Total	554,373	1.0000

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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	6,221	0.7523
Commercial	1,032	0.1248
Industrial	110	0.0133
Other Public Authority	868	0.1050
Sales for Resale	38	0.0046
Private Fire	<u>0</u>	<u>0.0000</u>
Total	<u>8,269</u>	<u>1.0000</u>

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MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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	6,172	6,172	429	429	1	1	83	83	0	0	6,685	6,685
3/4	1.3	0	0	7	9	0	0	2	3	0	0	9	12
1	1.7	21	36	80	136	3	5	6	10	0	0	110	187
1-1/2	3.5	0	0	29	102	1	4	5	18	0	0	35	124
2	4.3	3	13	74	318	5	22	34	146	2	9	118	508
3	19.0	0	0	2	38	1	19	6	114	0	0	9	171
4	29.3	0	0	0	0	2	59	13	381	1	29	16	469
6	48.4	0	0	0	0	0	0	0	0	0	0	0	0
8	112.9	0	0	0	0	0	0	1	113	0	0	1	113
Total		6,198	6,221	621	1,032	13	110	150	868	3	38	6,983	8,269

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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 (1)	3/4" Dollar Equivalents (2)	Allocation Factor (3)
Residential	6,203	0.8216
Commercial	732	0.0970
Industrial	26	0.0034
Other Public Authority	229	0.0303
Sales for Resale	7	0.0009
Private Fire Protection	353	0.0468
Total	7,550	1.0000

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MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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		Number of Services (15)
		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)	
3/4	1.00	6,172	6,172	436	436	1	1	85	85	0	0	0	0	6,694
1	1.17	21	25	80	94	3	4	6	7	0	0	0	0	110
1-1/2	1.58	0	0	29	46	1	2	5	8	0	0	0	0	35
2	2.04	3	6	74	151	5	10	34	69	2	4	3	6	121
3	2.73	0	0	2	5	1	3	6	16	0	0	1	3	10
4	2.88	0	0	0	0	2	6	13	37	1	3	18	52	34
6	4.24	0	0	0	0	0	0	0	0	0	0	33	140	33
8	6.98	0	0	0	0	0	0	1	7	0	0	19	133	20
10	9.50	0	0	0	0	0	0	0	0	0	0	2	19	2
12	12.16	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		6,196	6,203	621	732	13	26	150	229	3	7	76	353	7,059

**MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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	\$ 46,621	0.4692
Commercial	14,108	0.1420
Industrial	1,740	0.0175
Other Public Authority	11,678	0.1175
Sales for Resale	5,314	0.0535
Private Fire Protection	2,716	0.0273
Public Fire Protection	17,196	0.1730
Total	99,373	1.0000

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

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

Customer Classification	Transmission & Distribution Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Residential	\$ 9,683	0.4092
Commercial	1,919	0.0810
Industrial	195	0.0082
Other Public Authority	1,402	0.0592
Sales for Resale	409	0.0173
Private Fire Protection	379	0.0160
Public Fire Protection	9,684	0.4091
Total	\$23,671	1.0000

Schedule C-WAR

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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	6,196	0.8775
Commercial	621	0.0879
Industrial	13	0.0018
Other Public Authority	150	0.0212
Sales for Resale	3	0.0004
Private Fire Protection	79	0.0112
Public Fire Protection	0	0.0000
Total	7,062	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	6,196	0.8873
Commercial	621	0.0889
Industrial	13	0.0019
Other Public Authority	150	0.0215
Sales for Resale	3	0.0004
Total	6,983	1.0000

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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	\$332,879	0.5340
Commercial	85,180	0.1366
Industrial	9,838	0.0158
Other Public Authority	63,444	0.1018
Sales for Resale	31,595	0.0507
Private Fire Protection	10,475	0.0168
Public Fire Protection	89,948	0.1443
Total	\$623,358	1.0000

Schedule C-WAR

**MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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.

<u>Customer Classification</u> (1)	<u>Direct Labor Expense</u> (2)	<u>Allocation Factor</u> (3)
Residential	\$136,094	0.5370
Commercial	34,958	0.1380
Industrial	4,069	0.0161
Other Public Authority	26,470	0.1045
Sales for Resale	12,686	0.0501
Private Fire Protection	4,206	0.0166
Public Fire Protection	34,897	0.1377
Total	<u>\$253,380</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:

<u>Customer Classification</u> (1)	<u>Original Cost Less Depreciation</u> (2)	<u>Allocation Factor</u> (3)
Residential	\$6,629,894	0.4687
Commercial	2,197,286	0.1553
Industrial	283,669	0.0201
Other Public Authority	1,767,046	0.1249
Sales for Resale	952,131	0.0673
Private Fire Protection	275,943	0.0195
Public Fire Protection	2,040,385	0.1442
Total	<u>\$14,146,354</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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	\$5,600,870	0.4694
Commercial	1,849,788	0.1551
Industrial	238,375	0.0200
Other Public Authority	1,486,066	0.1246
Sales for Resale	800,335	0.0671
Private Fire Protection	232,304	0.0195
Public Fire Protection	<u>1,721,583</u>	<u>0.1443</u>
Total	<u>\$11,929,321</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	\$1,635,547	0.4958
Commercial	490,130	0.1486
Industrial	61,092	0.0185
Other Public Authority	383,917	0.1164
Sales for Resale	201,895	0.0612
Private Fire Protection	59,276	0.0180
Public Fire Protection	<u>466,622</u>	<u>0.1415</u>
Total	<u>\$3,298,479</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY

WARRENSBURG 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	\$ 2,677	\$ 1,255	\$ 416	\$ 54	\$ 334	\$ 180	\$ 52	\$ 386
Franchises	17	5,083	2,382	789	102	635	342	99	733
Land & Ld Rights SS	2	9,981	4,875	2,043	293	1,705	1,032	5	28
Land & Ld Rights P	6	0	0	0	0	0	0	0	0
Land & Ld Rights WT	2	511	250	105	15	87	53	0	1
Land & Ld Rights TD	7	142,406	52,249	21,204	2,748	17,687	10,097	5,070	33,351
Land & Land Rights AG	15	2,222	1,187	304	35	226	113	37	321
Struct & Imp SS	2	32,121	15,688	6,575	944	5,486	3,321	16	90
Struct & Imp P	6	51,707	25,192	10,559	1,515	8,811	5,331	41	259
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	880,742	420,387	176,194	25,306	147,015	89,001	430	2,410
Struct & Imp WT Nth Plt (ST)	2	0	0	0	0	0	0	0	0
Struct & Imp WT Ctlr Plt 1	2	0	0	0	0	0	0	0	0
Struct & Imp WT Ctlr 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	192,706	70,704	28,694	3,719	23,934	13,663	6,860	45,132
Struct & Imp TD Spec Cross	7	0	0	0	0	0	0	0	0
Struct & Imp Offices	15	86,562	46,224	11,824	1,368	8,812	4,389	1,454	12,491
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	0	0	0	0	0	0	0	0
Struct & Imp Misc	15	0	0	0	0	0	0	0	0
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Wells & Springs	2	699,390	341,582	143,165	20,562	119,456	72,317	350	1,958
Supply Mains	2	132,810	64,864	27,186	3,905	22,684	13,733	66	372
Supply Mains Nth Plt (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Ctlr 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	4,721	2,300	964	138	804	487	4	24
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	419,311	204,288	85,623	12,286	71,451	43,231	335	2,097
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 Ctlr Plt	6	0	0	0	0	0	0	0	0
Pump Equip Hydraulic	6	0	0	0	0	0	0	0	0
Pump Equip Other	6	7,014	3,417	1,432	206	1,195	723	6	35
WT Equip Non-Media	2	2,721,298	1,329,082	557,050	80,006	464,798	281,382	1,361	7,620

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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)
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	(2,411)	(1,178)	(494)	(71)	(412)	(249)	(1)	(7)
Dist Reservoirs & Standpipe	5	1,489,523	511,800	205,554	25,620	171,444	95,925	63,305	415,875
Elevated Tanks & Standpipes	5	52,446	18,020	7,238	902	6,037	3,378	2,229	14,843
Ground Level Facilities	5	0	0	0	0	0	0	0	0
TD Mains Not Classified by	7	2,328,787	854,432	346,756	44,946	289,235	165,111	82,905	545,402
TD Mains 4 & Less "	4	48,056	16,594	6,865	831	5,560	3,114	2,018	13,273
TD Mains 6 to 8"	4	1,020,151	352,258	141,495	17,649	118,032	66,106	42,846	281,766
TD Mains 10 to 16"	3	643,275	297,193	124,667	17,947	104,018	62,912	4,889	31,649
TD Mains 18 & Grtr "	3	0	0	0	0	0	0	0	0
TD Mains AC 4 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1900-28 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1929-56 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1957-93 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI 12 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains CI 16 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains DI 6-8 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains DI 12 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains DI 16 & >(STL) "	3	0	0	0	0	0	0	0	0
TD Mains Galve 1 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains LJ 20 (STL) "	3	0	0	0	0	0	0	0	0
Fire Mains	8	92,990	0	0	0	0	0	0	92,990
Services	10	1,276,980	1,049,187	123,867	4,342	38,893	1,149	59,763	0
Meters Bronze Case	9	433,397	326,044	54,088	5,764	45,507	1,994	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	(33,428)	(25,148)	(4,172)	(445)	(3,510)	(154)	0	0
Meters Other-Rem Rdr Units	9	0	0	0	0	0	0	0	0
Meter Installations	9	750,873	564,882	93,709	9,987	78,842	3,454	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	521,893	0	0	0	0	0	0	521,893
Other P/E Intangible	15	0	0	0	0	0	0	0	0
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0
Other P/E TD	7	0	0	0	0	0	0	0	0
Other P/E CPS	15	(14,583)	(7,787)	(1,992)	(230)	(1,485)	(739)	(245)	(2,104)
Office Furniture & Equip	15	73,576	39,290	10,050	1,163	7,490	3,730	1,236	10,617
Comp & Periph Equip	15	44,432	23,727	6,069	702	4,523	2,253	746	6,411
Computer Software	15	(106,092)	(56,563)	(14,492)	(1,676)	(10,800)	(5,379)	(1,782)	(15,309)
Comp Software Personal	15	81	43	11	1	8	4	1	12
Data Handling Equipment	15	0	0	0	0	0	0	0	0
Other Office Equipment	15	(397)	(212)	(54)	(6)	(40)	(20)	(7)	(57)
Trans Equip Lt Duty Trks	15	46,372	24,763	6,334	733	4,721	2,351	779	6,681
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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 Autos	15	(6,899)	(3,684)	(942)	(109)	(702)	(350)	(116)	(996)
Trans Equip Other	15	(34,338)	(18,336)	(4,691)	(543)	(3,496)	(1,741)	(577)	(4,955)
Stores Equipment	15	0	0	0	0	0	0	0	0
Tools, Shop, Garage Equip	15	68,203	36,421	9,317	1,078	6,943	3,458	1,146	9,842
Tools, Shop, Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	45,376	22,162	9,288	1,334	7,750	4,692	23	127
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	12,932	6,906	1,767	204	1,316	656	217	1,866
Comm Equip Non-Telephone	15	8,733	4,663	1,193	138	889	443	147	1,260
Comm Equip Telephone	15	(3,336)	(1,781)	(456)	(53)	(340)	(169)	(56)	(481)
Misc Equipment	15	26,259	14,022	3,587	415	2,673	1,331	441	3,789
Other Tangible Property	17	5,094	2,388	791	102	636	343	99	735
Total Utility Plant in Service		14,159,208	6,635,919	2,199,282	283,927	1,768,652	952,996	276,194	2,042,239
Other Rate Base Items									
Add:									
Other Utility Plant Adjustments	17	0	0	0	0	0	0	0	0
Cash Working Capital	15	257,000	137,238	35,106	4,061	26,163	13,030	4,318	37,085
Materials and Supplies	15	26,609	14,209	3,635	420	2,709	1,349	447	3,840
Prepayments	15	10,174	5,433	1,390	161	1,036	516	171	1,468
OPEB's Contributed to External Fund	16	62,129	33,363	8,574	1,000	6,492	3,113	1,031	8,555
Premium Retirement	17	0	0	0	0	0	0	0	0
Regulatory Deferrals	17	46,364	21,731	7,200	932	5,791	3,120	904	6,696
Less:									
Accumulated Deferred ITC (3%)	17	0	0	0	0	0	0	0	0
Deferred Income Taxes	17	(2,437,020)	(1,142,231)	(378,469)	(48,984)	(304,364)	(164,011)	(47,522)	(351,418)
Pensions	16	(195,143)	(104,792)	(26,930)	(3,142)	(20,392)	(9,777)	(3,239)	(26,871)
Total Other Rate Base Elements		(2,229,887)	(1,035,049)	(349,494)	(45,552)	(282,586)	(152,660)	(43,890)	(320,656)
Total Original Cost Measure of Value		\$ 11,929,321	\$ 5,600,870	\$ 1,849,788	\$ 238,375	\$ 1,486,066	\$ 800,335	\$ 232,304	\$ 1,721,583

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT

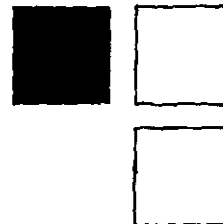
SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1990-2005

Year	Average Daily Send out (MGD)	Maximum Daily Use		
		MGD	Ratio to Average	Highest Use Day
(1)	(2)	(3)	(4)	(5)
1990	2.048	3.225	1.57	8/28/1990
1991	2.120	3.397	1.60	8/27/1991
1992	2.225	3.348	1.50	7/1/1992
1993	2.408	3.933	1.63	8/26/1993
1994	2.287	3.636	1.59	6/20/1994
1995	2.318	3.631	1.57	8/30/1995
1996	2.287	3.421	1.50	7/18/1996
1997	2.241	3.863	1.72	7/24/1997
1998	2.393	3.792	1.58	7/21/1998
1999	2.427	3.893	1.60	7/29/1999
2000	2.472	4.075	1.65	8/29/2000
2001	2.403	3.647	1.52	8/21/2001
2002	2.548	3.769	1.48	9/8/2002
2003	2.404	4.189	1.74	8/26/2003
2004	2.262	3.162	1.40	6/8/2004
2005	2.488	4.011	1.61	8/2/2005

**MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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	3	12	
3 -inch	9.00	0	0	
4 -inch	16.00	18	288	
6 -inch	36.00	33	1,188	
8 -inch	64.00	19	1,216	
10 -inch	100.00	2	200	
12 -inch	144.00	0	0	
Private Hydrants	32.75	4	131	
Total Private Fire Protection		79	3,035	0.1319
<u>PUBLIC FIRE PROTECTION</u>				
<u>Hydrant</u>	<u>Nozzle Sizes</u>			
6" Valve	2- 2-1/2" & 1- 4.5"	58	1,900	
6" Valve	2- 2-1/2" & 1- 4"	634	18,069	
Total Public Fire Protection		692	19,969	0.8681
Total Fire Protection		771	23,004	1.0000



Chapter 8

Distributing Costs to Customer Classes

The preceding chapters of this manual have dealt with how utilities determine revenue requirements and allocate both operating- and capital-related costs to the functional components of cost of service. This chapter presents the third element in the rate-making process: how utilities distribute component costs to customer classes.

The ideal solution to developing rates for water utility customers is to assign cost responsibility to each individual customer served and to develop rates to derive that cost. Unfortunately, it is neither economically practical nor often possible to determine the cost responsibility and applicable rates for each individual customer served. However, the cost of providing service can reasonably be determined for groups or classes of customers that have similar water-use characteristics and for special customers having unusual water-use or service requirements. Rate making attempts to assign costs to classes of customers in such a manner that rates can be designed that are nondiscriminatory and closely meet the cost of providing service to such customer classes.

CUSTOMER CLASSES

In establishing customer classes, water utilities consider service characteristics, demand patterns, and whether service is provided both inside and outside the city (jurisdiction) limits. Service characteristic differences may be illustrated by recognizing that customers using treated water require facilities that raw-water customers do not need. Similarly, large-volume industrial customers, wholesale customers, and other large users tend to be served directly from major treated water transmission mains, whereas smaller users are served by both large and small mains. Utilities must sometimes consider this factor when establishing customer classes and their costs of service.

Demand patterns of various customers differ, depending on their peak-day and peak-hour rates of demand relative to average demands. For example, the residential

64 PRINCIPLES OF WATER RATES, FEES, AND CHARGES

customer class, placing summertime lawn irrigation loads on the system, typically has a much higher peak-demand requirement, relative to the average demand, than does a petroleum refinery, which may require water on a relatively uniform basis throughout the year.

The classification of water customers as either inside or outside the city limits is related to each major group's responsibility for overall costs. As explained in a later section of this manual, this classification is critical to government-owned utilities and, in some instances, may have a bearing on investor-owned utilities.

Utilities may need to recognize certain customer classifications from an accounting standpoint because of legal requirements or customs; such requirements can be accommodated in rate studies. However, general service characteristics, demand patterns, and location with regard to city limits are generally the principal considerations in customer classification.

General Classes

Most water utilities typically have three principal customer classes: (1) residential, (2) commercial, and (3) industrial. Utilities define these general customer classes differently, but, in very broad terms, the following definitions are common:

Residential: One- and two-family dwellings, usually physically separate.

Commercial: Multifamily apartment buildings and nonresidential, nonindustrial business enterprises.

Industrial: Manufacturing and processing establishments.

Some utilities may break down these general classes into more specific groups. For example, the commercial customer group may be separated into multifamily customers and commercial customers. Similarly, the industrial customer group may be subdivided into small industry, large industry, and special, the latter typified by a petroleum refinery.

Many systems, particularly larger ones, have customers with individual water-use characteristics, service requirements, or other factors that differentiate them from other customers with regard to cost responsibility. These customers should have a separate class designation. Such classes may include large hospitals, universities, military establishments, and other such categories.

Special Classes

In addition to the general classes of service previously described, water utilities often provide service to certain special classes of customers. Three such classes are wholesale service, fire-protection service, and lawn irrigation.

Wholesale service. Wholesale service is usually defined as a situation in which water is sold to a customer through a master meter at one or more major points of delivery for resale to individual retail customers within the wholesale customer's service area. Treated-water service is provided in most cases, but occasionally raw water is provided to wholesale customers. Usually, the wholesale customer is a separate municipality or water district adjacent to the supplying utility, but it may be in an area within the jurisdiction of the supplying utility. A more detailed discussion of wholesale service considerations is provided in chapter 31 of this manual.

Fire-protection service. Fire-protection service has characteristics that are markedly different from other types of water service. The service provided is principally of a standby nature—that is, readiness to deliver relatively large

quantities of water for short periods of time at any of a large number of points in the water distribution system while the total annual quantity of water delivered is relatively small.

There are two principal approaches to determining fire-protection service costs that differ widely in both theory and application. One approach proposes that the costs of fire-protection service, in addition to those of the direct cost related to the hydrants themselves, be determined on the basis of the potential demand for water for fire-fighting purposes in relation to the total of all potential demands for water. A second approach proposes that fire-protection service costs be allocated as an incremental cost to the costs of general water service. This second approach is based on the premise that the prime function of the water utility is to supply general water service and that fire-protection service is a supplementary service. Each approach has advocates among water utility professionals. For the purposes of illustration in this manual, the first approach is used.

Costs allocated to fire-protection service as a class can be subdivided to those related to public fire-protection service and private fire-protection service. The reader should refer to chapter 30 of this manual for further discussion of fire-protection rates and charges.

Lawn irrigation. Residential lawn irrigation is characterized by the relatively high demands it places on the water system, usually during the late afternoon and early evening hours. Throughout most of the United States, lawn irrigation is very seasonal in nature; it is most pronounced during the summer months and virtually nonexistent during the winter months.

In most instances, lawn irrigation service is not separate from other service; therefore, the high-peaking characteristics of lawn irrigation need to be recognized as a part of residential-class water use characteristics. However, a separate class designation is warranted when separate metering for lawn irrigation is provided, as is often the case for automatic lawn sprinkling systems, parks, and golf courses, and where such loads are significant in the system.

Service Outside City Limits

Many government-owned utilities recognize in their rate structures the differences in costs of serving water users located outside the corporate limits of the supplying city or jurisdiction compared with those located within the corporate limits. A government-owned utility may be considered to be the property of the citizens within the city. Customers within the city are owner customers, who must bear the risks and responsibilities of utility ownership. Outside-city customers are non-owner customers and, as such, bear a different responsibility for costs than do owner customers.

The costs to be borne by outside-city (non-owner) customers are similar to those attributed to the customers (non-owners) of an investor-owned utility. Such costs include O&M expense, depreciation expense, and an appropriate return on the value of property devoted to serving the outside-city customers.

Sometimes, those who design or review water rates do not fully understand how the cash-needs approach to measuring total revenue requirements relates to the utility basis of cost allocation with regard to government-owned water systems, and why both elements are used in many rate studies.

A government-owned utility, in most cases where not regulated by a state public utility commission, determines its total revenue requirements, or costs of service, on a cash-needs basis. That is, it must develop sufficient revenue to meet cash needs for O&M expense, debt-service requirements, capital expenditures not debt-financed, and possibly other cash requirements as described in chapters 1 through 6 of this