

**Overall Revenue Requirement Summary
For the Test Year Ended June 30, 2006**

Line No.	Description	Schedule	Amount
1			
2			
3			
4			
5			
6	Rate Base	CAS-3-WCS	\$3,541,917
7			
8	Operating Income at Present Rates	CAS-8-WCS	(112,872)
9			
10	Earned Rate of return		-3.19%
11			
12	Requested Rate of Return	Jenkins Testimony	8.52%
13			
14	Required Operating Income		301,771
15			
16	Operating Income Deficiency		414,643
17			
18	Gross Revenue Conversion Factor		1.65702
19			
20	Revenue Deficiency		687,072
21			
22	Adjusted Operating Revenues	CAS-8-WCS	76,648
23			
24	Total Revenue Requirement		\$763,720
25			
26			
27			
28	Gross Revenue Conversion Factor		
29	Revenue		\$1,000,000
30	Uncollectibles	2.04830%	20,483
31	PSC Assessment	0.00000%	0.000
32	Before Tax Amount		979,517
33	State Income Taxes	5.21327%	51,065
34	Federal Income Taxes	33.17536%	324,958
35	Total Taxes and Expenses		396,506
36	Net Amount		<u>\$603,494</u>
37			
38	Conversion Factor		<u>1.65702</u>
39			
40			

Rate Base Summary					Case No. SR-2007-XXX Schedule CAS-3-WCS Page 1 of 1	
Missouri Public Service Commission Company: Missouri-American Water Company District: Warren County Sewer						
Test Year Ended June 30, 2006						
Line #	Rate Base Component	Supporting Reference	Per Books 06/30/06	Adjustments	Pro Forma Rate Base	
1						
2						
3						
4						
5	Utility Plant in Service	CAS-4-WCS	925,512	2,872,171	3,797,683	
6						
7	Accumulated Provision for Depreciation	CAS-5-WCS	(253,819)	59,093	(194,726)	
8						
9	Accumulated Amortization	W/P's	0	0	0	
10						
11	Utility Plant Acquisition Adjustments	W/P's	0	0	0	
12						
13	Net Utility Plant		671,693	2,931,264	3,602,957	
14						
15						
16	Less:					
17	Customer Advances	CAS-6-WCS	0	5,400	5,400	
18	Contributions in Aid of Construction	CAS-6-WCS	0	0	0	
19	Accumulated Deferred ITC (3%)	W/P's	0	0	0	
20	Deferred Income Taxes	W/P's	57,743	(12,101)	45,642	
21	Pension Liability	W/P's	10,632	(84)	10,548	
22						
23						
24	Subtotal		68,375	(6,785)	61,590	
25						
26						
27	Add:					
28	Cash Working Capital	CAS-7-WCS	0	0	0	
29	Materials and Supplies	W/P's	0	0	0	
30	Prepayments	W/P's	550	0	550	
31	OP&B's Contributed to External Fund	W/P's	0	0	0	
32	Premature Retirement	W/P's	0	0	0	
33	Regulatory Deferrals	W/P's	0	0	0	
34						
35	Subtotal		550	0	550	
36						
37	Total Original Cost Rate Base		603,868	2,938,049	3,541,917	
38						
39						
40						

**Utility Plant in Service
For the Test Year Ended June 30, 2006**

Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer

Case No. SR-2007-XXX
Schedule CAS-4-WCS
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Line #	Acct No	Account Description	Per Books 06/30/06	Pro Forma Adjustments	Pro Forma UPIS
1		<u>Sewer Plant</u>			
2		Other Including Allocated Plant			
3		WW Struct & Imp Coll	\$13,237	\$82,306	\$95,543
4		WW Collection Sewers Forced	0	0	0
5	351	WW Collecting Mains	13,401	0	13,401
6	352.1	WW Collecting Mains Other	12,173	0	12,173
7	363	WW Land & Ld Rights Gen	642,978	55,078	698,056
8	372	WW Collecting Mains	0	0	0
9	370.1	WW Services Sewer	202,245	2,729,033	2,931,278
10	352.2	WW Outfall Sewer Lines	41,478	5,754	47,232
11	353		0	0	0
12	374				
13					
14		Total Plant in Service	<u>\$925,512</u>	<u>\$2,872,171</u>	<u>\$3,797,683</u>
15					
16					
17					
18					
19					
20					
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Accumulated Depreciation and Amortization
Test Year Ended June 30, 2006

Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer

Case No. SR-2007-XXX
Schedule CAS-5-WCS
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Line #	Acct No	Account Description	Per Books 06/30/06	Pro Forma Adjustments	Pro Forma Reserve
1		<u>Sewer Plant</u>			
2					
3					
4		Other Including Allocated Plant			
5	302 WW	WW Franchises	\$21	(\$1,547)	(\$1,526)
6	370.1	WW Land & Ld Rights Gen	0	0	0
7	351	WW Struct & Imp Coll	0	0	0
8	352.1	WW Collection Sewers Forced	7,544	307	7,851
9	352.2	WW Collecting Mains	104,851	(81,309)	23,542
10	353	WW Services Sewer	26,281	770	27,051
11	363	WW Pump Equip Elect	6,191	446	6,637
12	372	WW TD Equipment	107,570	22,231	129,801
13	374	WW Outfall Sewer Lines	0	0	0
14	391 WW	WW Office Furniture & Equip	0	0	0
15	392 WW	WW Trans Equipment	0	0	0
16	398 WW	WW Misc Equipment	1,361	9	1,370
17					
18					
19		Total Plant in Service	<u>\$253,819</u>	<u>(\$59,093)</u>	<u>\$194,726</u>
20					
21					
22					
23					
24					
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Customer Advances and Contributions in Aid of Construction
For the Test Year Ended June 30, 2006

Line #	Acct No	Account Description	Per Books 06/30/06	Pro Forma Adjustments	Pro Forma Balance
1					
2					
3		<u>Customer Advances</u>			
4	252.11	Advances for Construction - Extensions	0	5,400	5,400
5		Advances for Construction - Services	0	0	0
6		Advances for Construction - Hydrants	0	0	0
7	252.71	Advances for Construction - Taxable Extensions	0	0	0
8		Total Customer Advances	0	5,400	5,400
9					
10					
11					
12					
13		<u>Contributions in Aid of Construction</u>			
14	271.11	Contributions in Aid - NT Mains	0	0	0
15	271.12	Contributions in Aid - NT Extension Deposit	0	0	0
16	271.21	Contributions in Aid - NT Services	0	0	0
17	271.30	Contributions in Aid - NT Meters	0	0	0
18		Contributions in Aid - NT Hydrants	0	0	0
19		Contributions in Aid - NT Other	0	0	0
20	271.71	Contributions in Aid - Taxable Mains	0	0	0
21	271.12	Contributions in Aid - Taxable Extension Deposit	0	0	0
22	271.27	Contributions in Aid - Taxable Services	0	0	0
23	271.37	Contributions in Aid - Taxable Meters	0	0	0
24	271.47	Contributions in Aid - Taxable Hydrants	0	0	0
25	Various	Accumulated Amortization - CIAC	0	0	0
26		Total Contributions in Aid of Construction	0	0	0
27					
28					
29					
30					
31					
32					
33					
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35					
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Working Capital

For the Test Year Ended June 30, 2006

Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer

Case No. SR-2007-XXX
Schedule CAS-7-WCS
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Line #

<u>Expense Category</u>	<u>Proforma Proposed Expense</u>	<u>Average Daily Expense</u>	<u>Revenue Lag</u>	<u>Expense (Lead)/Lag</u>	<u>Net (Lead)/Lag</u>	<u>Cash Requirement</u>
1 Base Payroll	25,800	71	39.87	10.23	29.64	2,095
2 Tax Withholding	12,259	34	39.87	17.39	22.48	755
3 Fuel and Power	5,526	15	39.87	37.22	2.65	40
4 Chemicals	0	0	39.87	36.78	3.09	0
5 Purchased Water	0	0	39.87	53.15	(13.28)	0
6 Service Company Charges	10,438	29	39.87	(4.13)	44.00	1,258
7 Group Insurance	0	0	39.87	(8.54)	48.41	0
8 OPEB's	0	0	39.87	(0.04)	39.91	0
9 Pensions	4,071	11	39.87	36.78	3.09	34
10 ESOP	0	0	39.87	36.78	3.09	0
11 Insurance Other than Group	4,698	13	39.87	36.78	3.09	40
12 Uncollectables	1,570	4	39.87	36.78	3.09	13
13 Rents	59	0	39.87	24.37	15.50	2
14 401(k)	0	0	39.87	48.80	(8.93)	0
15 Other O&M	60,963	167	39.87	36.78	3.09	516
16 Total O&M Expenses	125,384					4,753
17 Depreciation Expense	108,893	298	39.87	-	39.87	11,895
18 Property Taxes	18,590	51	39.87	182.50	(142.63)	(7,264)
19 Public Service Commission Fee	4,093	11	39.87	(30.00)	69.87	783
20 Franchise and Environment Tax	455	1	39.87	110.50	(70.63)	(88)
21 FICA Taxes	67	0	39.87	13.44	26.43	5
22 FUTA Taxes	2,814	8	39.87	62.05	(22.18)	(171)
23 SUTA Taxes	181	0	39.87	62.05	(22.18)	(11)
24 Federal Income Tax - Current	(48,711)	(133)	39.87	60.25	(20.38)	2,720
25 State Income Tax - Current	(7,655)	(21)	39.87	62.17	(22.30)	468
26 Deferred Income Taxes	(14,561)	(40)	39.87	0.00	39.87	(1,591)
27 Interest Expense	112,633	309	39.87	91.15	(51.28)	(15,824)
28 Preferred Dividends	1,417	4	39.87	45.63	(5.76)	(22)
29 Total Working Capital Requirement	303,599					(4,347)
30 Total Cash and Working Capital Requirement Used						0

Statement of Income Per Books and Pro Forma - Warren County Sewer

For the Test Year Ended June 30, 2006

**Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer**

**Case No. SR-2007-XXX
Schedule CAS-8-WCS
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Line #		Schedule Reference	Test year Ended 6/30/06	Adjustments	Pro Forma Present Rates	Adjustments	Pro Forma Proposed Rates
1							
2							
3							
4							
5							
6	Operating Revenues	CAS-9-WCS	\$76,591	\$57	\$76,648		
7							
8	Operating Expenses						
9	Operating and Maintenance	CAS-10-WCS	137,170	(11,786)	125,384		
10	Depreciation Expense	CAS-10-WCS	21,828	86,895	108,723		
11	Amortization Expense	CAS-10-WCS	170	0	170		
12							
13	Taxes other Than Income Taxes						
14	Property Taxes	CAS-10-WCS	5	18,585	18,590		
15	Payroll Taxes	CAS-10-WCS	5,225	(2,163)	3,062		
16	PSC Fees	CAS-10-WCS	727	0	727		
17	Other	CAS-10-WCS	421	3,400	3,821		
18							
19	Utility Operating Income Before Income Taxes		(88,954)	(94,874)	(183,828)		
20							
21	Income Taxes						
22	Federal Income Tax	CAS-12-WCS	4,625	(53,336)	(48,711)		
23	State Income Tax	CAS-12-WCS	(1,096)	(6,559)	(7,655)		
24	Deferred Income Taxes		6,635	(21,196)	(14,561)		
25	Amortization of Investment Tax Credit		(28)		(28)		
26							
27	Utility Operating Income		(\$99,089)	(\$13,783)	(\$112,872)	\$414,643	\$301,771
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							

Adjustment to Revenues Per Books and Pro Forma
For the Test Year Ended June 30, 2006

Line #	Test year Ending 06/30/06	Eliminate Unbilled Revenue	Bill Analysis And Other Adjustments	Bill Analysis at Rates	Normalizaton & Annual Adjustments	Other Adjustments	Pro Forma Present Rate Revenue
5	\$0			\$0			\$0
6	0			0			0
7	0			0			0
8	0			0			0
9	0			0			0
10	0			0			0
11	0			0			0
12	0			0			0
13							
14	0	0	0	0	0	0	0
15							
16							
17	76,591	0	57	76,648	0	0	76,648
18							
19							
20	0	0	0	0	0	0	0
21							
22	0	0	0	0	0	0	0
23							
24	76,591	0	57	76,648	0	0	76,648
25							
26							
27	0			0			0
28	0			0			0
29	0			0			0
30	0			0			0
31	0			0			0
32							
33	0	0	0	0	0	0	0
34							
35							
36	\$76,591	\$0	\$57	\$76,648	\$0	\$0	\$76,648
37							
38							
39							
40							

Summary of Operations and Maintenance Expenses and General Taxes

For the Test Year Ended June 30, 2006

Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer

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Schedule CAS-10-WCS
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Line #

The schedule below provides a summary list of the operating and maintenance expenses for the test year and pro forma at present rates as indicated. Each pro forma adjustment is keyed to a schedule as shown on Schedule CAS-11-WCS which provides additional detail and support.

Expense Description	Schedule Reference	Test Year Expense	Adjustment	Pro forma Present Rates
Labor	CAS-11-WCS	\$67,264	(\$29,205)	\$38,059
Purchased Water	CAS-11-WCS	0	0	0
Fuel and Power	CAS-11-WCS	5,526	0	5,526
Chemicals	CAS-11-WCS	0	0	0
Waste Disposal	CAS-11-WCS	0	0	0
Support Services	CAS-11-WCS	9,967	471	10,438
Group Insurance	CAS-11-WCS	0	14,450	14,450
Pensions	CAS-11-WCS	0	4,071	4,071
Regulatory Expense	CAS-11-WCS	302	(88)	214
Insurance, Other than Group	CAS-11-WCS	3,503	1,195	4,698
Customer Accounting	CAS-11-WCS	2,956	128	3,084
Rents	CAS-11-WCS	81	(22)	59
General Office Expense	CAS-11-WCS	2,105	(1,755)	350
Miscellaneous	CAS-11-WCS	37,880	(1,030)	36,850
Maintenance - Other	CAS-11-WCS	7,585	0	7,585
Total Operations and Maintenance		<u>137,170</u>	<u>(11,786)</u>	<u>125,384</u>
Depreciation	CAS-11-WCS	21,828	86,895	108,723
Amortization	CAS-11-WCS	170	0	170
Total Depreciation and Amortization		<u>21,998</u>	<u>86,895</u>	<u>108,893</u>
Property Taxes	CAS-11-WCS	5	18,585	18,590
Payroll Taxes	CAS-11-WCS	5,225	(2,163)	3,062
PSC Fees	CAS-11-WCS	727	0	727
Other General Taxes	CAS-11-WCS	421	3,400	3,821
Total Taxes Other Than Income Taxes		<u>6,377</u>	<u>19,822</u>	<u>26,199</u>

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Schedule CAS-11-WCS
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Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer

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Line No.

[illegible]

Proforma State and Federal Income Taxes at Present and Proposed Rates
For the Test Year Ended June 30, 2006

Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer

Case No. SR-2007-XXX
Schedule CAS-12-WCS
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Line #

1 The Company's federal and state income taxes will be affected by all of the pro forma adjustments made
2 at present and proposed rates.

	At Present Rates		At Proposed Rates	
	Federal	State	Federal	State
Utility Operating Income Before Income Taxes	(\$183,828)	(\$183,828)		
Interest Expense Deduction	978	978		
Taxable Income	(184,806)	(184,806)		
Addback (Deducts):				
Tax over Book Depreciation	37,950	37,950		
Non-deductible Meals	28	28		
Amortization Preferred Stock Expense	0	0		
Non-deductible Reserve Deficiency	0	0		
Total Addbacks (Deducts)	37,978	37,978		
Taxable Income	(146,828)	(146,828)		
Effective Tax Rate (1)	33.1754%	5.2133%		
Proforma Income Tax at Present / Proposed Rates	(48,711)	(7,655)		
Per Books Amount / Present Rates	4,625	(1,096)		
Proforma adjustment	(\$53,336)	(\$6,559)		

(1) Based on a 6.25% statutory rate for SIT and 35% for FIT

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Missouri Public Service Commission
 Company: Missouri-American Water Company
 District: Warren County Sewer

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