

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

**Missouri Public Service Commission**  
**Company: Missouri-American Water Company**  
**District: Cedar Hill Sewer**

**Case No. SR-2007-XXX**  
**Schedule CAS-2-CDH**  
**Page 1 of 1**

Line No.	Description	Schedule	Amount
1			
2			
3			
4	Description	Schedule	Amount
5			
6	Rate Base	CAS-3-CDH	\$2,172,742
7			
8	Operating Income at Present Rates	CAS-8-CDH	(229,435)
9			
10	Earned Rate of return		-10.56%
11			
12	Requested Rate of Return	Jenkins Testimony	8.52%
13			
14	Required Operating Income		185,118
15			
16	Operating Income Deficiency		414,553
17			
18	Gross Revenue Conversion Factor		1,64807
19			
20	Revenue Deficiency		683,212
21			
22	Adjusted Operating Revenues	CAS-8-CDH	160,780
23			
24	Total Revenue Requirement		\$843,992
25			
26			
27			
28			
29	Gross Revenue Conversion Factor		
30	Revenue		\$1,000,000
31	Uncollectibles		15,165
32	PSC Assessment		0.00000%
33	Before Tax Amount		984,835
34	State Income Taxes		51,342
35	Federal Income Taxes		326,723
36	Total Taxes and Expenses		393,230
37	Net Amount		\$606,770
38			
39	Conversion Factor		1,64807
40			

Rate Base Summary  
 Test Year Ended June 30, 2006

Line #		Supporting Reference	Per Books 06/30/06	Adjustments	Pro Forma Rate Base
1					
2	Rate Base Component				
3					
4	Utility Plant in Service	CAS-4-CDH	512,902	2,464,065	2,976,967
5					
6	Accumulated Provision for Depreciation	CAS-5-CDH	(162,690)	59,052	(103,638)
7					
8	Accumulated Amortization	W/P's	0	0	0
9					
10	Utility Plant Acquisition Adjustments	W/P's	0	0	0
11					
12	Net Utility Plant		350,212	2,523,117	2,873,329
13					
14					
15					
16	Less:				
17	Customer Advances	CAS-6-CDH	0	70,000	70,000
18	Contributions in Aid of Construction	CAS-6-CDH	595,013	(8,814)	586,199
19	Accumulated Deferred ITC (3%)	W/P's	0	0	0
20	Deferred Income Taxes	W/P's	32,000	(2,609)	29,391
21	Pension Liability	W/P's	15,948	(126)	15,822
22					
23					
24	Subtotal		642,961	58,451	701,412
25					
26					
27	Add:				
28	Cash Working Capital	CAS-7-CDH	0	0	0
29	Materials and Supplies	W/P's	0	0	0
30	Prepayments	W/P's	825	0	825
31	OPEB'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		825	0	825
36					
37	Total Original Cost Rate Base		(291,924)	2,464,666	2,172,742
38					
39					
40					

Line #	Acct No	Account Description	Per Books 06/30/06	Pro Forma Adjustments	Pro Forma UPLS
1					
2					
3					
4					
5	351	Other Including Allocated Plant	\$28,134	\$33,400	\$61,534
6	352.1	WW Struct & Imp Coll	41,680	0	41,680
7	363	WW Collection Sewers Forced	0	0	0
8	372	WW Collecting Mains	0	0	0
9	370.1	WW Collecting Mains Other	237,686	427,942	665,628
10	352.2	WW Land & Ld Rights Gen	0	0	0
11	353	WW Collecting Mains	205,402	2,002,723	2,208,125
12	374	WW Services Sewer	0	0	0
13		WW Outfall Sewer Lines	0	0	0
14					
15		Total Plant in Service	<u>\$512,902</u>	<u>\$2,464,065</u>	<u>\$2,976,967</u>
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Missouri Public Service Commission  
 Company: Missouri-American Water Company  
 District: Cedar Hill

Accumulated Depreciation and Amortization  
 Test Year Ended June 30, 2006

Case No. SR-2007-XXX  
 Schedule CAS-6-CDH  
 Page 1 of 1

Line #	Acct No	Account Description	Per Books 06/30/06	Pro Forma Adjustments	Pro Forma Reserve
1					
2					
3					
4		Other Including Allocated Plant	\$0	(\$776)	(\$776)
5	302 WW	WW Franchises	0	0	0
6	370.1	WW Land & Ld Rights Gen	0	0	0
7	351	WW Struct & Imp Coll	7,665	955	8,640
8	352.1	WW Collection Sewers Forced	0	0	0
9	352.2	WW Collecting Mains	36,650	(63,498)	(26,848)
10	353	WW Services Sewer	0	0	0
11	363	WW Pump Equip Elect	0	0	0
12	372	WW TD Equipment	84,728	335	85,063
13	374	WW Outfall Sewer Lines	0	0	0
14	391 WW	WW Office Furniture & Equip	9,779	945	10,724
15	392 WW	WW Trans Equipment	17,462	2,978	20,440
16	398 WW	WW Misc Equipment	6,386	9	6,395
17					
18					
19					
20		Total Plant in Service	<u>\$162,690</u>	<u>(\$59,052)</u>	<u>\$103,638</u>
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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	70,000	70,000
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	<u>0</u>	<u>70,000</u>	<u>70,000</u>
9					
10					
11					
12					
13					
14	271.11	<u>Contributions in Aid of Construction</u>	130,000	0	130,000
15	271.12	Contributions in Aid - NT Mains	0	0	0
16	271.21	Contributions in Aid - NT Extension Deposit	208,467	0	208,467
17	271.30	Contributions in Aid - NT Services	0	0	0
18		Contributions in Aid - NT Meters	0	0	0
19		Contributions in Aid - NT Hydrants	0	0	0
20	271.71	Contributions in Aid - NT Other	275,188	0	275,188
21	271.12	Contributions in Aid - Taxable Mains	0	0	0
22	271.27	Contributions in Aid - Taxable Extension Deposit	0	0	0
23	271.37	Contributions in Aid - Taxable Services	46,250	0	46,250
24	271.47	Contributions in Aid - Taxable Meters	0	0	0
25	Various	Contributions in Aid - Taxable Hydrants	0	0	0
26		Accumulated Amortization - CIAC	(64,892)	(8,814)	(73,706)
27		Total Contributions in Aid of Construction	<u>595,013</u>	<u>(8,814)</u>	<u>586,199</u>
28					
29					
30					
31					
32					
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Line #	Expense Category	Proforma Proposed Expense	Average Daily Expense	Revenue Lag	Expense (Lead)/Lag	Net (Lead)/Lag	Cash Requirement
1							
2							
3	Base Payroll	33,354	91	39.87	10.23	29.64	2,709
4	Tax Withholding	15,848	43	39.87	17.39	22.48	976
5	Fuel and Power	(46,906)	(129)	39.87	37.22	2.65	(341)
6	Chemicals	280	1	39.87	36.78	3.09	2
7	Purchased Water	364	1	39.87	53.15	(13.28)	(13)
8	Service Company Charges	31,314	86	39.87	(4.13)	44.00	3,775
9	Group Insurance	7,389	20	39.87	(8.54)	48.41	980
10	OPEB's	3,478	10	39.87	(0.04)	39.91	380
11	Pensions	5,269	14	39.87	36.78	3.09	45
12	ESOP	0	0	39.87	36.78	3.09	0
13	Insurance Other than Group	6,736	18	39.87	36.78	3.09	57
14	Uncollectables	2,543	7	39.87	36.78	3.09	22
15	Rents	1,589	4	39.87	24.37	15.50	67
16	401(k)	0	0	39.87	48.80	(8.93)	0
17	Other O&M	133,358	365	39.87	36.78	3.09	1,129
18	Total O&M Expenses	194,617					9,788
19							
20							
21	Depreciation Expense	71,336	195	39.87	-	39.87	7,792
22	Property Taxes	219,862	602	39.87	182.50	(142.63)	(85,915)
23	Public Service Commission Fee	8,153	22	39.87	(30.00)	69.87	1,561
24	Franchise and Environment Tax	682	2	39.87	110.50	(70.63)	(132)
25	FICA Taxes	59	0	39.87	13.44	26.43	4
26	FUTA Taxes	3,807	10	39.87	62.05	(22.18)	(231)
27	SUTA Taxes	43	0	39.87	62.05	(22.18)	(3)
28	Federal Income Tax - Current	(128,820)	(353)	39.87	60.25	(20.38)	7,193
29	State Income Tax - Current	(20,243)	(55)	39.87	62.17	(22.30)	1,237
30	Deferred Income Taxes	40,768	112	39.87	0.00	39.87	4,453
31	Interest Expense	69,093	189	39.87	91.15	(51.28)	(9,707)
32	Preferred Dividends	869	2	39.87	45.63	(5.76)	(14)
33	Total Working Capital Requirement	460,226					(63,974)
34							
35	Total Cash and Working Capital Requirement Used						0
36							
37							
38							
39							
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Statement of Income Per Books and Pro Forma  
 For the Test Year Ended June 30, 2006

Line #		Schedule Reference	Test year Ended 6/30/06	Adjustments	Pro Forma Present Rates	Pro Forma Proposed Rates
1						
2						
3						
4						
5						
6	Operating Revenues	CAS-9-CDH	\$160,880	(\$100)	\$160,780	
7						
8	Operating Expenses					
9	Operating and Maintenance	CAS-10-CDH	253,604	(58,987)	194,617	
10	Depreciation Expense	CAS-10-CDH	27,213	44,029	71,242	
11	Amortization Expense	CAS-10-CDH	94	0	94	
12						
13	Taxes other Than Income Taxes					
14	Property Taxes	CAS-10-CDH	3	219,859	219,862	
15	Payroll Taxes	CAS-10-CDH	4,344	(435)	3,908	
16	PSC Fees	CAS-10-CDH	1,090	0	1,090	
17	Other	CAS-10-CDH	631	7,114	7,745	
18						
19	Utility Operating Income Before Income Taxes		(126,098)	(211,680)	(337,778)	
20						
21	Income Taxes					
22	Federal Income Tax	CAS-12-CDH	7,862	(136,682)	(128,820)	
23	State Income Tax	CAS-12-CDH	(1,864)	(18,379)	(20,243)	
24	Deferred Income Taxes		11,280	29,488	40,768	
25	Amortization of Investment Tax Credit		(48)		(48)	
26						
27	Utility Operating Income		(\$143,328)	(\$86,107)	(\$229,435)	
28						
29						
30						
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Missouri Public Service Commission  
 Company: Missouri-American Water Company  
 District: Cedar Hill Sewer

Case No. SR-2007-XXX  
 Schedule CAS-9-CDH  
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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	Normalization & Annual Adjustments	Other Adjustments	Pro Forma Present Rate Revenue
1								
2								
3								
4								
5	Sales of Water							
6	Metered Sales							
7	Residential	\$0			\$0			\$0
8	Commercial	0			0	0		0
9	Industrial	0			0			0
10	Other Public Authority	0			0			0
11	Sales for Resale	0			0			0
12	Miscellaneous	0			0			0
13								
14	Total Metered Sales	0	0	0	0	0	0	0
15								
16								
17	Sewer Service	160,880	0	110	160,990	(210)	0	160,780
18								
19	Fire Service							
20	Private Fire Service	0		0	0		0	0
21								
22	Total Fire Service	0	0	0	0	0	0	0
23								
24	Total Sales of Water	160,880	0	110	160,990	(210)	0	160,780
25								
26	Other Operating Revenues							
27	Reconnect Charges	0			0		0	0
28	Returned Check Charge	0			0		0	0
29	Application Fee	0			0		0	0
30	Miscellaneous Other Revenue	0			0		0	0
31	Rents from Water Property	0			0		0	0
32								
33	Total Other Operating Revenues	0	0	0	0	0	0	0
34								
35								
36	Total Operating Revenues	\$160,880	\$0	\$110	\$160,990	(\$210)	\$0	\$160,780
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: Cedar Hill Sewer**

**Case No. SR-2007-XXX**  
**Schedule CAS-10-CDH**  
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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-CDH which provides additional detail and support.

Line #	Expense Description	Schedule Reference	Test Year Expense	Adjustment	Pro forma Present Rates
7	Labor	CAS-11-CDH	\$52,190	(\$2,988)	\$49,202
8	Purchased Water	CAS-11-CDH	364	0	364
9	Fuel and Power	CAS-11-CDH	16,101	4,023	20,124
10	Chemicals	CAS-11-CDH	280	0	280
11	Waste Disposal	CAS-11-CDH	89,030	(67,030)	22,000
12	Support Services	CAS-11-CDH	29,902	1,412	31,314
13	Group Insurance	CAS-11-CDH	10,866	6,107	16,973
14	Pensions	CAS-11-CDH	6,890	(1,621)	5,269
15	Regulatory Expense	CAS-11-CDH	453	(132)	321
16	Insurance, Other than Group	CAS-11-CDH	4,706	2,030	6,736
17	Customer Accounting	CAS-11-CDH	5,204	380	5,585
18	Rents	CAS-11-CDH	246	1,343	1,589
19	General Office Expense	CAS-11-CDH	8,258	(2,633)	5,625
20	Miscellaneous	CAS-11-CDH	20,614	121	20,735
21	Maintenance - Other	CAS-11-CDH	8,498	0	8,498
22	Total Operations and Maintenance		253,604	(58,987)	194,617
23					
24	Depreciation	CAS-11-CDH	27,213	44,029	71,242
25	Amortization	CAS-11-CDH	94	0	94
26	Total Depreciation and Amortization		27,307	44,029	71,336
27					
28	Property Taxes	CAS-11-CDH	3	219,859	219,862
29	Payroll Taxes	CAS-11-CDH	4,344	(435)	3,908
30	PSC Fees	CAS-11-CDH	1,090	0	1,090
31	Other General Taxes	CAS-11-CDH	631	7,114	7,745
32	Total Taxes Other Than Income Taxes		6,068	226,538	232,605
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34					
35					
36					
37					
38					
39					
40					

**Missouri Public Service Commission  
Company: Missouri-American Water Company  
District: Cedar Hill Sewer**

Line No.

Line Number	Description	Test Year Ended 30-Jun-06	Schedule CAS-15 p1 Labor Expense	Schedule CAS-15 p2 Group Ins Expense	Schedule CAS-15 p3 Pension Expense	Schedule CAS-15 p4 401K Expense	Schedule CAS-15 p5 Payroll Taxes Expense	Schedule CAS-15 p6 Fuel & Power Expense	Schedule CAS-15 p7 Chemical Expense	Schedule CAS-15 p8 Purch Water Expense
8	Labor	52,190	(\$2,988)							0
9	Purchased Water	364								
10	Fuel and Power	16,101						4,023		
11	Chemicals	280							0	
12	Waste Disposal	89,030								
13	Support Services	29,902								
14	Group Insurance	10,866		6,107						
15	Pensions	6,890			(1,621)					
16	Regulatory Expense	453								
17	Insurance Other Than Group	4,706								
18	Customer Accounting	5,204								
19	Rents	246								
20	General Office Expense	8,258								
21	Miscellaneous	20,614				121				
25	Maintenance - Other	8,498								
22	Total Operations and Maintenance	253,604	(2,988)	6,107	(1,621)	121	0	4,023	0	0
27	Depreciation	27,213								
28	Amortization	94								
27	Total Depreciation and Amortization	27,307	0	0	0	0	0	0	0	0
29a	Property Taxes	3								
29b	Payroll taxes	4,344					(435)			
29c	Gross Receipts Taxes	1,090								
29d	Other General Taxes	631								
34	Total Taxes other than income	6,068	0	0	0	0	(435)	0	0	0

Missouri Public Service Commission  
Company: Missouri-American Water Company  
District: Cedar Hill Sewer

Line No.	Description	Amount
1		

[illegible]

Missouri Public Service Commission  
Company: Missouri-American Water Company  
District: Cedar Hill Sewer

Case No. SR-2007-XXX  
Schedule CAS-11-CDH  
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[illegible]

Missouri Public Service Commission  
Company: Missouri-American Water Company  
District: Cedar Hill Sewer

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: Cedar Hill Sewer**

**Case No. SR-2007-XXX**  
**Schedule CAS-12-CDH**  
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The Company's federal and state income taxes will be affected by all of the pro forma adjustments made at present and proposed rates.

Line #		At Present Rates		At Proposed Rates	
		Federal	State	Federal	State
10	Utility Operating Income Before Income Taxes	(\$337,778)	(\$337,778)		
11					
12	Interest Expense Deduction	69,093	69,093		
13					
14	Taxable Income	(406,871)	(406,871)		
15					
16	Addback (Deducts):				
17	Tax over Book Depreciation	18,530	18,530		
18	Non-deductible Meals	42	42		
19	Amortization Preferred Stock Expense	0	0		
20	Non-deductible Reserve Deficiency	0	0		
21					
22	Total Addbacks (Deducts)	18,572	18,572		
23					
24	Taxable Income	(388,299)	(388,299)		
25					
26	Effective Tax Rate (1)	33.1754%	5.2133%		
27					
28	Proforma Income Tax at Present / Proposed Rates	(128,820)	(20,243)		
29					
30	Per Books Amount / Present Rates	7,862	(1,864)		
31					
32	Proforma adjustment	(\$136,682)	(\$18,379)		
33					
34					
35					
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(1) Based on a 6.25% statutory rate for SIT and 35% for FIT

**Test Year Operating Revenues at Present Rates vs Proposed Rates**  
**For the Test Year Ended June 30, 2006**

**Missouri Public Service Commission**  
**Company: Missouri-American Water Company**  
**District: Cedar Hill Sewer**

**Case No. SR-2007-XXX**  
**Schedule CAS-13-CDH**  
**Page 1 of 1**

Line:	Class/ Description	Present Pro Forma Rates		Proposed Pro Forma Rates		Dollar Change	Percentage Change
		Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue		
1	<b>Monthly Billing:</b>						
2							
3							
4	Residential	13,824	\$26,633	13,824	\$33,354	\$6,721	25.24%
5	Commercial	2,643	(5,598)	2,643	(5,598)	0	0.00%
6	Industrial	0	0	0	0	0	0.00%
7	Other Public Authority	0	0	0	8	8	0.00%
8	Other Water Utilities	0	0	0	0	0	0.00%
9	Miscellaneous	0	0	0	0	0	0.00%
10	Private Fire	0	0	0	0	0	0.00%
11	Public Fire	0	0	0	0	0	0.00%
12	Residential Flat Rate:	0	135,305	0	169,436	34,131	25.23%
13	Commercial Flat Rate:	0	4,440	0	5,560	1,120	25.23%
14	<b>Total</b>		<u>160,780</u>		<u>202,760</u>	<u>\$41,980</u>	<u>26.11%</u>
15							
16							
17	<b>Miscellaneous Revenues:</b>						
18							
19	Reconnect Charges		0		0	0	0.00%
20	Returned Check Charge		0		0	0	0.00%
21	Application Fee		0		0	0	0.00%
22	Miscellaneous Other Revenue		0		0	0	0.00%
23	Rents from Water Property		0		0	0	0.00%
24							
25							
26			<u>\$160,780</u>		<u>\$202,760</u>	<u>41,980</u>	<u>26.11%</u>
27							
28							
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**For the Test Year Ended June 30, 2006**

Case No. SR-2007-XXX  
Schedule CAS-14-CDH  
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Line #	Class/ Description	Present Pro Forma Rates				Proposed Pro Forma Rates				Dollar Change	Percentage Change
		Customer Meter Billings	Sales (‘000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales (‘000 Gal)	Proposed Rate	Total Revenue		
1											
2	Residential:										
3	Minimum Charge:										
4	5/8" Monthly	369		\$18.00	\$6,642	369		\$22.54	\$8,317	\$1,675	25.22%
5	3/4" Monthly	0		\$0.00	0	0		\$0.00	0	0	0.00%
6	1" Monthly	0		\$0.00	0	0		\$0.00	0	0	0.00%
7	1-1/2" Monthly	0		\$0.00	0	0		\$0.00	0	0	0.00%
8	2" Monthly	0		\$0.00	0	0		\$0.00	0	0	0.00%
9	3" Monthly	0		\$0.00	0	0		\$0.00	0	0	0.00%
10	4" Monthly	0		\$0.00	0	0		\$0.00	0	0	0.00%
11	6" Monthly	0		\$0.00	0	0		\$0.00	0	0	0.00%
12	8" Monthly	0		\$0.00	0	0		\$0.00	0	0	0.00%
13	10" Monthly	0		\$0.00	0	0		\$0.00	0	0	0.00%
14	12" Monthly	0		\$0.00	0	0		\$0.00	0	0	0.00%
15											
16											
17	Volumetric Charges:										
18	First Block		1,624	\$0.0000	0		1,624	\$0.0000	0	0	0.00%
19	Second Block		12,201	\$2.1200	25,865		12,201	\$2.6551	32,394	6,529	25.24%
20	Third Block		0	\$2.1200	0		0	\$2.6551	0	0	0.00%
21	Fourth Block		0	\$2.1200	0		0	\$2.6551	0	0	0.00%
22	FAL's and Credits		0		(5,874)		0		(7,357)	(1,483)	25.25%
23	Reconcile to Books									0	0.00%
24	Total				<u>13,824</u>		<u>13,824</u>		<u>\$33,354</u>	<u>\$6,721</u>	<u>25.24%</u>
25											
26	Residential Flat Rate:										
27											
28	Single Family Residence	6,281		\$18.00	\$113,057	6,281		22.54	\$141,573	\$28,516	25.22%
29	Multi-Family Residence	276		\$14.40	\$3,974	276		18.03	\$4,976	\$1,002	25.21%
30	Mobile Home	1,128		\$16.20	\$18,274	1,128		20.29	\$22,887	\$4,613	25.24%
31	Total				<u>\$135,305</u>				<u>\$169,436</u>	<u>\$34,131</u>	<u>25.23%</u>
32											
33											
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## For the Test Year Ended June 30, 2006

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