



Aqua Missouri, Inc.
1000 South Schuyler Avenue
Kankakee, IL 60901

T: 815.935.6535
F: 815.935.8809
www.aquamissouri.com

December 7, 2007

Secretary of the Commission
Missouri Public Service Commission
Attn: Data Center
P.O. Box 360
Jefferson City, MO 65102

RE: Aqua RU, Inc. d/b/a/ Aqua Missouri, Inc.
Requests for Increases in Annual Water System Operating Revenues
MPSC Water Utility Small Company Rate Increase Procedures

Dear Secretary:

Aqua-RU, Inc. d/b/a/ Aqua Missouri, Inc. holds certificates of public convenience and necessity granted by the Missouri Public Service Commission (the Commission), under which the Company provides water treatment and distribution services, through seven rate divisions, as follows:

1. Riverside Estates division in Taney County serving 252 customers in the community of Hollister
2. White Branch division in Benton County serving 180 customers in the community of Warsaw.
3. Rankin Acres division in Greene County serving 90 customers in the community of Republic
4. Spring Valley division in Christian County serving 121 customers in the community of Ozark
5. Ozark Mountain division in Barry and Stone Counties, serving 400 customers in the community of Shell Knob
6. Lakewood Manor division in Barry County serving 34 customers in the community of Shell Knob
7. LTA division in Taney County serving 98 customers in the community of Branson

For all divisions, customer rates for water service were last changed in September, 2006.

Pursuant to 4 CSR 240-3.635, the Commission's rules pertaining to rate increase requests made by small water utilities, the company is requesting increase as follows.

For the Riverside Estates division, the Company is hereby requesting an increase of \$67,172 in its annual water operating revenues. Based upon current customer rates and customer numbers, this increase represents changes of approximately 73.5% in the Company's annual water operating revenues. Details by customer class are as follows:

<u>Customer Classification</u>	<u>Current</u>	<u>Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Residential	90,754	157,926	67,172	74.02%
Miscellaneous	<u>596</u>	<u>596</u>	<u>-</u>	<u>0.00%</u>
TOTAL	<u>91,350</u>	<u>158,522</u>	<u>67,172</u>	<u>73.53%</u>

For the White Branch division, the Company is hereby requesting an increase of \$30,762 in its annual water operating revenues. Based upon current customer rates and customer numbers, this increase represents changes of approximately 56.8% in the Company's annual water operating revenues. Details by customer class are as follows:

<u>Customer Classification</u>	<u>Current</u>	<u>Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Residential	53,745	84,507	30,762	57.24%
Miscellaneous	<u>440</u>	<u>440</u>	<u>-</u>	<u>0.00%</u>
TOTAL	<u>54,185</u>	<u>84,947</u>	<u>30,762</u>	<u>56.77%</u>

For the Rankin Acres division, the Company is hereby requesting an increase of \$24,010 in its annual water operating revenues. Based upon current customer rates and customer numbers, this increase represents changes of approximately 88.9% in the Company's annual water operating revenues. Details by customer class are as follows:

<u>Customer Classification</u>	<u>Current</u>	<u>Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Residential	26,708	50,718	24,010	89.90%
Miscellaneous	<u>296</u>	<u>296</u>	<u>-</u>	<u>0.00%</u>
TOTAL	<u>27,004</u>	<u>51,014</u>	<u>24,010</u>	<u>88.91%</u>

For the Spring Valley division, the Company is hereby requesting an increase of \$28,437 in its annual water operating revenues. Based upon current customer rates and customer numbers, this increase represents changes of approximately 62.7% in the Company's annual water operating revenues. Details by customer class are as follows:

<u>Customer Classification</u>	<u>Current</u>	<u>Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Residential	44,770	73,207	28,437	63.52%
Miscellaneous	<u>602</u>	<u>602</u>	<u>-</u>	<u>0.00%</u>
Total	<u>45,372</u>	<u>73,809</u>	<u>28,437</u>	<u>62.68%</u>

For the Ozark Mountain division, the Company is hereby requesting an increase of \$132,868 in its annual water operating revenues. Based upon current customer rates and customer numbers, this increase represents changes of approximately 99.6% in the Company's annual water operating revenues. Details by customer class are as follows:

<u>Customer Classification</u>	<u>Current</u>	<u>Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Residential	132,848	265,716	132,868	100.01%
Miscellaneous	<u>605</u>	<u>605</u>	<u>-</u>	<u>0.00%</u>
TOTAL	<u>133,453</u>	<u>266,321</u>	<u>132,868</u>	<u>99.56%</u>

For the Lakewood Manor division, the Company is hereby requesting an increase of \$21,633 in its annual water operating revenues. Based upon current customer rates and customer numbers, this increase represents changes of approximately 204.2% in the Company's annual water operating revenues. Details by customer class are as follows:

<u>Customer Classification</u>	<u>Current</u>	<u>Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Residential	10,406	32,039	21,633	207.89%
Miscellaneous	<u>186</u>	<u>186</u>	<u>-</u>	<u>0.00%</u>
Total	<u>10,592</u>	<u>32,225</u>	<u>21,633</u>	<u>204.24%</u>

For the LTA Branch division, the Company is hereby requesting an increase of \$35,696 in its annual water operating revenues. Based upon current customer rates and customer numbers, this increase represents changes of approximately 119.5% in the Company's annual water operating revenues. Details by customer class are as follows:

<u>Customer Classification</u>	<u>Current</u>	<u>Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Residential	29,879	65,575	35,696	119.47%
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Total	<u>29,879</u>	<u>65,575</u>	<u>35,696</u>	<u>119.47%</u>

The Company understands that the design of its customers rates, its service charges, its customer service practices, its general business practices and its general tariff provisions will also be reviewed during the Commission Staff's review of the rate increase request, and may thus be the subject of Staff recommendations at the conclusion of the rate increase process.

The specific reasons for the requested increase in the Company's annual operating revenues for water service include primarily increases in the utility plant investment, increases in the operation and maintenance expenses, depreciation and taxes. Attached to this letter are schedules that outline the details supporting the company's request for additional water revenue by division.

The Company is current on the payment of its Commission annual assessments, since all past and current assessments have been paid in full, and on the filing of its Commission annual reports. Additionally, the Company will remain current on these items during the processing of this rate increase request.

Thank-you for your attention to this important matter, and please contact me at your convenience if you need additional information regarding this request.

Sincerely,
AQUA MISSOURI, INC.

A handwritten signature in black ink, appearing to read "Terry J. Rakocy". The signature is fluid and cursive, with a large, stylized "T" and "R".

Terry J. Rakocy
President

Copies: Jim Russo, Water and Sewer Department
Lewis Mills, Office of the Public Counsel

Attachments

Aqua Missouri-Aqua-RU

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Aqua Missouri
 RU-Water Aqua Missouri-Aqua-RU
Proposed Revenue Requirement
Test Year

Schedule RU-W-SUM
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Line No.		Riverside	White Branch	Rankin Acres	Spring Valley	Ozark Mtn	Lakewood Manor	LTA	Total
1	Total Rate Base	321,993	244,910	44,445	67,440	660,492	83,039	125,162	1,547,481
2									
3	Weighted Cost of Capital	<u>8.37%</u>	<u>8.37%</u>	<u>8.37%</u>	<u>8.37%</u>	<u>8.37%</u>	<u>8.37%</u>	<u>8.37%</u>	<u>8.37%</u>
4									
5	Required Return	26,943	20,493	3,719	5,643	55,268	6,948	10,473	129,489
6									
7	Test Year net operating income	<u>(13,989)</u>	<u>1,748</u>	<u>(10,912)</u>	<u>(11,686)</u>	<u>(25,698)</u>	<u>(6,234)</u>	<u>(11,279)</u>	<u>(78,051)</u>
8									
9	Operating income deficiency	40,933	18,746	14,631	17,329	80,966	13,183	21,752	207,539
10									
11	State income tax	4,198	1,923	1,501	1,777	8,304	1,352	2,231	21,286
12									
13	Federal income tax	<u>22,041</u>	<u>10,094</u>	<u>7,878</u>	<u>9,331</u>	<u>43,597</u>	<u>7,098</u>	<u>11,713</u>	<u>111,752</u>
14									
15	Total Revenue Increase	<u>67,172</u>	<u>30,762</u>	<u>24,010</u>	<u>28,437</u>	<u>132,868</u>	<u>21,633</u>	<u>35,696</u>	<u>340,578</u>
16									
17	Percent Increase	<u>73.53%</u>	<u>56.77%</u>	<u>88.91%</u>	<u>62.68%</u>	<u>99.56%</u>	<u>204.24%</u>	<u>119.47%</u>	<u>86.92%</u>
18									
19	Current Revenue	<u>91,350</u>	<u>54,185</u>	<u>27,004</u>	<u>45,372</u>	<u>133,453</u>	<u>10,592</u>	<u>29,879</u>	<u>391,835</u>
20	New annual revenue	<u>158,522</u>	<u>84,947</u>	<u>51,014</u>	<u>73,809</u>	<u>266,321</u>	<u>32,225</u>	<u>65,575</u>	<u>732,413</u>

Aqua Missouri
RU-Riverside-Water
Proposed Revenue Requirement

Schedule RIV-W-1
Page 1 of 1

Line No.

1	Total Rate Base	321,993
2		
3	Weighted Cost of Capital	<u>8.37%</u>
4		
5	Required Return	26,943
6		
7	Test Year net operating income	<u>(13,989)</u>
8		
9	Operating income deficiency	40,933
10		
11	State income tax	4,198
12		
13	Federal income tax	<u>22,041</u>
14		
15	Total Revenue Increase	<u>67,172</u>
16		
17	Percent Increase	<u>73.53%</u>
18		
19	Current Revenue	<u>91,350</u>
20	New annual revenue	<u>158,522</u>
21		
22		
23	<u>Computation of Income Tax Gross-Up Factors:</u>	
24	Operating Income before tax	100.00%
25	State income tax rate	<u>6.25%</u>
26	Operating income after state inc tax	93.75%
27	Times Federal income tax rate	<u>35.00%</u>
28	Federal tax	32.81%
29	Plus state income tax rate	<u>6.25%</u>
30	Effective tax rate	<u>39.06%</u>
31		
32	Reciprocal	<u>60.94%</u>

Aqua Missouri
 RU-Riverside-Water
 Cost of Service

Schedule RIV-W-2
 Page 1 of 1

Line No.		9/30/07 Test Year	Adjustments	Adj. Ref.	Proforma Present	Rate Inc. Adjustment	Proforma Proposed
1	Operating Revenues	99,675	(8,325)	#10	91,350	67,172	158,522
2							
3	Operations and Maintenance						
4	Salaries and Wages	20,139	20,492	#1	40,631		40,631
5	Employee Pensions and Benefits	5,501	7,621	#2	13,122		13,122
6	Purchased Water				-		-
7	Sludge Removal				-		-
8	Power	4,896	(318)	#3	4,578		4,578
9	Chemicals	448			448		448
10	Supplies	2,414			2,414		2,414
11	Engineering				-		-
12	Accounting	500			500		500
13	Legal	2,044			2,044		2,044
14	Management fees	7,134			7,134		7,134
15	Other Outside Services	6,500			6,500		6,500
16	Leases	1,029			1,029		1,029
17	Transportation	7,748	1,188	#4	8,936		8,936
18	Insurance	1,835			1,835		1,835
19	Other Expenses	11,522			11,522		11,522
20	Bad Debts	470	346	#6	816		816
21	Subtotal O&M Expenses	72,180			101,509		101,509
22	Depreciation Expense	58,132	(43,969)	#5	14,163		14,163
23	Amortization of CIAC	(14,194)	11,330	#5	(2,864)		(2,864)
24	Amortization Expense	2,848			2,848		2,848
25	Taxes Other than Income Taxes	2,395	1,927	#7	4,322		4,322
26	Subtotal-Total exp. before Inc. Tax	121,361			119,978		119,978
27	Income Taxes				(14,639)		11,600
28							
29	Total Cost of Service	121,361			105,339		131,578
30							
31	Operating Income	(21,686)			(13,989)		26,943
32							
33							
34	Rate Base	321,993					321,993
35	Return on Rate Base	-6.7%					8.37%
36							
37							
38							
39							
40							
41							
42							
43							
44							

Aqua Missouri
RU-Riverside-Water
Rate Base Summary

Schedule RIV-W-3
Page 1 of 1

<u>Line No.</u>		<u>30-Sep-07</u>		<u>Adjusted</u>
		<u>Actual</u>	<u>Adjustments</u>	
1	Rate Base Component			
2	Utility Plant in Service	529,239	2,500	531,739
3	Accumulated Provision for Depreciation	(122,377)		(122,377)
4				-
5	Allocation from Administration	<u>19,714</u>		<u>19,714</u>
6				
7	Net Utility Plant	426,576	2,500	429,076
8				
9	Less:			-
10	Contributions in Aid of Construction	(115,010)		(115,010)
11	Accumulated Amortization of CIAC	10,513		10,513
12	Deferred Income Taxes	<u>(2,586)</u>		<u>(2,586)</u>
13				-
14				
15	Total Original Cost Rate Base	<u>319,493</u>	<u>2,500</u>	<u>321,993</u>
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				

Agua Missouri
RU-Riverside-Water
Revenue and Proposed Rate Changes

Schedule RIV-W-4
 Page 1 of 1

<u>Line No.</u>	<u>Customer Classification</u>	<u>Current</u>	<u>Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
1	Residential	90,754	157,926	67,172	74.02%
2					
3					
4	Miscellaneous	596	596	-	0.00%
5					
6	TOTAL	91,350	158,522	67,172	73.53%
7					
8					
9	<u>Tariff Changes:</u>				
10	Minimum charge	17.88	31.11	13.23	74.02%
11	Commodity charge	4.319	7.516	3.20	74.02%
12					
13					
14	<u>Cust. Revenue Proof:</u>				
15	252 Minimum charge	54,069	94,088	40,019	74.02%
16	Commodity-	36,685	63,837	27,152	74.02%
17	15,988,866 gallons, less				
18	minimums of 7,495,000				
19	Total	90,754	157,926	67,172	74.02%

Aqua Missouri-RU
RU- Riverside Estates-Water
Revenue and Expense Adjustments

Schedule RIV-W-5
Page 1 of 2

Line No.

1	Adjustment #1-Labor:	
2	2008 Budgeted Labor	40,631
3	Less: Test year labor	(20,139)
4	Adjustment	20,492

5
6 To adjust 9/30/07 test year labor to 2008 budgeted labor due to wage increases and
7 a full work force
8

9		
10	Adjustment #2- Benefits	
11	2008 Budgeted Benefits	13,122
12	Less: Test year benefits	(5,501)
13	Adjustment	7,621

14 To adjust 9/30/07 test year benefits to 2008 budgeted benefits due to cost
15 increases and a full work force
16

17		
18	Adjustment #3-Power	
19	2008 Budgeted Power	4,578
20	Less: Test Year Power	(4,896)
21	Adjustment Needed	(318)

22
23
24 To adjust 9/30/07 test year power to 2008 budgeted amount
25
26

27		
28		
29	Adjustment #4- Transportation	
30	2008 Budgeted Transportation	8,936
31	Less: Test Year Transportation	(7,748)
32	Adjustment Needed	1,188

33
34 To adjust 9/30/07 test year transportation to 2008 budgeted amount due to
35 fuel, maintenance and vehicle lease costs
36
37
38
39

Line No.

1	Adjustment #5-Depreciation and CIAC Amortization	
2	Depreciation Expense as calculated	14,163
3	Test year depreciation expense	(58,132)
4	Adjustment	(43,969)
5		
6	CIAC Amortization as calculated	(2,864)
7	Test year CIAC amortization	14,194
8	Adjustment	11,330
9		
10	To adjust test year 9/30/07 Depreciation Expense and CIAC Amortization to	
11	Depreciation and Amortization Detail	
12		

13	Adjustment #6- Bad Debt Costs	
14	Test Year Bad Debt Expense	470
15	Adjustment for Rate Increase (Test Year times rate increase percentage)	346
16		
17	To adjust Bad Debt Expense for the impact of the proposed rate increase	
18		

20	Adjustment #7- Other Taxes	
21	Other Taxes as budgeted	4,322
22	Less: Test Year Other Taxes	(2,395)
23	Adjustment	1,927
24		
25	To adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to changes in	
26	payroll taxes, property taxes, and other assessments	
27		
28		

30	Adjustment #8- Sludge	
31	None	
32		
33		
34		
35		

37	Adjustment #9- Legal	
38	None	
39		

Adjustment #10- Revenue Adjustment		
Total revenue as last allowed in 9/06 case	91,350	
Revenue per test year	(99,675)	
Adjustment needed	(8,325)	
To adjust test year revenue to Last Allowed.		

Aqua Missouri
 RU-Riverside-Water
 Income Taxes

Schedule RIV-W-6
 Page 1 of 1

Line No.		<u>Proforma</u> <u>Present</u>	<u>SIT</u>	<u>FIT</u>	<u>Proforma</u> <u>Proposed</u>	<u>SIT</u>	<u>FIT</u>
1	Operating Revenue	91,350			158,522		
2							
3	O&M Expenses	101,509			101,509		
4	Book Depreciation	14,163			14,163		
5	Taxes, Other	4,322			4,322		
6	Interest	8,831			8,831		
7	Tax depreciation greater than book						
8	Subtotal	128,825			128,825		
9	State taxable income	(37,475)			29,697		
10							
11	State income tax at 6.25%	(2,342)	(2,342)		1,856	1,856	
12							
13							
14							
15	Federal taxable income	(35,133)			27,841		
16							
17	FIT at 35%			(12,297)			9,744
18							
19							
20	Net Expense			(14,639)			11,600
21							
22							
23							
24							
25	<u>Interest Expense Calculation:</u>						
26	Test Year Rate Base	321,993			321,993		
27							
28	Times: Weighted cost of debt	<u>2.74%</u>			<u>2.74%</u>		
29		<u>8,831</u>			<u>8,831</u>		
30							

Aqua Missouri
RU-White Branch-Water
Proposed Revenue Requirement

Schedule WHIT-W-1
Page 1 of 1

<u>Line No.</u>		
1	Total Rate Base	244,910
2		
3	Weighted Cost of Capital	<u>8.37%</u>
4		
5	Required Return	20,493
6		
7	Test Year net operating income	<u>1,748</u>
8		
9	Operating income deficiency	18,746
10		
11	State income tax	1,923
12		
13	Federal income tax	<u>10,094</u>
14		
15	Total Revenue Increase	<u>30,762</u>
16		
17	Percent Increase	<u>56.77%</u>
18		
19	Current Revenue	<u>54,185</u>
20	New annual revenue	<u>84,947</u>
21		
22		
23	<u>Computation of Income Tax Gross-Up Factors:</u>	
24	Operating Income before tax	100.00%
25	State income tax rate	<u>6.25%</u>
26	Operating income after state inc tax	93.75%
27	Times Federal income tax rate	<u>35.00%</u>
28	Federal tax	32.81%
29	Plus state income tax rate	<u>6.25%</u>
30	Effective tax rate	<u>39.06%</u>
31		
32	Reciprocal	<u>60.94%</u>

Aqua Missouri
RU-White Branch-Water
Cost of Service

Schedule WHIT-W-2
 Page 1 of 1

Line No.		<u>9/30/07</u> <u>Test Year</u>	<u>Adjustments</u>	<u>Adj.</u> <u>Ref.</u>	<u>Proforma</u> <u>Present</u>	<u>Rate Inc.</u> <u>Adjustment</u>	<u>Proforma</u> <u>Proposed</u>
1	<u>Operating Revenues</u>	43,978	10,207	#10	54,185	30,762	84,947
2							
3	<u>Operations and Maintenance</u>						
4	Salaries and Wages	14,179	(2,860)	#1	11,319		11,319
5	Employee Pensions and Benefits	4,073	(538)	#2	3,535		3,535
6	Purchased Water				-		-
7	Sludge Removal				-		-
8	Power	2,544	210	#3	2,754		2,754
9	Chemicals	448			448		448
10	Supplies	5,328			5,328		5,328
11	Engineering				-		-
12	Accounting	261			261		261
13	Legal	5			5		5
14	Management fees	4,425			4,425		4,425
15	Other Outside Services	1,787			1,787		1,787
16	Leases	657			657		657
17	Transportation	4,717	432	#4	5,149		5,149
18	Insurance	1,132			1,132		1,132
19	Other Expenses	6,302			6,302		6,302
20	Bad Debts	965	548	#6	1,513		1,513
21	Subtotal O&M Expenses	46,823			44,615		44,615
22	Depreciation Expense		9,977	#5	9,977		9,977
23	Amortization of CIAC		(2,432)	#5	(2,432)		(2,432)
24	Amortization Expense	1,825			1,825		1,825
25	Taxes Other than Income Taxes	1,473	165	#7	1,638		1,638
26	Subtotal-Total exp. before Inc. Tax	50,121			55,623		55,623
27	Income Taxes				(3,186)		8,831
28							
29	Total Cost of Service	50,121			52,437		64,454
30							
31	Operating Income	(6,143)			1,748		20,493
32							
33							
34	Rate Base	244,910					244,910
35	Return on Rate Base	-2.5%					8.37%
36							
37							
38							
39							
40							
41							
42							
43							
44							

Aqua Missouri
RU-White Branch-Water
Rate Base Summary

Schedule WHIT-W-3
Page 1 of 1

<u>Line No.</u>		<u>9/30/07</u> <u>Actual</u>	<u>Adjustments</u>	<u>Adjusted</u>
1	<u>Rate Base Component</u>			
2	Utility Plant in Service	309,516	68,200	377,716
3	Accumulated Provision for Depreciation	(92,668)		(92,668)
4				-
5	Allocation from Administration	<u>11,345</u>		<u>11,345</u>
6				
7	Net Utility Plant	228,193	68,200	296,393
8				
9	Less:			-
10	Contributions in Aid of Construction	(80,000)		(80,000)
11	Accumulated Amortization of CIAC	30,484		30,484
12	Deferred Income Taxes	<u>(1,967)</u>		<u>(1,967)</u>
13				
14				
15	Total Original Cost Rate Base	<u>176,710</u>	<u>68,200</u>	<u>244,910</u>
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				

Aqua Missouri
RU-White Branch-Water
Revenue and Proposed Rate Changes
Test Year

Schedule WHIT-W-4
Page 1 of 1

<u>Line No.</u>	<u>Customer Classification</u>	<u>Current</u>	<u>Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
1	Residential	53,745	84,507	30,762	57.24%
2					
3					
4	Miscellaneous	440	440	-	0.00%
5					
6	TOTAL	54,185	84,947	30,762	56.77%
7					
8					
9	<u>Tariff Changes:</u>				
10	Residential	25.36	39.88	14.52	57.24%
11	Part time residential	20.29	31.90	11.61	57.24%
12					
13					
14					
15	<u>Cust Revenue Proof:</u>				
16	115 Residential	34,997	55,028	20,031	57.24%
17	77 Part time residential	18,748	29,479	10,731	57.24%
18					
19	Total	53,745	84,507	30,762	57.24%

Line No.

1	Adjustment #1-Labor:	
2	2008 Budgeted Labor	11,319
3	Less: Test year labor	(14,179)
4	Adjustment	(2,860)

5
6 To adjust 9/30/07 test year labor to 2008 budgeted labor due to wage increases and
7 a full work force
8

9		
10	Adjustment #2- Benefits	
11	2008 Budgeted Benefits	3,535
12	Less: Test year benefits	(4,073)
13	Adjustment	(538)

14 To adjust 9/30/07 test year benefits to 2008 budgeted benefits due to cost
15 increases and a full work force
16

17		
18	Adjustment #3-Power	
19	2008 Budgeted Power	2,754
20	Less: Test Year Power	(2,544)
21	Adjustment Needed	210

22
23
24 To adjust 9/30/07 test year power to 2008 budgeted amount
25
26

27		
28		
29	Adjustment #4- Transportation	
30	2008 Budgeted Transportation	5,149
31	Less: Test Year Transportation	(4,717)
32	Adjustment Needed	432

33
34 To adjust 9/30/07 test year transportation to 2008 budgeted amount due to
35 fuel, maintenance and vehicle lease costs
36
37

38
39

Line No.

1	Adjustment #5-Depreciation and CIAC Amortization	
2	Depreciation Expense as calculated	9,977
3	Test year depreciation expense	-
4	Adjustment	9,977
5		
6	CIAC Amortization as calculated	(2,432)
7	Test year CIAC amortization	-
8	Adjustment	(2,432)
9		
10	To adjust test year 9/30/07 Depreciation Expense and CIAC Amortization to	
11	Depreciation and Amortization Detail	

12		
13	Adjustment #6- Bad Debt Costs	
14	Test Year Bad Debt Expense	965
15	Adjustment for Rate Increase (Test Year times rate increase percentage)	548
16		
17	To adjust Bad Debt Expense for the impact of the proposed rate increase	
18		

19		
20	Adjustment #7- Other Taxes	
21	Other Taxes as budgeted	1,638
22	Less: Test Year Other Taxes	(1,473)
23	Adjustment	165
24		
25	To adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to changes in	
26	payroll taxes, property taxes, and other assessments	
27		
28		

29		
30	Adjustment #8- Sludge	
31	None	
32		
33		
34		
35		
36		

37	Adjustment #9- Legal	
38	None	
39		

	Adjustment #10- Revenue Adjustment	
	Total revenue as last allowed in 9/06 case	54,185
	Revenue per test year	(43,978)
	Adjustment needed	10,207
	To adjust test year revenue to Last Allowed.	

Aqua Missouri
 RU-White Branch-Water
 Income Taxes

Schedule WHIT-W-6
 Page 1 of 1

Line No.		Proforma Present	SIT	FIT	Proforma Proposed	SIT	FIT
1	Operating Revenue	54,185			84,947		
2							
3	O&M Expenses	44,615			44,615		
4	Book Depreciation	9,370			9,370		
5	Taxes, Other	1,638			1,638		
6	Interest	6,717			6,717		
7	Tax depreciation greater than book						
8	Subtotal	62,340			62,340		
9	State taxable income	(8,155)			22,607		
10							
11	State income tax at 6.25%	(510)	(510)		1,413	1,413	
12							
13							
14							
15	Federal taxable income	(7,645)			21,194		
16							
17	FIT at 35%			(2,676)			7,418
18							
19							
20	Net Expense			(3,186)			8,831
21							
22							
23							
24							
25	Interest Expense Calculation:						
26	Test Year Rate Base	244,910			244,910		
27							
28	Times: Weighted cost of debt	2.74%			2.74%		
29		6,717			6,717		
30							

Aqua Missouri
 RU-Rankin Acres-Water
 Cost of Service

Schedule RAN-W-2
 Page 1 of 1

Line No.		9/30/07 Test Year	Adjustments	Adj. Ref.	Proforma Present	Rate Inc. Adjustment	Proforma Proposed
1	Operating Revenues	26,664	340	#10	27,004	24,010	51,014
2							
3	Operations and Maintenance						
4	Salaries and Wages	13,464	852	#1	14,316		14,316
5	Employee Pensions and Benefits	3,916	614	#2	4,530		4,530
6	Purchased Water				-		-
7	Sludge Removal				-		-
8	Power	3,476	(923)	#3	2,553		2,553
9	Chemicals	318			318		318
10	Supplies	526			526		526
11	Engineering				-		-
12	Accounting	178			178		178
13	Legal	5			5		5
14	Management fees	2,465			2,465		2,465
15	Other Outside Services	3,827			3,827		3,827
16	Leases	318			318		318
17	Transportation	2,888	35	#4	2,923		2,923
18	Insurance	654			654		654
19	Other Expenses	7,626			7,626		7,626
20	Bad Debts	130	116	#6	246		246
21	Subtotal O&M Expenses	39,791			40,485		40,485
22	Depreciation Expense		2,599	#5	2,599		2,599
23	Amortization of CIAC		-	#5	-		-
24	Amortization Expense	1,038			1,038		1,038
25	Taxes Other than Income Taxes	1,457	114	#7	1,571		1,571
26	Subtotal-Total exp. before Inc. Tax	42,286			45,692		45,692
27	Income Taxes				(7,776)		1,603
28							
29	Total Cost of Service	42,286			37,916		47,295
30							
31	Operating Income	(15,622)			(10,912)		3,719
32							
33							
34	Rate Base	44,445					44,445
35	Return on Rate Base	-35.1%					8.37%
36							
37							
38							
39							
40							
41							
42							
43							
44							

Aqua Missouri
RU-Rankin Acres-Water
Proposed Revenue Requirement

Schedule RAN-W-1
Page 1 of 1

Line No.

1	Total Rate Base	44,445
2		
3	Weighted Cost of Capital	<u>8.37%</u>
4		
5	Required Return	3,719
6		
7	Test Year net operating income	<u>(10,912)</u>
8		
9	Operating income deficiency	14,631
10		
11	State income tax	1,501
12		
13	Federal income tax	<u>7,878</u>
14		
15	Total Revenue Increase	<u>24,010</u>
16		
17	Percent Increase	<u>88.91%</u>
18		
19	Current Revenue	<u>27,004</u>
20	New annual revenue	<u>51,014</u>
21		
22		
23	<u>Computation of Income Tax Gross-Up Factors:</u>	
24	Operating Income before tax	100.00%
25	State income tax rate	<u>6.25%</u>
26	Operating income after state inc tax	93.75%
27	Times Federal income tax rate	<u>35.00%</u>
28	Federal tax	32.81%
29	Plus state income tax rate	<u>6.25%</u>
30	Effective tax rate	<u>39.06%</u>
31		
32	Reciprocal	<u>60.94%</u>

Aqua Missouri
RU-Rankin Acres-Water
Rate Base Summary

Schedule RAN-W-3
Page 1 of 1

Line No.		9/30/07	Adjustments		Adjusted
		Actual			
1	Rate Base Component				
2	Utility Plant in Service	49,708	8,800		58,508
3	Accumulated Provision for Depreciation	(20,143)			(20,143)
4					
5	Allocation from Administration	6,437			6,437
6					
7	Net Utility Plant	36,002	8,800		44,802
8					
9	Less:				
10	Contributions in Aid of Construction	-			-
11	Accumulated Amortization of CIAC	-			-
12	Deferred Income Taxes	(357)			(357)
13					
14					
15	Total Original Cost Rate Base	35,645	8,800	-	44,445
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					

Aqua Missouri
RU-Rankin Acres-Water
Revenue and Proposed Rate Changes

Schedule RAN-W-4
 Page 1 of 1

<u>Line No.</u>	<u>Customer Classification</u>	<u>Current</u>	<u>Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
1	Residential	26,708	50,718	24,010	89.90%
2					
3					
4	Miscellaneous	296	296	-	0.00%
5					
6	TOTAL	27,004	51,014	24,010	88.91%
7					
8	<u>Tariff Changes:</u>				
9	Minimum charge	24.73	46.96	22.23	89.90%
10	Commodity charge	2.61	4.96	2.35	89.90%
11					
12					
13	<u>Cust</u> <u>Revenue Proof:</u>				
14	90 Minimum charge	26,708	50,719	24,010	89.90%
15					
16					
17					
18					
19					

Line No.

1	<u>Adjustment #1-Labor:</u>	
2	2008 Budgeted Labor	14,316
3	Less: Test year labor	(13,464)
4	Adjustment	852
5		
6	To adjust 9/30/07 test year labor to 2008 budgeted labor due to wage increases and	
7	a full work force	
8		

9		
10	<u>Adjustment #2- Benefits</u>	
11	2008 Budgeted Benefits	4,530
12	Less: Test year benefits	(3,916)
13	Adjustment	614
14	To adjust 9/30/07 test year benefits to 2008 budgeted benefits due to cost	
15	increases and a full work force	
16		

17		
18	<u>Adjustment #3-Power</u>	
19	2008 Budgeted Power	2,553
20	Less: Test Year Power	(3,476)
21	Adjustment Needed	(923)
22		
23		
24	To adjust 9/30/07 test year power to 2008 budgeted amount	
25		
26		

27		
28		
29	<u>Adjustment #4- Transportation</u>	
30	2008 Budgeted Transportation	2,923
31	Less: Test Year Transportation	(2,888)
32	Adjustment Needed	35
33		
34	To adjust 9/30/07 test year transportation to 2008 budgeted amount due to	
35	fuel, maintenance and vehicle lease costs	
36		
37		

38

39

Line No.

1	<u>Adjustment #5-Depreciation and CIAC Amortization</u>	
2	Depreciation Expense as calculated	2,599
3	Test year depreciation expense	-
4	Adjustment	<u>2,599</u>
5		
6	CIAC Amortization as calculated	-
7	Test year CIAC amortization	-
8	Adjustment	<u>-</u>
9		
10	To adjust test year 9/30/07 Depreciation Expense and CIAC Amortization to	
11	Depreciation and Amortization Detail	

12		
13	<u>Adjustment #6- Bad Debt Costs</u>	
14	Test Year Bad Debt Expense	130
15	Adjustment for Rate Increase (Test Year times rate increase percentage)	116
16		
17	To adjust Bad Debt Expense for the impact of the proposed rate increase	

18		
19		
20	<u>Adjustment #7- Other Taxes</u>	
21	Other Taxes as budgeted	1,571
22	Less: Test Year Other Taxes	<u>(1,457)</u>
23	Adjustment	<u>114</u>
24		
25	To adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to changes in	
26	payroll taxes, property taxes, and other assessments	
27		
28		

29		
30	<u>Adjustment #8- Sludge</u>	
31	None	
32		
33		
34		
35		

36		
37	<u>Adjustment #9- Legal</u>	
38	None	
39		

	<u>Adjustment #10- Revenue Adjustment</u>	
	Total revenue as last allowed in 9/06 case	27,004
	Revenue per test year	<u>(26,664)</u>
	Adjustment needed	<u>340</u>
	To adjust test year revenue to Last Allowed.	

Aqua Missouri
 RU-Rankin Acres-Water
 Income Taxes

Schedule RAN-W-6
 Page 1 of 1

Line No.		Proforma Present	SIT	FIT	Proforma Proposed	SIT	FIT
1	Operating Revenue	27,004			51,014		
2							
3	O&M Expenses	40,485			40,485		
4	Book Depreciation	3,637			3,637		
5	Taxes, Other	1,571			1,571		
6	Interest	1,219			1,219		
7	Tax depreciation greater than book						
8	Subtotal	46,911			46,911		
9	State taxable income	(19,907)			4,103		
10							
11	State income tax at 6.25%	(1,244)	(1,244)		256	256	
12							
13							
14							
15	Federal taxable income	(18,663)			3,846		
16							
17	FIT at 35%			(6,532)			1,346
18							
19							
20	Net Expense			(7,776)			1,603
21							
22							
23							
24							
25	Interest Expense Calculation:						
26	Test Year Rate Base	44,445			44,445		
27							
28	Times: Weighted cost of debt	2.74%			2.74%		
29		1,219			1,219		
30							

Aqua Missouri
RU-Spring Valley-Water
Proposed Revenue Requirement

Schedule SPV-W-1
Page 1 of 1

<u>Line No.</u>		
1	Total Rate Base	67,440
2		
3	Weighted Cost of Capital	<u>8.37%</u>
4		
5	Required Return	5,643
6		
7	Test Year net operating income	<u>(11,686)</u>
8		
9	Operating income deficiency	17,329
10		
11	State income tax	1,777
12		
13	Federal income tax	<u>9,331</u>
14		
15	Total Revenue Increase	<u>28,437</u>
16		
17	Percent Increase	<u>62.68%</u>
18		
19	Current Revenue	<u>45,372</u>
20	New annual revenue	<u>73,809</u>
21		
22		
23	<u>Computation of Income Tax Gross-Up Factors:</u>	
24	Operating Income before tax	100.00%
25	State income tax rate	<u>6.25%</u>
26	Operating income after state inc tax	93.75%
27	Times Federal income tax rate	<u>35.00%</u>
28	Federal tax	32.81%
29	Plus state income tax rate	<u>6.25%</u>
30	Effective tax rate	<u>39.06%</u>
31		
32	Reciprocal	<u>60.94%</u>

Aqua Missouri
 RU-Spring Valley-Water
 Cost of Service

Schedule SPV-W-2
 Page 1 of 1

Line No.		9/30/07 Test Year	Adjustments	Adj. Ref.	Proforma Present	Rate Inc. Adjustment	Proforma Proposed
1	Operating Revenues	(20,567)	65,939	#10	45,372	28,437	73,809
2							
3	Operations and Maintenance						
4	Salaries and Wages	12,622	6,214	#1	18,836		18,836
5	Employee Pensions and Benefits	3,941	2,024	#2	5,965		5,965
6	Purchased Water	16,543			16,543		16,543
7	Sludge Removal				-		-
8	Power	507	23	#3	530		530
9	Chemicals				-		-
10	Supplies	607			607		607
11	Engineering				-		-
12	Accounting	229			229		229
13	Legal	5			5		5
14	Management fees	3,158			3,158		3,158
15	Other Outside Services	1,775			1,775		1,775
16	Leases	472			472		472
17	Transportation	3,437	350	#4	3,787		3,787
18	Insurance	812			812		812
19	Other Expenses	5,445			5,445		5,445
20	Bad Debts	307	192	#6	499		499
21	Subtotal O&M Expenses	49,860			58,663		58,663
22	Depreciation Expense	-	3,881	#5	3,881		3,881
23	Amortization of CIAC		-	#5	-		-
24	Amortization Expense	1,216			1,216		1,216
25	Taxes Other than Income Taxes	1,515	459	#7	1,974		1,974
26	Subtotal-Total exp. before Inc. Tax	52,591			65,734		65,734
27	Income Taxes	-			(8,677)		2,432
28							
29	Total Cost of Service	52,591			57,058		68,166
30							
31	Operating Income	(73,158)			(11,686)		5,643
32							
33							
34	Rate Base	67,440					67,440
35	Return on Rate Base	-108.5%					8.37%
36							
37							
38							
39							
40							
41							
42							
43							
44							

Aqua Missouri
RU-Spring Valley-Water
Rate Base Summary

Schedule SPV-W-3
Page 1 of 1

<u>Line No.</u>		<u>9/30/07</u> <u>Actual</u>	<u>Adjustments</u>	<u>Adjusted</u>
1	<u>Rate Base Component</u>			
2	Utility Plant in Service	87,371	6,200	93,571
3	Accumulated Provision for Depreciation	(33,930)		(33,930)
4				-
5	Allocation from Administration	<u>8,341</u>		<u>8,341</u>
6				
7	Net Utility Plant	61,782	6,200	67,982
8				
9	Less:			-
10	Contributions in Aid of Construction	-		-
11	Accumulated Amortization of CIAC	-		-
12	Deferred Income Taxes	<u>(542)</u>		<u>(542)</u>
13				
14				
15	Total Original Cost Rate Base	<u>61,240</u>	<u>6,200</u>	<u>67,440</u>
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				

Aqua Missouri
 RU-Spring Valley-Water
Revenue and Proposed Rate Changes

Schedule SPV-W-4
 Page 1 of 1

<u>Line No.</u>	<u>Customer Classification</u>	<u>Current</u>	<u>Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
1	Residential	44,770	73,207	28,437	63.52%
2					
3					
4	Miscellaneous	<u>602</u>	<u>602</u>	<u>-</u>	<u>0.00%</u>
5					
6	Total	<u>45,372</u>	<u>73,809</u>	<u>28,437</u>	<u>62.68%</u>
7					
8					
9	<u>Tariff Changes</u>				
10	Minimum	19.24	31.46	12.22	63.52%
11	Commodity	5.144	8.411	3.27	63.52%
12					
13					
14					
15	<u>Cust Revenue Proof:</u>				
16	121 Minimum	27,936	45,681	17,745	63.52%
17	Commodity	<u>16,834</u>	<u>27,526</u>	<u>10,693</u>	<u>63.52%</u>
18	(5,798,489 gallons less				
19	minimum of 2,526,000)				
	Total	<u>44,770</u>	<u>73,208</u>	<u>28,437</u>	<u>63.52%</u>

Line No.

1	<u>Adjustment #1-Labor:</u>	
2	2008 Budgeted Labor	18,836
3	Less: Test year labor	(12,622)
4	Adjustment	6,214

5
6 To adjust 9/30/07 test year labor to 2008 budgeted labor due to wage increases and
7 a full work force
8

9		
10	<u>Adjustment #2- Benefits</u>	
11	2008 Budgeted Benefits	5,965
12	Less: Test year benefits	(3,941)
13	Adjustment	2,024

14 To adjust 9/30/07 test year benefits to 2008 budgeted benefits due to cost
15 increases and a full work force
16

17		
18	<u>Adjustment #3-Power</u>	
19	2008 Budgeted Power	530
20	Less: Test Year Power	(507)
21	Adjustment Needed	23

22
23
24 To adjust 9/30/07 test year power to 2008 budgeted amount
25
26

27		
28		
29	<u>Adjustment #4- Transportation</u>	
30	2008 Budgeted Transportation	3,787
31	Less: Test Year Transportation	(3,437)
32	Adjustment Needed	350

33
34 To adjust 9/30/07 test year transportation to 2008 budgeted amount due to
35 fuel, maintenance and vehicle lease costs
36
37

38
39

Line No.

1	<u>Adjustment #5-Depreciation and CIAC Amortization</u>	
2	Depreciation Expense as calculated	3,881
3	Test year depreciation expense	-
4	Adjustment	<u>3,881</u>
5		
6	CIAC Amortization as calculated	-
7	Test year CIAC amortization	-
8	Adjustment	<u>-</u>
9		
10	To adjust test year 9/30/07 Depreciation Expense and CIAC Amortization to	
11	Depreciation and Amortization Detail	

12		
13	<u>Adjustment #6- Bad Debt Costs</u>	
14	Test Year Bad Debt Expense	307
15	Adjustment for Rate Increase (Test Year times rate increase percentage)	192
16		
17	To adjust Bad Debt Expense for the impact of the proposed rate increase	

18		
19		
20	<u>Adjustment #7- Other Taxes</u>	
21	Other Taxes as budgeted	1,974
22	Less: Test Year Other Taxes	<u>(1,515)</u>
23	Adjustment	<u>459</u>
24		
25	To adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to changes in	
26	payroll taxes, property taxes, and other assessments	

27		
28		
29		
30	<u>Adjustment #8- Sludge</u>	
31	None	
32		
33		
34		
35		

36		
37	<u>Adjustment #9- Legal</u>	
38	None	
39		

	<u>Adjustment #10- Revenue Adjustment</u>	
	Total revenue as last allowed in 9/06 case	45,372
	Revenue per test year	<u>20,567</u>
	Adjustment needed	<u>65,939</u>
	To adjust test year revenue to Last Allowed.	

Aqua Missouri
RU-Ozark Mountain-Water
Proposed Revenue Requirement

Schedule OMT-W-1
Page 1 of 1

<u>Line No.</u>		
1	Total Rate Base	660,492
2		
3	Weighted Cost of Capital	<u>8.37%</u>
4		
5	Required Return	55,268
6		
7	Test Year net operating income	<u>(25,698)</u>
8		
9	Operating income deficiency	80,966
10		
11	State income tax	8,304
12		
13	Federal income tax	<u>43,597</u>
14		
15	Total Revenue Increase	<u>132,868</u>
16		
17	Percent Increase	<u>99.56%</u>
18		
19	Current Revenue	<u>133,453</u>
20	New annual revenue	<u>266,321</u>
21		
22		
23	<u>Computation of Income Tax Gross-Up Factors:</u>	
24	Operating Income before tax	100.00%
25	State income tax rate	<u>6.25%</u>
26	Operating income after state inc tax	93.75%
27	Times Federal income tax rate	<u>35.00%</u>
28	Federal tax	32.81%
29	Plus state income tax rate	<u>6.25%</u>
30	Effective tax rate	<u>39.06%</u>
31		
32	Reciprocal	<u>60.94%</u>

Aqua Missouri
 RU-Ozark Mountain-Water
 Cost of Service

Schedule OMT-W-2
 Page 1 of 1

Line No.		9/30/07 Test Year	Adjustments	Adj. Ref.	Proforma Present	Rate Inc. Adjustment	Proforma Proposed
1	Operating Revenues	184,658	(51,205)	#10	133,453	132,868	266,321
2							
3	Operations and Maintenance						
4	Salaries and Wages	30,831	48,163	#1	78,994		78,994
5	Employee Pensions and Benefits	9,523	(10,407)	#2	(884)		(884)
6	Purchased Water				-		-
7	Sludge Removal				-		-
8	Power	9,376	725	#3	10,101		10,101
9	Chemicals	881			881		881
10	Supplies	1,670			1,670		1,670
11	Engineering				-		-
12	Accounting	763			763		763
13	Legal	5			5		5
14	Management fees	11,017			11,017		11,017
15	Other Outside Services	9,216			9,216		9,216
16	Leases	1,669			1,669		1,669
17	Transportation	11,965	891	#4	12,856		12,856
18	Insurance	2,820			2,820		2,820
19	Other Expenses	18,532			18,532		18,532
20	Bad Debts	190	189	#6	379		379
21	Subtotal O&M Expenses	108,458			148,019		148,019
22	Depreciation Expense	-	37,825	#5	37,825		37,825
23	Amortization of CIAC		(10,185)	#5	(10,185)		(10,185)
24	Amortization Expense	4,542			4,542		4,542
25	Taxes Other than Income Taxes	4,482	2,554	#7	7,036		7,036
26	Subtotal-Total exp. before Inc. Tax	117,482			187,237		187,237
27	Income Taxes	-			(28,086)		23,816
28							
29	Total Cost of Service	117,482			159,151		211,053
30							
31	Operating Income	67,176			(25,698)		55,268
32							
33							
34	Rate Base	660,492					660,492
35	Return on Rate Base	10.2%					8.37%
36							
37							
38							
39							
40							
41							
42							
43							
44							

Aqua Missouri
RU-Ozark Mountain-Water
Rate Base Summary

Schedule OMT-W-3
Page 1 of 1

<u>Line No.</u>		<u>9/30/07</u> <u>Actual</u>	<u>Adjustments</u>	<u>Adjusted</u>
1	<u>Rate Base Component</u>			
2	Utility Plant in Service	927,012	214,100	1,141,112
3	Accumulated Provision for Depreciation	(315,215)		(315,215)
4				-
5	Allocation from Administration	<u>28,350</u>		<u>28,350</u>
6				
7	Net Utility Plant	640,147	214,100	854,247
8				
9	Less:			-
10	Contributions in Aid of Construction	(259,328)		(259,328)
11	Accumulated Amortization of CIAC	70,877		70,877
12	Deferred Income Taxes	<u>(5,304)</u>		<u>(5,304)</u>
13				
14				
15	Total Original Cost Rate Base	<u>446,392</u>	<u>214,100</u>	<u>660,492</u>
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				

Aqua Missouri
 RU-Spring Valley-Water
 Income Taxes

Schedule SPV-W-6
 Page 1 of 1

Line No.		Proforma Present	SIT	FIT	Proforma Proposed	SIT	FIT
1	Operating Revenue	45,372			73,809		
2							
3	O&M Expenses	58,663			58,663		
4	Book Depreciation	5,097			5,097		
5	Taxes, Other	1,974			1,974		
6	Interest	1,850			1,850		
7	Tax depreciation greater than book						
8	Subtotal	67,584			67,584		
9	State taxable income	(22,212)			6,225		
10							
11	State income tax at 6.25%	(1,388)	(1,388)		389	389	
12							
13							
14							
15	Federal taxable income	(20,824)			5,836		
16							
17	FIT at 35%			(7,288)			2,043
18							
19							
20	Net Expense			(8,677)			2,432
21							
22							
23							
24							
25	Interest Expense Calculation:						
26	Test Year Rate Base	67,440			67,440		
27							
28	Times: Weighted cost of debt	2.74%			2.74%		
29		1,850			1,850		
30							

Aqua Missouri
RU-Ozark Mountain-Water
Revenue and Proposed Rate Changes
Test Year

Schedule OMT-W-4
Page 1 of 1

<u>Line No.</u>	<u>Customer Classification</u>	<u>Current</u>	<u>Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
1	Residential	132,848	265,716	132,868	100.01%
2					
3					
4	Miscellaneous	605	605	-	0.00%
5					
6	TOTAL	133,453	266,321	132,868	99.56%
7					
8					
9	<u>Tariff Changes:</u>				
10	5/8" minimum	20.48	40.96	20.48	100.01%
11	1" minimum	24.44	48.88	24.44	100.01%
12	2" minimum	38.98	77.97	38.99	100.01%
13	Commodity	4.24	8.48	4.24	100.01%
14					
15	<u>Cust Revenue Proof:</u>				
16	434 Minimum	106,660	213,336	106,676	100.01%
17	Commodity	26,188	52,380	26,192	100.01%
18	(15,861,442 gallons less				
19	9,685,000 in minimum)				
20	Total	132,848	265,716	132,868	100.01%

Line No.

1	Adjustment #1-Labor:	
2	2008 Budgeted Labor	64,414
3	Less: Test year labor	(16,251)
4	Adjustment	48,163
5		
6	To adjust 9/30/07 test year labor to 2008 budgeted labor due to wage increases and	
7	a full work force	
8		

9		
10	Adjustment #2- Benefits	
11	2008 Budgeted Benefits	20,424
12	Less: Test year benefits	(30,831)
13	Adjustment	(10,407)
14	To adjust 9/30/07 test year benefits to 2008 budgeted benefits due to cost	
15	increases and a full work force	
16		

17		
18	Adjustment #3-Power	
19	2008 Budgeted Power	10,101
20	Less: Test Year Power	(9,376)
21	Adjustment Needed	725
22		
23		
24	To adjust 9/30/07 test year power to 2008 budgeted amount	
25		
26		

27		
28		
29	Adjustment #4- Transportation	
30	2008 Budgeted Transportation	12,856
31	Less: Test Year Transportation	(11,965)
32	Adjustment Needed	891
33		
34	To adjust 9/30/07 test year transportation to 2008 budgeted amount due to	
35	fuel, maintenance and vehicle lease costs	
36		
37		
38		
39		

Line No.

1	Adjustment #5-Depreciation and CIAC Amortization	
2	Depreciation Expense as calculated	37,825
3	Test year depreciation expense	-
4	Adjustment	37,825
5		
6	CIAC Amortization as calculated	(10,185)
7	Test year CIAC amortization	-
8	Adjustment	(10,185)
9		
10	To adjust test year 9/30/07 Depreciation Expense and CIAC Amortization to	
11	Depreciation and Amortization Detail	

12		
13	Adjustment #6- Bad Debt Costs	
14	Test Year Bad Debt Expense	190
15	Adjustment for Rate Increase (Test Year times rate increase percentage)	189
16		
17	To adjust Bad Debt Expense for the impact of the proposed rate increase	
18		

19		
20	Adjustment #7- Other Taxes	
21	Other Taxes as budgeted	7,036
22	Less: Test Year Other Taxes	(4,482)
23	Adjustment	2,554
24		
25	To adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to changes in	
26	payroll taxes, property taxes, and other assessments	
27		
28		

29		
30	Adjustment #8- Sludge	
31	None	
32		
33		
34		
35		
36		

37	Adjustment #9- Legal	
38	None	
39		

	Adjustment #10- Revenue Adjustment	
	Total revenue as last allowed in 9/06 case	133,453
	Revenue per test year	(184,658)
	Adjustment needed	(51,205)
	To adjust test year revenue to Last Allowed.	

Aqua Missouri
 RU-Ozark Mountain-Water
 Income Taxes

Schedule OMT-W-6
 Page 1 of 1

Line No.		Proforma Present	SIT	FIT	Proforma Proposed	SIT	FIT
1	Operating Revenue	133,453			266,321		
2							
3	O&M Expenses	148,019			148,019		
4	Book Depreciation	32,182			32,182		
5	Taxes, Other	7,036			7,036		
6	Interest	18,116			18,116		
7	Tax depreciation greater than book						
8	Subtotal	205,353			205,353		
9	State taxable income	(71,900)			60,968		
10							
11	State income tax at 6.25%	(4,494)	(4,494)		3,810	3,810	
12							
13							
14							
15	Federal taxable income	(67,406)			57,157		
16							
17	FIT at 35%			(23,592)			20,005
18							
19							
20	Net Expense			(28,086)			23,816
21							
22							
23							
24							
25	<u>Interest Expense Calculation:</u>						
26	Test Year Rate Base	660,492			660,492		
27							
28	Times: Weighted cost of debt	2.74%			2.74%		
29		18,116			18,116		
30							

Aqua Missouri
RU-Lakewood Manor-Water
Proposed Revenue Requirement

Schedule LAKE-W-1
Page 1 of 1

Line No.

1	Total Rate Base	83,039
2		
3	Weighted Cost of Capital	<u>8.37%</u>
4		
5	Required Return	6,948
6		
7	Test Year net operating income	<u>(6,234)</u>
8		
9	Operating income deficiency	13,183
10		
11	State income tax	1,352
12		
13	Federal income tax	<u>7,098</u>
14		
15	Total Revenue Increase	<u>21,633</u>
16		
17	Percent Increase	<u>204.24%</u>
18		
19	Current Revenue	<u>10,592</u>
20	New annual revenue	<u>32,225</u>
21		
22		
23	<u>Computation of Income Tax Gross-Up Factors:</u>	
24	Operating Income before tax	100.00%
25	State income tax rate	<u>6.25%</u>
26	Operating income after state inc tax	93.75%
27	Times Federal income tax rate	<u>35.00%</u>
28	Federal tax	32.81%
29	Plus state income tax rate	<u>6.25%</u>
30	Effective tax rate	<u>39.06%</u>
31		
32	Reciprocal	<u>60.94%</u>

Aqua Missouri
 RU-Lakewood Manor-Water
 Cost of Service

Schedule LAKE-W-2
 Page 1 of 1

Line No.		<u>9/30/07</u> <u>Test Year</u>	<u>Adjustments</u>	<u>Adj.</u> <u>Ref.</u>	<u>Proforma</u> <u>Present</u>	<u>Rate Inc.</u> <u>Adjustment</u>	<u>Proforma</u> <u>Proposed</u>
1	Operating Revenues	6,745	3,847	#10	10,592	21,633	32,225
2							
3	<u>Operations and Maintenance</u>						
4	Salaries and Wages	7,649	(1,257)	#1	6,392		6,392
5	Employee Pensions and Benefits	2,493	(479)	#2	2,014		2,014
6	Purchased Water				-		-
7	Sludge Removal				-		-
8	Power	715	(13)	#3	702		702
9	Chemicals				-		-
10	Supplies	358			358		358
11	Engineering				-		-
12	Accounting	68			68		68
13	Legal	5			5		5
14	Management fees	938			938		938
15	Other Outside Services	2,654			2,654		2,654
16	Leases	108			108		108
17	Transportation	1,029	134	#4	1,163		1,163
18	Insurance	240			240		240
19	Other Expenses	1,959			1,959		1,959
20	Bad Debts	-	-	#6	-		-
21	Subtotal O&M Expenses	18,216			16,601		16,601
22	Depreciation Expense	-	4,647	#5	4,647		4,647
23	Amortization of CIAC		-	#5	-		-
24	Amortization Expense	381			381		381
25	Taxes Other than Income Taxes	859	(206)	#7	653		653
26	Subtotal-Total exp. before Inc. Tax	19,456			22,282		22,282
27	Income Taxes	-			(5,456)		2,994
28							
29	Total Cost of Service	19,456			16,826		25,276
30							
31	Operating Income	(12,711)			(6,234)		6,948
32							
33							
34	Rate Base	83,039					83,039
35	Return on Rate Base	-15.3%					8.37%
36							
37							
38							
39							
40							
41							
42							
43							
44							

Aqua Missouri
RU-Lakewood Manor-Water
Rate Base Summary

Schedule LAKE-W-3
Page 1 of 1

<u>Line No.</u>		<u>9/30/07</u> <u>Actual</u>	<u>Adjustments</u>	<u>Adjusted</u>
1	<u>Rate Base Component</u>			
2	Utility Plant in Service	56,991	57,300	114,291
3	Accumulated Provision for Depreciation	(33,160)		(33,160)
4				-
5	Allocation from Administration	<u>2,575</u>		<u>2,575</u>
6				
7	Net Utility Plant	26,406	57,300	83,706
8				
9	Less:			-
10	Contributions in Aid of Construction	-		-
11	Accumulated Amortization of CIAC	-		-
12	Deferred Income Taxes	<u>(667)</u>		<u>(667)</u>
13				
14				
15	Total Original Cost Rate Base	<u>25,739</u>	<u>57,300</u>	<u>83,039</u>
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				

Aqua Missouri
 RU-Lakewood Manor-Water
Revenue and Proposed Rate Changes
Test Year

Schedule LAKE-W-4
 Page 1 of 1

<u>Line No.</u>	<u>Customer Classification</u>	<u>Current</u>	<u>Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
1	Residential	10,406	32,039	21,633	207.89%
2					
3					
4	Miscellaneous	186	186	-	0.00%
5					
6	Total	10,592	32,225	21,633	204.24%
7					
8					
9	<u>Tariff Changes:</u>				
10	Minimum	17.42	53.63	36.21	207.89%
11	Commodity	4.31	13.27	8.96	207.89%
12					
13					
14	<u>Cust Revenue Proof:</u>				
15	34 Minimum	7,107	21,883	14,775	207.89%
16	Commodity	3,298	10,155	6,857	207.89%
17	(1,373,962 total gallons less				
18	608,727 in minimum)				
19	Total	10,406	32,037	21,632	207.89%

Line No.

1	<u>Adjustment #1-Labor:</u>	
2	2008 Budgeted Labor	6,392
3	Less: Test year labor	<u>(7,649)</u>
4	Adjustment	<u>(1,257)</u>

5
6 To adjust 9/30/07 test year labor to 2008 budgeted labor due to wage increases and
7 a full work force
8

9		
10	<u>Adjustment #2- Benefits</u>	
11	2008 Budgeted Benefits	2,014
12	Less: Test year benefits	<u>(2,493)</u>
13	Adjustment	<u>(479)</u>

14 To adjust 9/30/07 test year benefits to 2008 budgeted benefits due to cost
15 increases and a full work force
16

17		
18	<u>Adjustment #3-Power</u>	
19	2008 Budgeted Power	702
20	Less: Test Year Power	<u>(715)</u>
21	Adjustment Needed	<u>(13)</u>

22
23
24 To adjust 9/30/07 test year power to 2008 budgeted amount
25
26

27		
28		
29	<u>Adjustment #4- Transportation</u>	
30	2008 Budgeted Transportation	1,163
31	Less: Test Year Transportation	<u>(1,029)</u>
32	Adjustment Needed	<u>134</u>

33
34 To adjust 9/30/07 test year transportation to 2008 budgeted amount due to
35 fuel, maintenance and vehicle lease costs
36
37

38
39

Line No.

1	Adjustment #5-Depreciation and CIAC Amortization	
2	Depreciation Expense as calculated	4,647
3	Test year depreciation expense	-
4	Adjustment	4,647
5		
6	CIAC Amortization as calculated	-
7	Test year CIAC amortization	-
8	Adjustment	-
9		
10	To adjust test year 9/30/07 Depreciation Expense and CIAC Amortization to	
11	Depreciation and Amortization Detail	

12		
13	Adjustment #6- Bad Debt Costs	
14	Test Year Bad Debt Expense	-
15	Adjustment for Rate Increase (Test Year times rate increase percentage)	-
16		
17	To adjust Bad Debt Expense for the impact of the proposed rate increase	
18		

19		
20	Adjustment #7- Other Taxes	
21	Other Taxes as budgeted	653
22	Less: Test Year Other Taxes	(859)
23	Adjustment	(206)
24		
25	To adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to changes in	
26	payroll taxes, property taxes, and other assessments	
27		
28		

29		
30	Adjustment #8- Sludge	
31	None	
32		
33		
34		
35		

36		
37	Adjustment #9- Legal	
38	None	
39		

	Adjustment #10- Revenue Adjustment	
	Total revenue as last allowed in 9/06 case	10,592
	Revenue per test year	(6,745)
	Adjustment needed	3,847
	To adjust test year revenue to Last Allowed.	

Aqua Missouri
 RU-Lakewood Manor-Water
 Income Taxes

Schedule LAKE-W-6
 Page 1 of 1

Line No.		<u>Proforma</u> <u>Present</u>	<u>SIT</u>	<u>FIT</u>	<u>Proforma</u> <u>Proposed</u>	<u>SIT</u>	<u>FIT</u>
1	Operating Revenue	10,592			32,225		
2							
3	O&M Expenses	16,601			16,601		
4	Book Depreciation	5,028			5,028		
5	Taxes, Other	653			653		
6	Interest	2,278			2,278		
7	Tax depreciation greater than book						
8	Subtotal	24,560			24,560		
9	State taxable income	(13,968)			7,665		
10							
11	State income tax at 6.25%	(873)	(873)		479	479	
12							
13							
14							
15	Federal taxable income	(13,095)			7,186		
16							
17	FIT at 35%			(4,583)			2,515
18							
19							
20	Net Expense			(5,456)			2,994
21							
22							
23							
24							
25	<u>Interest Expense Calculation:</u>						
26	Test Year Rate Base	83,039			83,039		
27							
28	Times: Weighted cost of debt	<u>2.74%</u>			<u>2.74%</u>		
29		<u>2,278</u>			<u>2,278</u>		
30							

Aqua Missouri
RU-LTA-Water
Proposed Revenue Requirement

Schedule LTA-W-1
Page 1 of 1

<u>Line No.</u>		
1	Total Rate Base	125,162
2		
3	Weighted Cost of Capital	<u>8.37%</u>
4		
5	Required Return	10,473
6		
7	Test Year net operating income	<u>(11,279)</u>
8		
9	Operating income deficiency	21,752
10		
11	State income tax	2,231
12		
13	Federal income tax	<u>11,713</u>
14		
15	Total Revenue Increase	<u>35,696</u>
16		
17	Percent Increase	<u>119.47%</u>
18		
19	Current Revenue	<u>29,879</u>
20	New annual revenue	<u>65,575</u>
21		
22		
23	<u>Computation of Income Tax Gross-Up Factors:</u>	
24	Operating Income before tax	100.00%
25	State income tax rate	<u>6.25%</u>
26	Operating income after state inc tax	93.75%
27	Times Federal income tax rate	<u>35.00%</u>
28	Federal tax	32.81%
29	Plus state income tax rate	<u>6.25%</u>
30	Effective tax rate	<u>39.06%</u>
31		
32	Reciprocal	<u>60.94%</u>

Aqua Missouri
RU-LTA-Water
Cost of Service

Schedule LTA-W-2
Page 1 of 1

Line No.		9/30/07 Test Year	Adjustments	Adj. Ref.	Proforma Present	Rate Inc. Adjustment	Proforma Proposed
1	Operating Revenues	31,602	(1,723)	#10	29,879	35,696	65,575
2							
3	Operations and Maintenance						
4	Salaries and Wages	12,776	3,020	#1	15,796		15,796
5	Employee Pensions and Benefits	3,733	1,267	#2	5,000		5,000
6	Purchased Water				-		-
7	Sludge Removal				-		-
8	Power	5,100	190	#3	5,290		5,290
9	Chemicals	312			312		312
10	Supplies	471			471		471
11	Engineering				-		-
12	Accounting	197			197		197
13	Legal	5			5		5
14	Management fees	2,699			2,699		2,699
15	Other Outside Services	1,535			1,535		1,535
16	Leases	442			442		442
17	Transportation	2,948	241	#4	3,189		3,189
18	Insurance	690			690		690
19	Other Expenses	4,398			4,398		4,398
20	Bad Debts	147	176	#6	323		323
21	Subtotal O&M Expenses	35,453			40,347		40,347
22	Depreciation Expense	3,136	4,529	#5	7,665		7,665
23	Amortization of CIAC	(118)	(126)	#5	(244)		(244)
24	Amortization Expense	1,110			1,110		1,110
25	Taxes Other than Income Taxes	1,401	311	#7	1,712		1,712
26	Subtotal-Total exp. before Inc. Tax	40,982			50,589		50,589
27	Income Taxes	-			(9,431)		4,513
28							
29	Total Cost of Service	40,982			41,158		55,102
30							
31	Operating Income	(9,380)			(11,279)		10,473
32							
33							
34	Rate Base	125,162					125,162
35	Return on Rate Base	-7.5%					8.37%
36							
37							
38							
39							
40							
41							
42							
43							
44							

Aqua Missouri
RU-LTA-Water
Rate Base Summary

Schedule LTA-W-3
Page 1 of 1

<u>Line No.</u>		<u>9/30/07</u> <u>Actual</u>	<u>Adjustments</u>	<u>Adjusted</u>
1	<u>Rate Base Component</u>			
2	Utility Plant in Service	106,179	99,500	205,679
3	Accumulated Provision for Depreciation	(83,565)		(83,565)
4				-
5	Allocation from Administration	<u>7,027</u>		<u>7,027</u>
6				
7	Net Utility Plant	29,641	99,500	129,141
8				
9	Less:			-
10	Contributions in Aid of Construction	(3,549)		(3,549)
11	Accumulated Amortization of CIAC	574		574
12	Deferred Income Taxes	<u>(1,004)</u>		<u>(1,004)</u>
13				
14				
15	Total Original Cost Rate Base	<u>25,662</u>	<u>99,500</u>	<u>125,162</u>
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				

Aqua Missouri
RU-LTA-Water
Revenue and Proposed Rate Changes
Test Year

Schedule LTA-W-4
Page 1 of 1

<u>Line No.</u>	<u>Customer Classification</u>	<u>Current</u>	<u>Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
1	Residential	29,879	65,575	35,696	119.47%
2					
3					
4	Miscellaneous	-	-	-	0.00%
5					
6	Total	29,879	65,575	35,696	119.47%
7					
8					
9	<u>Tariff Changes:</u>				
10	Minimum	14.54	31.91	17.37	119.47%
11	Commodity	3.26	7.15	3.89	119.47%
12					
13					
14	<u>Cust Revenue Proof:</u>				
15	98 Minimum	17,099	37,527	20,428	119.47%
16	Commodity	12,780	28,047	15,268	119.47%
17	(5,759,146 total gallons less				
18	1,839,000 in minimum)				
19	Total	29,879	65,574	35,696	119.47%

Line No.

1	<u>Adjustment #1-Labor:</u>	
2	2008 Budgeted Labor	15,796
3	Less: Test year labor	<u>(12,776)</u>
4	Adjustment	<u>3,020</u>

5
6 To adjust 9/30/07 test year labor to 2008 budgeted labor due to wage increases and
7 a full work force
8

9		
10	<u>Adjustment #2- Benefits</u>	
11	2008 Budgeted Benefits	5,000
12	Less: Test year benefits	<u>(3,733)</u>
13	Adjustment	<u>1,267</u>

14 To adjust 9/30/07 test year benefits to 2008 budgeted benefits due to cost
15 increases and a full work force
16

17		
18	<u>Adjustment #3-Power</u>	
19	2008 Budgeted Power	5,290
20	Less: Test Year Power	<u>(5,100)</u>
21	Adjustment Needed	<u>190</u>

22
23
24 To adjust 9/30/07 test year power to 2008 budgeted amount
25
26

27		
28		
29	<u>Adjustment #4- Transportation</u>	
30	2008 Budgeted Transportation	3,189
31	Less: Test Year Transportation	<u>(2,948)</u>
32	Adjustment Needed	<u>241</u>

33
34 To adjust 9/30/07 test year transportation to 2008 budgeted amount due to
35 fuel, maintenance and vehicle lease costs
36
37
38
39

Line No.

1	<u>Adjustment #5-Depreciation and CIAC Amortization</u>	
2	Depreciation Expense as calculated	7,665
3	Test year depreciation expense	(3,136)
4	Adjustment	4,529
5		
6	CIAC Amortization as calculated	(244)
7	Test year CIAC amortization	118
8	Adjustment	(126)
9		
10	To adjust test year 9/30/07 Depreciation Expense and CIAC Amortization to	
11	Depreciation and Amortization Detail	
12		

13	<u>Adjustment #6- Bad Debt Costs</u>	
14	Test Year Bad Debt Expense	147
15	Adjustment for Rate Increase (Test Year times rate increase percentage)	176
16		
17	To adjust Bad Debt Expense for the impact of the proposed rate increase	
18		

19		
20	<u>Adjustment #7- Other Taxes</u>	
21	Other Taxes as budgeted	1,712
22	Less: Test Year Other Taxes	(1,401)
23	Adjustment	311
24		
25	To adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to changes in	
26	payroll taxes, property taxes, and other assessments	
27		
28		

29		
30	<u>Adjustment #8- Sludge</u>	
31	None	
32		
33		
34		
35		

36		
37	<u>Adjustment #9- Legal</u>	
38	None	
39		

<u>Adjustment #10- Revenue Adjustment</u>		
Total revenue as last allowed in 9/06 case		29,879
Revenue per test year		(31,602)
Adjustment needed		(1,723)
To adjust test year revenue to Last Allowed.		

Aqua Missouri
 RU-LTA-Water
 Income Taxes

Schedule LTA-W-6
 Page 1 of 1

Line No.		Proforma Present	SIT	FIT	Proforma Proposed	SIT	FIT
1	Operating Revenue	29,879			65,575		
2							
3	O&M Expenses	40,347			40,347		
4	Book Depreciation	8,530			8,530		
5	Taxes, Other	1,712			1,712		
6	Interest	3,433			3,433		
7	Tax depreciation greater than book						
8	Subtotal	54,022			54,022		
9	State taxable income	(24,143)			11,553		
10							
11	State income tax at 6.25%	(1,509)	(1,509)		722	722	
12							
13							
14							
15	Federal taxable income	(22,634)			10,831		
16							
17	FIT at 35%			(7,922)			3,791
18							
19							
20	Net Expense			(9,431)			4,513
21							
22							
23							
24							
25	<u>Interest Expense Calculation:</u>						
26	Test Year Rate Base	125,162			125,162		
27							
28	Times: Weighted cost of debt	<u>2.74%</u>			<u>2.74%</u>		
29		<u>3,433</u>			<u>3,433</u>		
30							

Aqua Missouri
RU-Water
Plant Detail-Water

Schedule RU-W-7
Page 1 of 1

			Riverside Estates			White Branch			Rankin Acres			Spring Valley			Ozark Mountain			Lakewood Manor			LTA			Total			Rate	Estates	Branch	Acres	Valley	Mn	Manor	LTA	
Line No	Actual 9/30/07	Adds/Ret	Proforma	Actual 9/30/07	Adds/Ret	Proforma	Actual# 9/30/07	Adds/Ret	Proforma	Actual 9/30/07	Adds/Ret	Proforma	Actual# 9/30/07	Adds/Ret	Proforma	Actual 9/30/07	Adds/Ret	Proforma	Actual 9/30/07	Adds/Ret	Proforma	Actual 9/30/07	Adds/Ret	Proforma	Actual 9/30/07	Adds/Ret	Proforma	Rate	Estates	Branch	Acres	Valley	Mn	Manor	LTA
1																																			
2																																			
3	301	Organization	1,085		1,085	3,760		3,760	9,462		9,462	2,000		2,000	-		-	260		260	677		677	17,244	-	17,244									
4	302	Franchise and Concessions	-		-	-		-	-		-	-		-	-	-		-	85		85	-		-	85	-	85								
5	303	Miscellaneous Intangible Plant	-		-	-		-	-		-	-		-	-	-		-	-		-	-	-	-	-	-	-								
6																																			
7																																			
8	310	Land and Land Rights	3,561		3,561	3,032		3,032	-		-	7,500		7,500	7,262		7,262	-		-	-		-	21,355	-	21,355	2.5%	891	58	294	125	1,043	242	266	
9	311	Structures and Improvements	35,632		35,632	2,371		2,371	6,764	5,000	11,764	-		5,000	14,735	27,000	41,735	9,689		9,689	10,646		10,646	79,837	37,000	116,837	2.0%	40	15	6	-	-	-	-	
10	312	Collecting and Impounding Reservoirs	1,612		1,612	739		739	280		280	-		-	-		-	-		-	-		-	2,631	-	2,631	2.0%	-	-	-	-	-	-	-	
11	313	Lake, River, and Other Intakes	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-	-	-	2.0%	-	-	-	-	-	-	-	
12	314	Wells and Springs	177,251		177,251	72,041		72,041	774		774	-		-	45,265		45,265	15,746		15,746	13,337		13,337	324,414	-	324,414	2.0%	4,431	1,441	15	-	905	315	267	
13	315	Infiltration Galleries and Tunnels	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-	-	-	2.0%	-	-	-	-	-	-	-	
14	316	Supply Mains	1,815		1,815	3,504		3,504	-		-	30,422		30,422	1,064		1,064	-		-	24,874		24,874	61,679	-	61,679	2.0%	46	70	-	608	21	497		
15	317	Other Water Source Plant	-		-	3,200		3,200	-		-	-		-	-		-	-		-	-		-	3,200	-	3,200	2.0%	-	64	-	-	-	-	-	
16																																			
17																																			
18	320	Land and Land Rights	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-	-	-	-	-	-	-	-	-	-	-	
19	321	Structures and Improvements	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-	-	-	-	-	-	-	-	-	-	-	
20	322	Boiler Plant Equipment	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-	-	-	4.0%	-	-	-	-	-	-	-	
21	323	Other Power Production Equipment	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-	-	-	-	-	-	-	-	-	-	-	
22	324	Steam Pumping Equipment	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-	-	-	-	-	-	-	-	-	-	-	
23	325	Electric Pumping Equipment	25,937		25,937	9,438		9,438	13,018		13,018	12,000		12,000	9,445		9,445	13,746		13,746	18,882		18,882	102,466	-	102,466	10.0%	648	944	1,302	1,200	945	1,375	1,888	
24	326	Diesel Pumping Equipment	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-	-	-	-	-	-	-	-	-	-	-	
25	327	Hydraulic Pumping Equipment	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-	-	-	4.0%	-	-	-	-	-	-	-	
26	328	Other Pumping Equipment	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-	-	-	-	-	-	-	-	-	-	-	
27																																			
28																																			
29	330	Land and Land Rights	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-	-	-	2.5%	-	-	-	-	-	-	-	
30	331	Structures and Improvements	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-	-	-	2.9%	5	4	5	-	421	145	103	
31	332	Water Treatment Equipment	206		206	150		150	161		161	-		-	14,526		14,526	5,000		5,000	3,539		3,539	18,582	5,000	23,582									
32																																			
33																																			
34	340	Land and Land Rights	-		-	-		-	66		66	-		-	-		-	-		-	-		-	66	-	66	2.5%	227	751	60	25	59	-	-	
35	341	Structures and Improvements	9,061		9,061	30,047		30,047	2,389		2,389	980		980	2,341		2,341	1,420		1,420	8,593		8,593	44,818	-	44,818	2.5%	2,825	3,564	-	-	13,630	1,286	2,615	
36	342	Distribution Reservoirs and Standpipes	112,991		112,991	77,566		77,566	-		-	-		-	379,182	166,000	545,182	6,955		6,955	6,955		6,955	579,752	377,000	956,752	2.0%	2,193	1,404	170	-	5,326	140	139	
37	343	Transmission and Distribution Mains	87,729		87,729	70,212		70,212	8,513		8,513	-		-	266,324		266,324	6,977		6,977	-		-	448,710	-	448,710	2.0%	-	-	-	-	-	-	-	
38	344	Fire Mains	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-	-	-	-	-	-	-	-	-	-	-	
39	345	Services	12,821		12,821	13,714		13,714	7,373		7,373	24,804		24,804	36,121		36,121	9,068		9,068	11,583		11,583	95,233	-	95,233	2.5%	321	343	184	620	903	-	10	
40	346	Meters	36,825	2,500	39,325	1,000		1,000	107		107	6,115	1,200	7,315	57,125		57,125	1,500		1,500	6,327		6,327	121,823	11,000	132,823	10.0%	983	100	11	732	6,263	987	1,298	
41	348	Hydrants	922		922	12,808		12,808	-		-	773		773	6,000		6,000	-		-	-		-	20,830	7,500	28,330	2.0%	23	256	-	15	120	30	127	
42	349	Other Transmission and Distribution Pla	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-	-	-	-	-	-	-	-	-	-	-	
43																																			
44																																			
45	388	Land and Land Rights	-		-	-		-	-		-	-		-	42,381		42,381	-		-	-		-	58,675	-	58,675	2.5%	345	63	-	-	1,060	-	-	
46	390	Structures and Improvements	13,790		13,790	2,504		2,504	-		-	-		-	9,356		9,356	-		-	-		-	9,356	-	9,356	5.0%	-	-	-	-	468	-	-	
47	391	Office Furniture and Equipment	-		-	-		-	-		-	-		-	33,346		33,346	-		-	-		-	35,165	-	35,165	13.0%	45	-	-	-	4,335	-	-	
48	392	Transportation Equipment	1,819		1,819	-		-	-		-	-		-	-		-	-		-	-		-	-	-	-	4.0%	-	-	-	-	-	-	-	
49	393	Stores Equipment	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-	-	-	5.0%	155	38	40	41	390	-	-	
50	394	Tools, Shop and Garage Equipment	6,182		6,182	750		750	801		801	813		813	2,509		2,509	5,300		5,300	-		-	13,737	5,300	19,037	5.0%	-	294	-	98	296	-	-	
51	395	Laboratory Equipment	-		-	5,880		5,880	-		-	1,964		1,964	5,893		5,893	-		-	-		-	-	-	-	6.7%	-	-	-	-	9	-	-	
52	396	Power-operated Equipment	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-	-	-	-	-	-	-	-	-	-		
53	397	Communication Equipment	-		-	-		-	-		-	-		-	137		137	-		-	-		-	137	-	137	6.7%	-	-	-	-	-	9	-	
54	398	Miscellaneous Equipment	-		-	-		-	3,800		3,800	-		-	4,300		4,300	-		-	366		2,500	2,866	-	-	5.0%	-	-	190	-	215	-	143	
55	399	Other Tangible Property	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-	-	-	-	-	-	-	-	-	-	-	
56																																			
57																																			
58																																			
59																																			
60	390	Structures and Imp	3,843	7.35%	224	4.23%	129	2.40%	73		73	3.11%	95	10.57%	322		322	0.96%	29		29	2.62%</													

Aqua Missouri
 RU-Water
 Depreciation Reserve-Water

Schedule RU-W-8
 Page 1 of 1

Line No.	Acct No	Account Description	Rate	Riverside Estates	White Branch	Rankin Acres	Spring Valley	Ozark Mountain	Lakewood Manor	LTA	Total
				Actual 9/30/07	Actual 9/30/07	Actual 9/30/07	Actual 9/30/07	Actual 9/30/07	Actual 9/30/07	Actual 9/30/07	Actual 9/30/07
2		<u>Intangible Plant</u>									
3	301	Organization									-
4	302	Franchise and Consents									-
5	303	Miscellaneous Intangible Plant									-
7		<u>Source of Supply Plant</u>									-
8	310	Land and Land Rights									-
9	311	Structures and Improvements	2.5%	(2,702)	(565)	(779)		(3,147)	(3,703)	(744)	(11,640)
10	312	Collecting and Impounding Reservoirs	2.0%	(146)	(579)	(5,761)					(6,486)
11	313	Lake, River, and Other Intakes									-
12	314	Wells and Springs	2.0%	(16,957)	(19,194)	(52)		(8,626)	(5,866)	(11,120)	(61,815)
13	315	Infiltration Galleries and Tunnels									-
14	316	Supply Mains	2.0%	(245)	(1,108)		(9,583)	(88)		(15,009)	(26,033)
15	317	Other Water Source Plant									-
17		<u>Pumping Plant</u>									-
18	320	Land and Land Rights									-
19	321	Structures and Improvements									-
20	322	Boiler Plant Equipment									-
21	323	Other Power Production Equipment									-
22	324	Steam Pumping Equipment									-
23	325	Electric Pumping Equipment	10.0%	(22,567)	(8,179)	(8,010)	(11,700)	(3,202)	(13,415)	(26,747)	(93,820)
24	326	Diesel Pumping Equipment									-
25	327	Hydraulic Pumping Equipment									-
26	328	Other Pumping Equipment	4.0%								-
28		<u>Water Treatment Plant</u>									-
29	330	Land and Land Rights									-
30	331	Structures and Improvements	2.5%								-
31	332	Water Treatment Equipment	2.9%	(56)	(52)	(60)		(1,377)		(1,626)	(3,171)
33		<u>Transmission and Distribution Plant</u>									-
34	340	Land and Land Rights									-
35	341	Structures and Improvements	2.5%	(3,952)	(7,132)	(559)	(165)	(395)			(12,203)
36	342	Distribution Reservoirs and Standpipes	2.5%	(12,286)	(26,906)			(30,394)	(1,531)	(5,176)	(76,293)
37	343	Transmission and Distribution Mains	2.0%	(34,622)	(16,292)	(1,999)		(89,813)	(3,503)	(6,051)	(152,280)
38	344	Fire Mains									-
39	345	Services	2.5%	(6,204)	(6,061)	(2,760)	(9,570)	(23,470)		(255)	(48,320)
40	346	Meters	10.0%	(19,561)	(635)	(39)	(2,691)	(25,333)	(5,142)	(10,942)	(64,343)
41	348	Hydrants	2.0%	(457)	(186)		(13)			(5,727)	(6,383)
42	349	Other Transmission and Distribution Plant									-
44		<u>General Plant</u>									-
45	389	Land and Land Rights									-
46	390	Structures and Improvements		(1,315)	(21)			(1,982)			(3,318)
47	391	Office Furniture and Equipment	5.0%					(7,557)		(130)	(7,687)
48	392	Transportation Equipment	13.0%	(975)	(5,420)						(6,395)
49	393	Stores Equipment						(119,014)			(119,014)
50	394	Tools, Shop and Garage Equipment	5.0%	(332)	(117)	(124)	(126)	(387)			(1,086)
51	395	Laboratory Equipment	5.0%		(221)		(82)	(368)			(671)
52	396	Power-operated Equipment	6.7%					(62)			(62)
53	397	Communication Equipment								(38)	(38)
54	398	Miscellaneous Equipment	5.0%								-
55	399	Other Tangible Property									-
56		Total Water Utility Plant in Service		(122,377)	(92,668)	(20,143)	(33,930)	(315,215)	(33,160)	(83,565)	(701,058)

Aqua Missouri
Weighted Cost of Capital
September 30, 2007

Schedule RU-W-9
Page 1 of 1

<u>Line No.</u>		<u>Aqua Missouri</u> <u>9/30/07</u>	<u>Percent</u> <u>of Total</u>	<u>Cost</u> <u>Rates</u>	<u>Weighted</u> <u>Cost of Capital</u>
1	Long term debt	1,950,206	48.63%	5.64%	2.74%
2	Short term debt	-	0.00%		0.00%
3	Preferred Equity	-	0.00%		0.00%
4	Common Equity	<u>2,060,041</u>	51.37%	10.95%	<u>5.62%</u>
5					
6					
7	Total Capitalization	<u>4,010,247</u>	<u>100.0%</u>		<u>8.37%</u>
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