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December 7, 2007
Data Center
Missouri Public
Service Commission



Aqua Missouri, Inc. 1000 South Schuyler Avenue Kankakee, IL 60901 T: 815.935.6535 F: 815.935.8809 www.aquamissourí.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:

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

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:

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

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

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

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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>Dollar</u>	Percent
Customer Classification	<u>Current</u>	Proposed	<u>Change</u>	<u>Change</u>
Residential	132,848	265,716	132,868	100.01%
Miscellaneous	605	605	_	0.00%
TOTAL	133,453	<u>266,321</u>	132,868	<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>Dollar</u>	Percent
Customer Classification	<u>Current</u>	Proposed	<u>Change</u>	<u>Change</u>
Residential	10,406	32,039	21,633	207.89%
Miscellaneous	186	<u> 186</u>		0.00%
Total	10,592	32,225	21,633	204.24%

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:

Customer Classification	<u>Current</u> 29.879	Proposed 65.575	<u>Dollar</u> <u>Change</u> 35,696	Percent Change 119,47%
Residential Miscellaneous				0.00%
Total	29,879	65,575	<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.

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The Company is current on the payment if its Commission annual assessments, since all past and current assessments have been paid in full, and on the filing of its Commission annual reports. Additional, 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.

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 Page 1 of 1

Line No.		Riverside	White Branch	Rankin Acres	Spring Valley	Ozark Mtn	Lakewood Manor	<u>LTA</u>	<u>Total</u>
1	Total Rate Base	321,993	244,910	44,445	67,440	660,492	83,039	125,162	1,547,481
2 3 4	Weighted Cost of Capital	8.37%	<u>8.37%</u>	<u>8.37%</u>	8.37%	<u>8.37%</u>	<u>8.37%</u>	<u>8.37%</u>	<u>8.37%</u>
5 6	Required Return	26,943	20,493	3,719	5,643	55,268	6,948	10,473	129,489
7	Test Year net operating income	(13,989)	1,748	(10,912)	(11,686)	(25,698)	(6,234)	(11,279)	(78,051)
8 9	Operating income deficiency	40,933	18,746	14,631	17,329	80,966	13,183	21,752	207,539
10	operating moonie dentitions,				,			0.004	04.000
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	22,041	10,094	7,878	9,331	43,597	7,098	11,713	111,752
14									
15	Total Revenue Increase	67,172	30,762	24,010	28,437	132,868	21,633	35,696	340,578
16									
17	Percent Increase	<u>73.53%</u>	<u>56.77%</u>	<u>88.91%</u>	<u>62.68%</u>	<u>99.56%</u>	204.24%	<u>119.47</u> %	<u>86.92%</u>
18								00.070	004.005
19	Current Revenue	91,350	54,185	27,004	45,372	<u>133,453</u>	10,592	29,879	<u>391,835</u>
20	New annual revenue	158,522	84,947	51,014	73,809	266,321	32,225	65,575	732,413

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	(13,989)
8		
9	Operating income deficiency	40,933
10		
11	State income tax	4,198
12		
13	Federal income tax	22,041
14		
15	Total Revenue Increase	67,172
16		
17	Percent Increase	<u>73.53%</u>
18		
19	Current Revenue	91,350
20	New annual revenue	158,522
21		
22		
23	Computation of Income Tax Gross-Up Factors:	
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	6.25%
30	Effective tax rate	<u>39.06%</u>
31		
32	Reciprocal	<u>60.94%</u>

Aqua Missouri RU-Riverside-Water Cost of Service

40 41

42 43 44

1 to a Nia		9/30/07	Adjustments	<u>Adj.</u> Ref.	Proforma Present	Rate Inc. Adjustment	Proforma Proposed
Line No.	On and the Deventure	<u>Test Year</u> 99,675		#10	91,350	67,172	158,522
1	Operating Revenues	99,075	(8,325)	#10	91,000	01,172	100,022
2							
3	Operations and Maintenance	00.100	00.400		40.004		40,631
4	Salaries and Wages	20,139	20,492	#1	40,631		
5	Employee Pensions and Benefits	5,501	7,621	#2	13,122		13,122
6	Purchased Water				-		-
7	Sludge Removal	4.000	404.03	40	4.570		4,578
8	Power	4,896	(318)	#3	4,578		4,378
9	Chemicals	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	Operating moothe	(21,000)			(10,000)		_0,0 /-
33							
33 34	Rate Base	321,993					321,993
35	Return on Rate Base	-6.7%					8.37%
36	Return on Rate base	-0.7 /0					0.01 70
36 37							
38							
39							

Aqua Missouri RU-Riverside-Water Rate Base Summary

		30-Sep-07		
Line No	<u>.</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Adjusted</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 Adminstration	19,714		19,714
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	(2,586)		(2,586)
13				-
14				
15	Total Original Cost Rate Base	319,493	2,500	321,993
16	G			
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
21				

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

Schedule RIV-W-4 Page 1 of 1

					<u>Dollar</u>	<u>Percent</u>
<u>Line No.</u>	Customer Classification		Current	Proposed	<u>Change</u>	<u>Change</u>
1	Residential		90,754	157,926	67,172	74.02%
2						
3						
4	Miscellaneous		596	596		<u>0.00%</u>
5			-	-		
6	TOTAL		91,350	158,522	67,172	<u>73.53%</u>
7						
8						
9	Tariff Changes:					
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	Cust. Revenue Proof:					
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	<u>74.02%</u>

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

39

ne No	<u>.</u>	
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 a	nd
7	a full work force	
8		
9		
10	Adjustment #2- Benefits	
11	2008 Budgeted Benefits	13,122
12	Less: Test year benefits	(5,50
13	Adjustment	7,62
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		0 120
18	Adjustment #3-Power	•
19	2008 Budgeted Power	4,57
20	Less: Test Year Power	(4,89
21	Adjustment Needed	(31
22		
23		
24	To adjust 9/30/07 test year power to 2008 budgeted amount	
25		
26		
27		
28		
29	Adjustment #4- Transportation	0.00
30	2008 Budgeted Transportation	8,93
31	Less: Test Year Transportation	(7,74
32	Adjustment Needed	1,18
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		

1 to - Nt-		
Line No 1	Adjustment #5-Depreciation and CIAC Amortization	1
2	Depreciation Expense as calculated	14,163
3	Test year depreciation expense	(58,132)
4	Adjustment	(43,969)
	Adjustifient	(43,808)
5 6	CIAC Amortization as calculated	(2.064)
7	Test year CIAC amortization	(2,864) 14,194
8	· ·	
	Adjustment	11,330
9 10	To adjust test year 0/20/07 Depresisting Evenes and CIAC Amortization to	
11	To adjust test year 9/30/07 Depreciation Expense and CIAC Amortization to Depreciation and Amortization Detail	
12	Depreciation and Amortization Detail	
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	Proposed tale more and and proposed tale more and	
19		
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 change	ges in
26	payroll taxes, property taxes, and other assessments	
27		
28		
29		
30	Adjustment #8- Sludge	
31	None	
32		
33		
34	<u> </u>	
35	,	
36		
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

		<u>Proforma</u>			<u>Proforma</u>		
Line No.	<u>.</u>	<u>Present</u>	SIT	<u>FIT</u>	<u>Proposed</u>	SIT	<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	Subto	tal 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	Interest Expense Calculation:						
26	Test Year Rate Base	321,993			321,993		
27		,			•		
28	Times: Weighted cost of debt	2.74%			2.74%		
29		8,831			8,831		
30							

Schedule WHIT-W-1 Page 1 of 1

Aqua Missouri RU-White Branch-Water Proposed Revenue Requirement

Line No.		
1	Total Rate Base	244,910
2		
3	Weighted Cost of Capital	<u>8.37%</u>
4		
5	Required Return	20,493
6		4 740
7	Test Year net operating income	1,748
8		10.710
9	Operating income deficiency	18,746
10		4 000
11	State income tax	1,923
12	Fordered in page 1 hour	10,094
13	Federal income tax	10,034
14		20.762
15	Total Revenue Increase	30,762
16		50 77 0/
17	Percent Increase	<u>56.77%</u>
18	0 10	E4 10E
19	Current Revenue	54,185
20	New annual revenue	84,947
21		
22	O II F	
23	Computation of Income Tax Gross-Up Factors	
24	Operating Income before tax	100.00%
25	State income tax rate	<u>6.25%</u> 93.75%
26	Operating income after state inc tax	
27	Times Federal income tax rate	35.00%
28	Federal tax	32.81%
29	Plus state income tax rate	<u>6.25%</u>
30	Effective tax rate	<u>39.06%</u>
31	Danis and I	60 049/
32	Reciprocal	<u>60.94%</u>

Aqua Missouri RU-White Branch-Water Cost of Service

Line No.			Adjustments	Adj. Ref.	Proforma Present	Rate Inc. Adjustment 30,762	Proforma Proposed 84,947
1	Operating Revenues	43,978	10,207	#10	54,185	30,702	04,347
2							
3	Operations and Maintenance						44.040
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				-		- 0.754
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	13.47 335 31 331 1133	,			,		
31	Operating Income	(6,143)			1,748		20,493
32	Operating income	(0,143)			1,7 10		
33 34	Rate Base	244,910					244,910
	Return on Rate Base	-2.5%					8.37%
35 36	Return on Rate base	-2.376					0.01 70
36 37							
31							

Aqua Missouri RU-White Branch-Water Rate Base Summary

		9/30/07		
Line No.		Actual	<u>Adjustments</u>	<u>Adjusted</u>
1	Rate Base Component			
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	11,345		<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	(1,967)		(1,967)
13		•		
14				
15	Total Original Cost Rate Base	176,710	68,200	244,910
16	<u> </u>			
17				
18				
19				
20				
21				
22				
23				
23 24				
25				
26				
27				
<i>z_</i> r				

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

Schedule WHIT-W-4 Page 1 of 1

Line No.	Customer Classification Residential	<u>Current</u> 53,745	Proposed 84,507	Dollar Change 30,762	Percent Change 57.24%
2 3					
4	Miscellaneous	440	440		<u>0.00</u> %
5		-	-		
6	TOTAL	54,185	84,947	30,762	<u>56.77</u> %
7					
8	Tail Ohanna				
9 10	Tariff Changes: 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	Cust Revenue Proof:	34,997	55,028	20,031	57.24%
16	115 Residential	3 4 ,997 18,748	29,479	10,731	57.24%
17	77 Part time residential	10,740	20,719	10,101	01.2170
18		E0.745	04 507	20.762	57 OA9/
19	Total	53,745	84,507	30,762	<u>57.24%</u>

Aqua Missouri-RU White Branch Revenue and Expense Adjustments

39

	Adjustment #1-Labor:	
	2008 Budgeted Labor	11,31
,	Less: Test year labor	(14,17
	Adjustment	(2,86
	To adjust 9/30/07 test year labor to 2008 budgeted labor due to wage increases a	and
	a full work force	
	Adjustment #2- Benefits	
	2008 Budgeted Benefits	3,53
	Less: Test year benefits	(4,07
	Adjustment	(53
	To adjust 9/30/07 test year benefits to 2008 budgeted benefits due to cost	
	increases and a full work force	
	Adjustment #3-Power	
	2008 Budgeted Power	2,7
	Less: Test Year Power	(2,54
	Adjustment Needed	2
	To adjust 9/30/07 test year power to 2008 budgeted amount	
	10 adjust 9/30/07 test year power to 2000 budgeted amount	
,		
}		
, }	Adjustment #4- Transportation	
}	2008 Budgeted Trannsportation	5,1
	Less: Test Year Transportation	(4,7
2	Adjustment Needed	4:
,		<u>`</u>
	To adjust 9/30/07 test year transportation to 2008 budgeted amount due to	
;	fuel, maintenance and vehicle lease costs	
)	nuon, maintenanee ana veniole lease costs	
7		
3		

Aqua Missouri-RU White Branch Revenue and Expense Adjustments

Revenue per test year

Adjustment needed

To adjust test year revenue to Last Allowed.

: نہ ۵	the state of the s	
	ustment #5-Depreciation and CIAC Amortization preciation Expense as calculated	0.077
	t year depreciation expense	9,977
1103	Adjustment	0.077
1	Adjustment	9,977
CIA	C. Amortization on calculated	(0.400
	C Amortization as calculated t year CIAC amortization	(2,432
1162	•	
ı	Adjustment	(2,432
	2' - 1 t - 1 - 1 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2	
	adjust test year 9/30/07 Depreciation Expense and CIAC Amortization to	
ner	preciation and Amortization Detail	
Δdi	ustment #6- Bad Debt Costs	
	t Year Bad Debt Expense	965
	ustment for Rate Increase (Test Year times rate increase percentage)	548
, icij	double to the trade mercage (100) feat times rate mercage percentage)	0.10
Tα	adjust Bad Debt Expense for the impact of the proposed rate increase	
10 6	adjust bad best Expense for the impact of the proposed fate increase	
L		
Adi	ustment #7- Other Taxes	
	er Taxes as budgeted	1,638
	s: Test Year Other Taxes	(1,473
	Adjustment	165
	Adjustment	165
To a		
	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to chang	
	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to chang	165 es in
	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to chang	
рау	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to chang roll taxes, property taxes, and other assessments	
pay Adj	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to chang roll taxes, property taxes, and other assessments ustment #8- Sludge	
pay	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to chang roll taxes, property taxes, and other assessments ustment #8- Sludge	
pay Adj	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to chang roll taxes, property taxes, and other assessments ustment #8- Sludge	
pay Adj	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to chang roll taxes, property taxes, and other assessments ustment #8- Sludge	
pay Adj	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to chang roll taxes, property taxes, and other assessments ustment #8- Sludge	
pay Adj	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to chang roll taxes, property taxes, and other assessments ustment #8- Sludge	
Adj Nor	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to chang roll taxes, property taxes, and other assessments ustment #8- Sludge	
Adj Nor	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to change roll taxes, property taxes, and other assessments ustment #8- Sludge ne ustment #9- Legal	
Adj Nor	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to change roll taxes, property taxes, and other assessments ustment #8- Sludge ne ustment #9- Legal	
Adj Nor	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to change roll taxes, property taxes, and other assessments ustment #8- Sludge ne ustment #9- Legal	
Adj Nor	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to change roll taxes, property taxes, and other assessments ustment #8- Sludge ne ustment #9- Legal	
Adj Nor	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to change roll taxes, property taxes, and other assessments ustment #8- Sludge ne ustment #9- Legal	
Adj Nor	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to change roll taxes, property taxes, and other assessments ustment #8- Sludge ne ustment #9- Legal	
Adj Nor	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to chang roll taxes, property taxes, and other assessments ustment #8- Sludge ne ustment #9- Legal ne	
Adj Nor	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to change roll taxes, property taxes, and other assessments ustment #8- Sludge ne ustment #9- Legal ne ustment #10- Revenue Adjustment	es in
Adj Nor	adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to chang roll taxes, property taxes, and other assessments ustment #8- Sludge ne ustment #9- Legal ne	

(43,978)

10,207

		<u>Proforma</u>			<u>Proforma</u>		
<u>Line No</u>	<u> </u>	<u>Present</u>	<u>SIT</u>	FIT	Proposed	<u>SIT</u>	<u>FI</u> T
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	p. 5 - 5 - 5		-	(51.55)		-	
22							
23							
24							
25	Interest Expense Calculation:						
26	Test Year Rate Base	244,910			244,910		
27		211,010			2 11,010		
28	Times: Weighted cost of debt	<u>2.74%</u>			2.74%		
29		6,717			6,717		
30				-	<u> </u>		
30							

Aqua Missouri RU-Rankin Acres-Water Cost of Service

		9/30/07		<u>Adj.</u>	Proforma	Rate Inc.	Proforma
<u>Line No.</u>		Test Year	<u>Adjustments</u>	Ref.	<u>Present</u>	<u>Adjustment</u>	Proposed 51,014
1	Operating Revenues	26,664	340	#10	27,004	24,010	51,014
2	•						
3	Operations and Maintenance						44.040
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		1,5 <u>71</u>
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	oporating mooning	(,		
33							
34	Rate Base	44,445					44,445
35	Return on Rate Base	-35.1%	3				8.37%
36	, , , , , , , , , , , , , , , , , , , ,						
37							
38							
30						•	

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	(10,912)
8		
9	Operating income deficiency	14,631
10		
11	State income tax	1,501
12		7.070
13	Federal income tax	7,878
14		
15	Total Revenue Increase	24,010
16		
17	Percent Increase	<u>88.91%</u>
18		
19	Current Revenue	27,004
20	New annual revenue	<u>51,014</u>
21		
22		
23	Computation of Income Tax Gross-Up Factors	_
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		000101
32	Reciprocal	<u>60.94%</u>

Aqua Missouri RU-Rankin Acres-Water Rate Base Summary

Schedule RAN-W-3 Page 1 of 1

		9/30/07		
Line No.	<u>.</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Adjusted</u>
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>Dollar</u>	<u>Percent</u>
Line No.	Customer Classification	Current	<u>Proposed</u>	<u>Change</u>	<u>Change</u>
1	Residential	26,708	50,718	24,010	89.90%
2					
3					
4	Miscellaneous	296	<u>296</u>		<u>0.00</u> %
5			-		
6	TOTAL	27,004	51,014	24,010	<u>88.91</u> %
7					
8	Tariff Changes:				
9	Minimum charge	24.73		22.23	89.90%
10	Commodity charge	2.61	4.96	2.35	89.90%
11					
12			•		
13	Cust Revenue Proof:	00.700	E0 740	04.040	90.009/
14	90 Minimum charge	26,708	50,719	24,010	<u>89.90</u> %
15					
16					
17					
18					
19					

Aqua Missouri-RU Rankin Acres-Water Revenue and Expense Adjustments

ne No	<u>. </u>	
1	Adjustment #1-Labor:	
2	2008 Budgeted Labor	14,31
3	Less: Test year labor	(13,46
4	Adjustment	85
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	4,53
12	Less: Test year benefits	(3,91
13	Adjustment	61
14 15	To adjust 9/30/07 test year benefits to 2008 budgeted benefits due to cost increases and a full work force	
16	increases and a full work force	
17		
18	Adjustment #3-Power	
19	2008 Budgeted Power	2,55
20	Less: Test Year Power	(<u>3,4</u> 7
21	Adjustment Needed	(92
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 Trannsportation	2,92
31	Less: Test Year Transportation	(2,88
32	Adjustment Needed	3
33		
34	To adjust 9/30/07 test year transportation to 2008 budgeted amount due to	
35	fuel, maintenance and vehicle lease costs	
	nuer, maintenance and venicle lease costs	
36		
37		
38		
39		

27,004 (26,664)

340

Line No.		
1	Adjustment #5-Depreciation and CIAC Amortization	
2	Depreciation Expense as calculated	2,599
3	Test year depreciation expense	
4	Adjustment	2,599
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	ł
11	Depreciation and Amortization Detail	
12		
13	Adjustment #6- Bad Debt Costs	400
14 4 c	Test Year Bad Debt Expense	130
15 16	Adjustment for Rate Increase (Test Year times rate increase percentage)	116
	To adjust Dad Dahl Furrage for the jurgest of the granded water is suggested.	
17 18	To adjust Bad Debt Expense for the impact of the proposed rate increase	
19		
20	Adjustment #7- Other Taxes	
21	Other Taxes as budgeted	1,571
22	Less: Test Year Other Taxes	(1,457)
23	Adjustment	114
24	- Adjustition	
25	To adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to chang	es in
26	payroll taxes, property taxes, and other assessments	
27		
28		
29		
30	Adjustment #8- Sludge	
31	None	
32		ŀ
33		
34		
35		<u></u>
36		
37	Adjustment #9- Legal	
38	None	
39		

Adjustment #10- Revenue Adjustment
Total revenue as last allowed in 9/06 case

Adjustment needed

To adjust test year revenue to Last Allowed.

Revenue per test year

Aqua Missouri RU-Rankin Acres-Water Income Taxes

Schedule RAN-W-6 Page 1 of 1

		<u>Proforma</u>	.		<u>Proforma</u>	0.17	-1-
<u>Line No</u>		Present	SIT	<u>FIT</u>	<u>Proposed</u>	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		(10,000)			0,0.0		
17	FIT at 35%			(6,532)			1,346
18	d. 6670			(0,002)			.,0.0
19							
20	Net Expense			(7.776)			1,603
	Net Expense			<u>(7,776</u>)			1,003
21							
22							
23							
24							
25	Interest Expense Calculation:						
26	Test Year Rate Base	44,445			44,445		
27							
28	Times: Weighted cost of debt	<u>2.74%</u>			<u>2.74%</u>		
29		1,219			1,219		
30							

Aqua Missouri RU-Spring Valley-Water Proposed Revenue Requirement

Schedule SPV-W-1 Page 1 of 1

Line No.	•	
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	(11,686)
8		
9	Operating income deficiency	17,329
10	Objects to account to	4 77 7
11	State income tax	1,777
12 13	Federal income tax	9,331
	rederal income tax	9,331
14	Talal Davis and Language	00.407
15	Total Revenue Increase	28,437
16	5	00.000
17	Percent Increase	<u>62.68%</u>
18	Command Day and	45.070
19	Current Revenue	<u>45,372</u>
20	New annual revenue	73,809
21		
22 23	Computation of Income Tay Cross 1 la Factore	
23 24	Computation of Income Tax Gross-Up Factors Operating Income before tax	<u>.</u> 100.00%
2 4 25	State income tax rate	6 <u>.25</u> %
26 26	Operating income after state inc tax	93.75%
27	Times Federal income tax rate	35 <u>.00%</u>
28	Federal tax	32.81%
29	Plus state income tax rate	6.25%
30	Effective tax rate	39.06%
31		
32	Reciprocal	<u>60.94%</u>

43 44

11 11-		9/30/07		<u>Adj.</u>	<u>Proforma</u>	Rate Inc.	<u>Proforma</u>
Line No.	Onesek Berry	Test Year	<u>Adjustments</u>	<u>Ref.</u>	Present	<u>Adjustment</u>	<u>Proposed</u>
1	Operating Revenues	(20,567)	65,939	#10	45,372	<u>28,437</u>	73,809
2	O						
3	Operations and Maintenance	40.000					
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	<u>#6</u>	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	, , , , , , , , , , , , , , , , , , , ,	(, 5, , 55)			(11,000)		0,010
33							
34	Rate Base	67,440					67,440
35	Return on Rate Base	-108.5%					8.37%
36		. 55.575					0.07 70
37							
38							
39							
40							
40 41							
42							
42							

		<u>9/30/07</u>		
Line No.		<u>Actual</u>	<u>Adjustments</u>	<u>Adjusted</u>
1	Rate Base Component			
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	8,341	•	8,341
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	(542)		(542)
13				
14				
15	Total Original Cost Rate Base	61,240	6,200	67,440
16	rotal Oliginal Coot Hate 2000	01,210		
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

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

Aqua Missouri-RU Spring Valley-Water Revenue and Expense Adjustments

1	Adjustment #1-Labor:	
2	2008 Budgeted Labor	18,83
3	Less: Test year labor	(12,62
4	Adjustment	6,21
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	5,96
12	Less: Test year benefits	(3,94
13	Adjustment	2,02
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	53
20	Less: Test Year Power	(50
21	Adjustment Needed	2
22		
23		
24	To adjust 9/30/07 test year power to 2008 budgeted amount	
25		
26		
27		
28	Adinates at the Tunanautation	
29 30	Adjustment #4- Transportation 2008 Budgeted Transportation	3,78
31	Less: Test Year Transportation	(3,43
32	Adjustment Needed	3:
	Adjustitient Needed	
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		

ie No	<u>,</u>	
1	Adjustment #5-Depreciation and CIAC Amortization	
2	Depreciation Expense as calculated	3,881
3	Test year depreciation expense	
4	Adjustment	3,881
5		
6	CIAC Amortization as calculated	_
7	Test year CIAC amortization	_
8	Adjustment	
	Adjustment	
9	T	
10	To adjust test year 9/30/07 Depreciation Expense and CIAC Amortization to	
11	Depreciation and Amortization Detail	
12	A Visited and All Districts	
13	Adjustment #6- Bad Debt Costs	207
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	<u>, </u>	
20	Adjustment #7- Other Taxes	ļ
21	Other Taxes as budgeted	1,974
22	Less: Test Year Other Taxes	(1,515)
23	Adjustment	<u>459</u>
24		
25	To adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to chan	ges in
26	payroll taxes, property taxes, and other assessments	
27		
28		
29		
30	Adjustment #8- Sludge	
31	None	
32	Trons	
33	}	ļ
34		
35		
		
36		
37	Adjustment #9- Legal	-
38	None	
39		
	Adjustment #40 Pavanus Adjustment	
	Adjustment #10- Revenue Adjustment	45 270
	Total revenue as last allowed in 9/06 case	45,372
	Revenue per test year Adjustment needed	20,567
	A official francisco and a second sec	65,939

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

Line No.		
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 Veer not energting income	(2E 600)
	Test Year net operating income	(25,698)
8	Occupting income definions:	90.066
9 10	Operating income deficiency	80,966
11	State income tax	8,304
12	Oldio Moonie lax	0,001
13	Federal income tax	43,597
14	_	
15	Total Revenue Increase	132,868
16	-	
17	Percent Increase	99.56%
18		· · · · · · · · · · · · · · · · · · ·
19	Current Revenue	133,453
20	New annual revenue	266,321
21		
22		
23	Computation of Income Tax Gross-Up Factors:	
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	6.25%
30 31	Effective tax rate	<u>39.06%</u>
32	Reciprocal	60.94%

Aqua Missouri RU-Ozark Mountain-Water Cost of Service

		9/30/07		<u>Adj.</u>	Proforma	Rate Inc.	<u>Proforma</u>
Line No.	On a selfone Business	Test Year	Adjustments	<u>Ref.</u>	Present	Adjustment	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	<u>#6</u>	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	· <u>-</u>			(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%	ı				8.37%
36							
37							
38							
39							
40							
41							
42							
43							
44							
77							

Aqua Missouri RU-Ozark Mountain-Water Rate Base Summary

Schedule OMT-W-3 Page 1 of 1

Line No		9/30/07	Adimateanata	له مادریناد ۸
Line No.		<u>Actual</u>	<u>Adjustments</u>	<u>Adjusted</u>
2	Rate Base Component Utility Plant in Service	927,012	214,100	1,141,112
3	Accumulated Provision for Depreciation	(315,215)	214,100	(315,215)
4	Accumulated Frovision for Depreciation	(313,213)		(373,213)
5	Allocation from Administration	28,350		28,350
6	, me cano, mon, manamou and m			
7	Net Utility Plant	640,147	214,100	854,247
8	, to stanly , to the	3.0,1.7	271,100	007,211
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	(5,304)		(5,304)
13				
14	·			
15	Total Original Cost Rate Base	446,392	214,100	660,492
16	, a.a			
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				

Schedule SPV-W-6 Page 1 of 1

Aqua Missouri RU-Spring Valley-Water Income Taxes

			<u>Proforma</u>			<u>Proforma</u>		
Line No	<u>.</u>		<u>Present</u>	SIT	FIT	<u>Proposed</u>	<u>SIT</u>	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 boo	ok						
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	, 000 , 001 11000 0000		07,710			0,,. 10		
28	Times: Weighted cost of debt		2.74%			<u>2.74%</u>		
29	Times. Woighted dost of debt		1,850			1,850		
30								
30								

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

Schedule OMT-W-4 Page 1 of 1

Line No 1 2		Customer Classification Residential	<u>Current</u> 132,848	Proposed 265,716	<u>Dollar</u> <u>Change</u> 132,868	Percent Change 100.01%
3		A.C II .	00=			
4 5		Miscellaneous	605	605		<u>0.00</u> %
6		TOTAL	133,453	266,321	132,868	99.56%
7						<u> </u>
8						
9		Tariff Changes:				
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	77.9 7	38.99	100.01%
13		Commodity	4.24	8.48	4.24	100.01%
14						
15	<u>Cust</u>	Revenue Proof:				
16	434	Minimum	106,660	213,336	106,676	100.01%
17		Commodity	26,188	52,380	<u>26,192</u>	<u>100.01%</u>
18		(15,861,442 gallons less	_			
19		9,685,000 in minimum)				
20		Total	132,848	265,716	132,868	100.01%

Aqua Missouri-RU Ozark Mountain-Water Revenue and Expense Adjustments

<u>e No</u> 1	Adjustment #1-Labor:	
2	2008 Budgeted Labor	64,41
3	Less: Test year labor	(16,25
4	Adjustment	48,16
5		
6	To adjust 9/30/07 test year labor to 2008 budgeted labor due to wage increases and	1
7	a full work force	
8		
9		
10	Adjustment #2- Benefits	
11	2008 Budgeted Benefits	20,42
12	Less: Test year benefits	(30,83
13	Adjustment	(10,40
14	To adjust 9/30/07 test year benefits to 2008 budgeted benefits due to cost	
5	increases and a full work force	
16		
17		
18	Adjustment #3-Power	
19	2008 Budgeted Power	10,10
20	Less: Test Year Power	(9,37
21	Adjustment Needed	72
22		
23	To adjust 0/20/07 test year newer to 2009 hydretad amount	
24 25	To adjust 9/30/07 test year power to 2008 budgeted amount	
26		
27		
28 29	Adjustment #4- Transportation	
30	2008 Budgeted Transportation	12,8
31	Less: Test Year Transportation	(11,96
	· · · · · · · · · · · · · · · · · · ·	
32	Adjustment Needed	89
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		

133,453

(184,658)

(51,205)

2 Depreciation Expense as calculated 37,825 3 Test year depreciation expense - 4 Adjustment 37,825 5 CIAC Amortization as calculated (10,185 7 Test year CIAC amortization -	Line No		
Test year depreciation expense Adjustment CIAC Amortization as calculated Test year CIAC amortization Adjustment Adjustment (10,185)		Adjustment #5-Depreciation and CIAC Amortization	
4 Adjustment 37,825 5 CIAC Amortization as calculated (10,185 7 Test year CIAC amortization - 8 Adjustment (10,185 9 (10,185			37,825
5 CIAC Amortization as calculated (10,185 7 Test year CIAC amortization		Test year depreciation expense	
6 CIAC Amortization as calculated (10,185 7 Test year CIAC amortization - 8 Adjustment (10,185	4	Adjustment	37,825
7 Test year CIAC amortization			Ì
8 Adjustment (10,185			(10,185)
9		Test year CIAC amortization	
	8	Adjustment	(10,185)
10 To adjust test year 9/30/07 Depreciation Expense and CIAC Amortization to			
			Ì
11 Depreciation and Amortization Detail		Depreciation and Amortization Detail	
12		Advisor ARC Distriction	
13 Adjustment #6- Bad Debt Costs 14 Test Year Bad Debt Expense 190			190
l '		·	189
16		(Adjustmont for trate increase (Test Teal times fate increase percentage)	103
17 To adjust Bad Debt Expense for the impact of the proposed rate increase		To adjust Rad Deht Eynense for the impact of the proposed rate increase	
18		To adjust bad book Expense for the impact of the proposed rate increase	ļ
19			
20 Adjustment #7- Other Taxes	20	Adjustment #7- Other Taxes	
		Other Taxes as budgeted	7,036
22 Less: Test Year Other Taxes(4,482	22	Less: Test Year Other Taxes	(4,482)
23 Adjustment2,554	23	Adjustment	2,554
24	24		
25 To adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to changes in	25		res in
payroll taxes, property taxes, and other assessments		payroll taxes, property taxes, and other assessments	Ì
27			i
28			
29			
30 Adjustment #8- Sludge			
31 None 32		None	
33			
34			
35			
36			
37 Adjustment #9- Legal		Adjustment #9- Logal	
37 Adjustment #9- Legal 38 None			
39		None	
	00		
			' i
<u> </u>			

Adjustment #10- Revenue Adjustment
Total revenue as last allowed in 9/06 case

Adjustment needed

To adjust test year revenue to Last Allowed.

Revenue per test year

Aqua Missouri RU-Ozark Mountain-Water Income Taxes

Schedule OMT-W-6 Page 1 of 1

		Proforma			<u>Proforma</u>		
Line No	•	Present	SIT	<u>FIT</u>	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	Interest Expense Calculation:						
26	Test Year Rate Base	660,492			660,492		
27	1000 1001 1000 2000	000,102			000, 102		
28	Times: Weighted cost of debt	2.74%			<u>2.74%</u>		
29		18,116			<u> 18,116</u>		
30							
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	T 134	(0.054)
7	Test Year net operating income	(6,234)
8		
9	Operating income deficiency	13,183
10		
11	State income tax	1,352
12 13	Federal income tax	7 009
	rederal income tax	7,098
14	Tatal Davisson Insurance	04.003
15	Total Revenue Increase	21,633
16	2	
17	Percent Increase	<u>204.24%</u>
18 19	Current Revenue	10.500
20	New annual revenue	10,592 32,225
	New annual revenue	32,223
21 22		
23	Computation of Income Tax Gross-Up Factors:	
23 24	Operating Income before tax	100.00%
25	State income tax rate	6.25%
26	Operating income after state inc tax	93.75%
27	Times Federal income tax rate	35.00 <u>%</u>
28	Federal tax	32.81%
29	Plus state income tax rate	6.25%
30	Effective tax rate	<u>39.06%</u>
31		 _
32	Reciprocal	<u>60.94%</u>

Line No.		<u>9/30/07</u>	Adiustmosts	<u>Adi.</u>	<u>Proforma</u>	Rate Inc.	<u>Proforma</u>
1	Operating Revenues	<u>Test Year</u> 6,745	Adjustments 3,847	<u>Ref.</u> #10	<u>Present</u> 10,592	Adjustment 21,633	Proposed 32,225
2	Operating revenues			#10	10,392	21,000	
3	Operations and Maintenance						
4	Salaries and Wages	7,649	(1,257)	#1	6,392		6,392
5	Employee Pensions and Benefits	2,493	(1,257)	#1 #2	2,014		2,014
6	Purchased Water	2,493	(479)	#2	2,014		2,014
7	Sludge Removal				-		-
8	Power	715	(13)	#3	- 702		- 702
9	Chemicals	713	(13)	#*3	702		702
10	Supplies	358			358		358
11	Engineering	330			-		-
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					(0)(00)		,00
29	Total Cost of Service	19,456			16,826		25,276
30		,			,		,
31	Operating Income	(12,711)			(6,234)		6.948
32	oporating moonie	(12,711)			(0,204)		0,0 10
33							
34	Rate Base	83,039					83,039
35	Return on Rate Base	-15.3%					8.37%
36							
37							
38							
39							

Aqua Missouri RU-Lakewood Manor-Water Rate Base Summary

Schedule LAKE-W-3 Page 1 of 1

		9/30/07		
Line No.	<u>.</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Adjusted</u>
1	Rate Base Component			
2	Utility Plant in Service	56,991	57,300	114,291
3	Accumulated Provision for Depreciation	(33,160)		(33,160)
4				-
5	Allocation from Adminstration	2,575		2,575
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	- (0.07)		-
12	Deferred Income Taxes	(667)		(667)
13				
14				
15	Total Original Cost Rate Base	25,739	57,300	83,039
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

1000 100	<u>41.</u>				Dollar	Percent
Line No.		Customer Classification	Current	<u>Proposed</u>	Change	Change
1		Residential	10,406	32,039	21,633	207.89%
2						
3						
4		Miscellaneous	186	186	-	<u>0.00</u> %
5				-		
6		Total	10,592	32,225	21,633	204.24%
7						
8						
9		Tariff Changes:				
10		Minimum	17.42	53.63	36.21	207.89%
11		Commodity	4.31	13.27	8.96	207.89%
12						
13	04	Davis - Davis				
14	Cust	Revenue Proof:	7.407	04.000	44775	007.00%
15	34	Minimum	7,107	21,883	14,775	207.89%
16		Commodity	3,298	10,155	6,857	<u>207.89</u> %
17		(1,373,962 total gallons less				
18		608,727 in minimum)				
19		Total	10,406	32,037	21,632	<u>207.89%</u>

Aqua Missouri-RU Lakewood Manor-Water Revenue and Expense Adjustments

Adjustment #4-Transportation 2008 Budgeted Transportation 1,163 Adjustment #4-Transportation 1,163 1,163 Adjustment #4-Transportation 1,163 1,163 1,163 1,163	_ine_No).	
Less: Test year labor	1	Adjustment #1-Labor:	
Adjustment (1,257) To adjust 9/30/07 test year labor to 2008 budgeted labor due to wage increases and a full work force Adjustment #2- Benefits 2008 Budgeted Benefits (2,493) Adjustment #3-Power 2008 Budgeted Power 2008 Budgeted Power 2018 Adjustment Needed (13) Adjustment Needed (13) Adjustment Needed (13) Adjustment #4- Transportation 2019 Adjustment #4- Transportation 2020 Adjustment Needed (13) Adjustment #4- Transportation 2031 Adjustment Needed (13) Adjustment #4- Transportation (1,029) Adjustment Needed (13) Adjust	2	2008 Budgeted Labor	6,392
To adjust 9/30/07 test year labor to 2008 budgeted labor due to wage increases and a full work force Adjustment #2- Benefits 2008 Budgeted Benefits to 2008 budgeted benefits due to cost increases and a full work force Adjustment #3-Power 2008 Budgeted Power 2008 Budgeted Power 2019 Less: Test Year Power 2020 Adjustment Needed 203 To adjust 9/30/07 test year power to 2008 budgeted amount Adjustment #4- Transportation 2008 Budgeted Trannsportation	3	Less: Test year labor	(7,649)
To adjust 9/30/07 test year labor to 2008 budgeted labor due to wage increases and a full work force Adjustment #2- Benefits 2008 Budgeted Benefits to 2008 budgeted benefits due to cost increases and a full work force Adjustment #3-Power 2008 Budgeted Power 2008 Budgeted Power 2019 Less: Test Year Power 2020 Adjustment Needed 203 To adjust 9/30/07 test year power to 2008 budgeted amount Adjustment #4- Transportation 2008 Budgeted Trannsportation	4	Adjustment	(1,257)
To adjust 9/30/07 test year labor to 2008 budgeted labor due to wage increases and a full work force Adjustment #2- Benefits 2008 Budgeted Benefits 2,014 Less: Test year benefits 2,2493 Adjustment To adjust 9/30/07 test year benefits to 2008 budgeted benefits due to cost increases and a full work force Adjustment #3-Power 2008 Budgeted Power Less: Test Year Power 201	5		
a full work force Adjustment #2- Benefits 2008 Budgeted Benefits 2,014 Less: Test year benefits (2,493) Adjustment (479) To adjust 9/30/07 test year benefits to 2008 budgeted benefits due to cost increases and a full work force Adjustment #3-Power 2008 Budgeted Power 702 Less: Test Year Power (715 Adjustment Needed 113 To adjust 9/30/07 test year power to 2008 budgeted amount Adjustment #4- Transportation 1,163 Less: Test Year Transportation 1,163 Adjustment #4- Transportation 1,163 Adjustment #4- Transportation 1,163 Adjustment #4- Transportation 1,163 To adjust 9/30/07 test year transportation 1,163 Adjustment Needed 134 To adjust 9/30/07 test year transportation to 2008 budgeted amount due to fuel, maintenance and vehicle lease costs		To adjust 9/30/07 test year labor to 2008 budgeted labor due to wage increases	and
Adjustment #2- Benefits 2,014			
Adjustment #2- Benefits 2,014	8		
Adjustment #2- Benefits 2,014			
2008 Budgeted Benefits		Adjustment #2- Benefits	
Less: Test year benefits			2 014
Adjustment			
To adjust 9/30/07 test year benefits to 2008 budgeted benefits due to cost increases and a full work force Adjustment #3-Power		·	
Increases and a full work force		·	(11.6)
Adjustment #3-Power 2008 Budgeted Power 702 715 Adjustment Needed (715 Adjustment Needed (132 703 704 705 70			
Adjustment #3-Power 702		indicases and a full work force	
Adjustment #3-Power 702			
2008 Budgeted Power 702		Adjustment #3-Power	
Less: Test Year Power			702
Adjustment Needed (13 22 23 24 To adjust 9/30/07 test year power to 2008 budgeted amount 25 26 27 28 29 Adjustment #4- Transportation 2008 Budgeted Transportation 1,163 31 Less: Test Year Transportation (1,029 32 Adjustment Needed 134 33 34 To adjust 9/30/07 test year transportation to 2008 budgeted amount due to fuel, maintenance and vehicle lease costs 36 37			(715)
To adjust 9/30/07 test year power to 2008 budgeted amount To adjust 9/30/07 test year power to 2008 budgeted amount Adjustment #4- Transportation 2008 Budgeted Transportation 1,163 21 Less: Test Year Transportation Adjustment Needed 134 To adjust 9/30/07 test year transportation to 2008 budgeted amount due to fuel, maintenance and vehicle lease costs fuel, maintenance and vehicle lease costs	21	Adjustment Needed	(13)
To adjust 9/30/07 test year power to 2008 budgeted amount 25 26 27 28 29 Adjustment #4- Transportation 2008 Budgeted Transportation 1,163 31 Less: Test Year Transportation (1,029 32 Adjustment Needed 134 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	22		
Adjustment #4- Transportation 2008 Budgeted Transportation 2008 Budgeted Transportation 1,163 Less: Test Year Transportation (1,029 Adjustment Needed 134 To adjust 9/30/07 test year transportation to 2008 budgeted amount due to fuel, maintenance and vehicle lease costs '	23		
Adjustment #4- Transportation 2008 Budgeted Transportation 1,163 Less: Test Year Transportation Adjustment Needed Adjustment Needed 134 To adjust 9/30/07 test year transportation to 2008 budgeted amount due to fuel, maintenance and vehicle lease costs ' ' 1,029 134 33 34 To adjust 9/30/07 test year transportation to 2008 budgeted amount due to fuel, maintenance and vehicle lease costs 36 37	24	To adjust 9/30/07 test year power to 2008 budgeted amount	
27 28 29 Adjustment #4- Transportation 30 2008 Budgeted Transportation 1,163 31 Less: Test Year Transportation (1,029 32 Adjustment Needed 134 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	25		
28 29 Adjustment #4- Transportation 30 2008 Budgeted Trannsportation 1,163 31 Less: Test Year Transportation (1,029 32 Adjustment Needed 134 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	26		
Adjustment #4- Transportation 2008 Budgeted Transportation 1,163 Less: Test Year Transportation (1,029 Adjustment Needed 134 To adjust 9/30/07 test year transportation to 2008 budgeted amount due to fuel, maintenance and vehicle lease costs '	27		
2008 Budgeted Trannsportation 1,163 Less: Test Year Transportation (1,029 Adjustment Needed 134 To adjust 9/30/07 test year transportation to 2008 budgeted amount due to fuel, maintenance and vehicle lease costs ' ' 1,163 (1,029) 134 37	28		
Less: Test Year Transportation (1,029 Adjustment Needed 134 To adjust 9/30/07 test year transportation to 2008 budgeted amount due to fuel, maintenance and vehicle lease costs ' (1,029	29	Adjustment #4- Transportation	
Adjustment Needed To adjust 9/30/07 test year transportation to 2008 budgeted amount due to fuel, maintenance and vehicle lease costs '	30	2008 Budgeted Trannsportation	1,163
To adjust 9/30/07 test year transportation to 2008 budgeted amount due to fuel, maintenance and vehicle lease costs '	31	Less: Test Year Transportation	(1,029
To adjust 9/30/07 test year transportation to 2008 budgeted amount due to fuel, maintenance and vehicle lease costs '	32	Adjustment Needed	134
To adjust 9/30/07 test year transportation to 2008 budgeted amount due to fuel, maintenance and vehicle lease costs '	33		<u> </u>
fuel, maintenance and vehicle lease costs i '		To adjust 9/30/07 test year transportation to 2008 budgeted amount due to	
36 37			
37 '		True, maintenance and veriore lease costs	
		r ·	
			· · · · · · · · · · · · · · · · · · ·

Aqua Missouri-RU Lakewopod Manor-Water Revenue and Expense Adjustments

A	ljustment #5-Depreciation and CIAC Amortization
	epreciation Expense as calculated
	est year depreciation expense
	Adjustment
CI	AC Amortization as calculated
Τe	est year CIAC amortization
	Adjustment
	, <u> </u>
lτα	adjust test year 9/30/07 Depreciation Expense and CIAC Amortization to
	epreciation and Amortization Detail
	djustment #6- Bad Debt Costs
	est Year Bad Debt Expense
Αc	djustment for Rate Increase (Test Year times rate increase percentage)
ĮΤα	adjust Bad Debt Expense for the impact of the proposed rate increase
L.	
	J
	djustment #7- Other Taxes ther Taxes as budgeted
	ner Taxes as budgeted ess: Test Year Other Taxes
"	
	Adjustment
<u>ا</u>	and in the transport of the Taylor to 2000 had a transport due to change in
	o adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to changes in ayroll taxes, property taxes, and other assessments
Įρε	ayion taxes, property taxes, and other assessments
_	
A	djustment #8- Sludge
N	one
A	djustment #9- Legal
N	one
1	

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> Present	<u>SIT</u>	FIT	Proforma Proposed	<u>SIT</u>	FIT
1 2	Operating Revenue	10,592			32,225		
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	Subtot	al 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	Interest Expense Calculation:						
26	Test Year Rate Base	83,039			83,039		
27							
28	Times: Weighted cost of debt	2.74%			<u>2.74%</u>		
29	-	2,278			2,278		
30							

Aqua Missouri RU-LTA-Water Proposed Revenue Requirement

Schedule LTA-W-1 Page 1 of 1

Line No.		
1	Total Rate Base	125,16 2
2		
2 3	Weighted Cost of Capital	<u>8.37%</u>
4		
5	Required Return	10,473
6		
7	Test Year net operating income	(11,279)
8		
9	Operating income deficiency	21,752
10		
11	State income tax	2,231
12		44.740
13	Federal income tax	11,713
14		
15	Total Revenue Increase	35,696
16		
17	Percent Increase	<u>119.47%</u>
18		
19	Current Revenue _	29,879
20	New annual revenue	65,575
21		
22		
23	Computation of Income Tax Gross-Up Factors:	
24	Operating Income before tax	100.00%
25	State income tax rate	6.25%
26	Operating income after state inc tax	93.75%
27	Times Federal income tax rate	35.00%
28	Federal tax	32.81%
29 30	Plus state income tax rate Effective tax rate	<u>6.25%</u> 39.06 <u>%</u>
30	Ellective tax fate	38.0076
31 32	Reciprocal	60.94%
JZ	1 toolphoodi	00.0770

Aqua Missouri RU-LTA-Water Cost of Service

		9/30/07		<u>Adj.</u>	<u>Proforma</u>	Rate Inc.	Prof <u>orma</u>
Line No.		Test Year	<u>Adjustments</u>	Ref.	Present	<u>Adjustment</u>	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	Operating moonie	(0,000)			(, ,		•
33							
34	Rate Base	125,162					125,162
35	Return on Rate Base	-7.5%	•				8.37%
36	Retain on Nate Base	, .0 /	•				
37							
0,							

Aqua Missouri RU-LTA-Water Rate Base Summary

		9/30/07		
Line No.		<u>Actual</u>	<u>Adjustments</u>	<u>Adjusted</u>
1	Rate Base Component			
2	Utility Plant in Service	106,179	99,500	205,679
3	Accumulated Provision for Depreciation	(83,565)		(83,565)
4		7.007		- 7.02 7
5	Allocation from Adminstration	7,027		7,027
6		00.044	00.500	400 444
7	Net Utility Plant	29,641	99,500	129,141
8		•		
9	Less:	(2.540)		(3,549)
10	Contributions in Aid of Construction	(3,549) 574		(3,549)
11 12	Accumulated Amortization of CIAC Deferred Income Taxes	(1,004)		(1,004)
	Deferred income Taxes	(1,004)		(1,001)
13				
14	_			405 400
15	Total Original Cost Rate Base	25,662	99,500	125,162
16				
17				
18				
19				
20				
21				
22				
23				
24 25			•	
25 26				
27				
۲,				

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

Schedule LTA-W-4 Page 1 of 1

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

Aqua Missouri-RU LTA-Water Revenue and Expense Adjustments

No.	:	
	Adjustment #1-Labor:	
	2008 Budgeted Labor	15,796
	Less: Test year labor	(12,776)
	Adjustment	3,020
	To adjust 9/30/07 test year labor to 2008 budgeted labor due to wage increases and	
	a full work force	
	1	
)	Adjustment #2- Benefits	
1	2008 Budgeted Benefits	5,000
2	Less: Test year benefits	(3,733
3	Adjustment	1,267
ļ	To adjust 9/30/07 test year benefits to 2008 budgeted benefits due to cost	
į.	increases and a full work force	
3		
7		
3	Adjustment #3-Power	
)	2008 Budgeted Power	5,290
	Less: Test Year Power	(5,100
	Adjustment Needed	190
	To adjust 9/30/07 test year power to 2008 budgeted amount	
i		
;		
7		
3		
9	Adjustment #4- Transportation	
)	2008 Budgeted Trannsportation	3,189
	Less: Test Year Transportation	(2,948
	Adjustment Needed	241
	_	
	To adjust 9/30/07 test year transportation to 2008 budgeted amount due to	
	fuel, maintenance and vehicle lease costs	
	The state of the s	
; ,		
7		
3		

Line No		
1	Adjustment #5-Depreciation and CIAC Amortization	
2	Depreciation Expense as calculated	7,665
3	Test year depreciation expense	(3,136)
4	Adjustment	4,529
	Adjustitient	4,020
5 6	CIAC Amortization as calculated	(244)
7	Test year CIAC amortization	(244) 118
8		
	Adjustment	(126)
9	T	
10	To adjust test year 9/30/07 Depreciation Expense and CIAC Amortization to	
11 12	Depreciation and Amortization Detail	
13	Adjustment #6- Bad Debt Costs	
14	Test Year Bad Debt Expense	147
15	Adjustment for Rate Increase (Test Year times rate increase percentage)	176
16	Adjustifient for Nate increase (rest Teal times rate increase percentage)	170
17	To adjust Bad Debt Expense for the impact of the proposed rate increase	
18	To adjust bad Debt Expense for the impact of the proposed rate increase	
19		
20	Adjustment #7- Other Taxes	
21	Other Taxes as budgeted	1,712
22	Less: Test Year Other Taxes	(1,401)
23.	Adjustment	311
24	Adjustition	
2 4 25	To adjust test year 9/30/07 Other Taxes to 2008 budgeted amount due to chang	or in
26 26	payroll taxes, property taxes, and other assessments	es III
27	payron taxes, property taxes, and other assessments	
28		
28 29		
30	Adjustment #8- Sludge	
31	None	
32	TAOTIE	
33		
34		
35		
36		
	Taut of the found	
37	Adjustment #9- Legal	
38	None	
39		

Adjustment #10- Revenue Adjustment	
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

Lin <u>e No</u>		Proforma Present	<u>SIT</u>	FIT	<u>Proforma</u> Proposed	<u>SIT</u>	<u>FIT</u>
1	- Operating Revenue	29,879	011	, ,,,	65,575	<u>511</u>	<u>!'-</u>
2	Operating Revende	29,019			03,573		
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	3,433			3,400		
8	Subtotal	54,022			54,022		
9	State taxable income	(24,143)			11,553		
	State taxable income	(24,143)			11,000		
10 11	State income toy at 6 250/	(4.500)	(4.500)		722	722	
	State income tax at 6.25%	(1,509)	(1,509)		122	122	
12							
13							
14	E tout a la c	(00.004)			40.004		
15	Federal taxable income	(22,634)			10,831		
16	E.E. (0.50)			(=			0.704
17	FIT at 35%			(7,922)			3,791
18							
19							
20	Net Expense			(9,431)			4,513
21							
22							
23							
24							
25	Interest Expense Calculation:						
26	Test Year Rate Base	125,162			125,162		
27		,			,		
28	Times: Weighted cost of debt	2.74%			2.74%		
29		3,433			3,433		
30							

Aqua Missouri RU-Water Ptant Detail-Water

Plant Detail-	-Water	ъ.			ura na r		Rankin		9	pring Valley		Ozz	yk Mauritai	iπ	Lakews	ood Mancr		!	_TA		Total		Depa Ri	verside	White R	tanken :	Spring C		(ewoca	
			regside Estates		Vhite Branch			Acres		pang . m.vj		Actual			Actual			Actual		Actual			Rate_E	states B	Branch A	Acres	Valley	Min M	lanor LT	_
		Actua		Actua		<u>Act</u>			Actual		_	9/30/07 A			9/30/07 Ad-	u-m . m-(-			ds/Ret Proforma	9/30/07	Adds/Ret F	Proforma			-					
Line No		9/30/07	Adds/Ret Proforma	9/30/07	Adds/Ret Profes	rma 9/30	HD7 Adds	r/Ret Proforms	9/30/07	Adds/Ret	Proforma	9/30/U/ A	idds/Het	Protorma	9/3U/U/ AD	KISTREE FROM	i i i i	3/30/01 7/0	age right rightstring											
	ICC) No Account Description																													
2	Intangible Plant														0.70		260	677	677	17,244		17,244								
ā	301 Organization	1,085	1.085	3,760	2	1.760 Sr.	462	9.462	2,000		2,000			•	260			011	0.1	85		85								
	302 Franchise and Consents										-				85		85			0.3	-									
	303 Miscellaneous Intangible Plant		_			-					-						•		•	•		•								
2	303 Milecondianous alleanging Florin													*			-		•	-	-	•								
,	Source of Supply Pient													-			-		-		-	2. 255								
,	310 Land and Land Rights	3.561	3,561	3,032	-	1,032			7,500		7,500	7,262		7.262			•			21,355		21,355		***	EO.	204	125	1.042	242	266
	311 Structures and improvements	35.632	35.632	2.371			764 5	,000 11,764		5.000	5,000	14,735	27.000	41,735	9,689	9,0	689	10,646	10,646	79.837	37,000	116,837	2.5%	891	39	294	123	1,043	142	
9	311 Structures and improvements	1,612	1.612	739			280	280									-			2,631	-	2.631	20%	40	15	6	-		-	_
	312 Collecting and Impounding Reservors	1.012	1,012	/ 33		732	200	200									-		-		-	-	20%	-		•			316	267
	313 Lake, River, and Other Intakes				7,		774	774			_	45.265		45,265	15,746	15,	746	13,337	13,337	324,414		324,414		4.431	1,441	15	-	905	310 .	•-
	314 Wells and Springs	177,251	177,251	72,041		4.LP91	174	,,,,									-			-	-		20%	-	•	-		•	-	107
	315 Infiltration Galleries and Tunnels		-					•	30,422		30.422	1.064		1.064			-	24,674	24.874	61,679		61 679	20%	45	70	-	608	21		37
	316 Supply Mains	1,815	1,815	3,504		5,504		-	30,422		30.422	1,007		1,001							3.200	3,200	20%		64	-	-	-		
15	317 Other Water Source Plant		•		3,200	3.200											_				-			-		-	-		•	
16			-					•			•			- 1								-							-	*
17	Pumping Plant		•			•		•			•			-			_				-	-			-			-		*
18	320 Land and Land Rights					-					-			-			-				-			-		-	-			
	321 Structures and Improvements		-			-		-			-						_		_	_	-	-			-	-		-	-	
	322 Boiler Plant Equipment							-						•			_					-	4.0%					-		*
	323 Other Power Production Equipment		-			•		-			-			-			-				_						-	-		
	324 Steam Pumping Equipment		-								•				13,746		746	18.682	18.882	102,466		102,466	10.0%	648	944	1,302	1,200	945	1.375 1.4	,88
	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.	/40	18,002	10,002	102,400		102,400			-			-		-
	326 Diesel Pumping Equipment	20.00				•		-			-			-			•			•	•			_			-	-		
	327 Hydraulic Pumping Equipment		_								-			-			•		•	•	•	•	4.0%		_					-
	328 Other Pumping Equipment		_														-		•		-	•	40%	-	-		_	_	_	
20	326 Other Fulliphing Experiment					_					-						-		-	•		-		•	-	-	-	-		
21	No. Torre A Direct		•			-					-						•							•	-	-	-	-	•	
28	Water Treatment Plans		•											-					•	-	-	•		-	•	-	-	•	•	_
	330 Land and Land Rights		-					-			_						-			-	•	-	2.5%		* .			:		103
30	331 Structures and improvments		-	150		150	161	161				14,526		14.526		5.000 5.0	000	3,539	3,539	18,582	5,000	23,582	2 9%	5	4	>	-	421	145	03
	332 W pter Treatment Equipment	206	206	130		LOU .	101				_						_				-	-			•	-	-		-	
32			*			•											-				-			-						•
33	Transmission and Distribution Plant		-			•		•			-			•			-			66		65			-	-	-		-	
34	340 Land and Land Rights						66	66						2,341			-			44.818		44.518	2.5%	227	751	60	25	59		
	341 Structures and improvements	9 061	9,061	30,047	30	1,047 2.	389	2,389	980		980	2,341				50,000 51.		8,593 9	6,000 104.593		377.000	956.752		2.825	3.564	-	-	13,630	1,286 2.5	615
	342 Distribution Reservoirs and Standpipes	112,991	112,991	77,566	65,000 142	2,566					•		165,000	545,182					6,955	446,710	0,,,,,,	446 710		2.193	1.4D4	170		5.326	140	139
	343 Transmission and Distribution Mains	87,729	67,729	70.212	70),212 B.	513	8,513			-	265,324		266,324	6,977	6,	977	6,955	0,555	440,710		440.715	20%					-		-
	344 Fire Mains	41,144	****								-			-			-		400	95,233	•	95,233	2.5%	321	343	184	620	903		10
	345 Senices	12.821	12,521	13,714	1;	3,714 7.	373	7.373	24,804		24,804	36.121		36,121			-	400		121.823	11,000	132.823	10.0%	983	100	11		6,263	987 1,	258
	346 Meters	36,825	2,500 39,325	1,000		.000	107	107	6,115	1.200	7.315	57,125	5,500	62,625	9,068		868			20.830	7,500	28,330	2.0%	23	256		15	120	30	127
	348 Hydrants	922	922	12,808	12	2,808			773		773		6,000	6,000		1,500 1,	500	6.327	6,327		7,500	20,330	2.074	2.3	450					-
42	349 Other Transmission and Distribution Pla			72,000				-													-				•			-	-	
	343 Other I Schmidzen Sky Der Ingran, Lin													-			•		-	=	-	-		-	•	-	-	-		
43	~		•														-		-	-	-	-		-	•		•	•	•	
44	General Flant		-								-			-			-			•	-				-	•	-	. 000	-	_
	389 Land and Land Rights	40.300	15 300	2,504		2 504		-				42,381		42,381			-			58,675	-	58,675	2.5%	345	63	•	-	469	•	_
	390 Structures and Improvements	13,790	13,790	2,504	•	.,504						9.356		9,356			-			9,356	-	9,356	5 0 X		•	-	-	4 3 3 5	-	
	391 Office Furniture and Equipment		4 842								-	33,346		33.345			-			35,165	-	35,165	13.0%	45		•		4.330	-	
	392 Transportation Equipment	1,819	1,819			•						• • •		-			-				-	•	4 0%	-				-	-	
	393 Stores Equipment					750	801	801	613		813	2,509	5,300	7,609			-		•	11,055	5,300	16,355	5.0%	155	38	40	41	390	-	
50	394 Tools, Shop and Garage Equipment	6.182	6.182	750			OU 1	φu1	1964		1,964	5,893		5.893					-	13,737	-	13,737	5 0 %		294	*	98	295	-	*
51	395 Laboratory Equipment		-	5,680		5,880		-	1,354		1,204						-				-	-	5.7%	-	-	•	-		-	*
52	396 Power-operated Equipment		•			•		•			•	137		137						137		137	67%	-			-	9		
	397 Communication Equipment		•			-	_	<u>:</u>			-	101	4,300	4,300				366	2,500 2,866	366	10,600	10,966	5 0%	-		190		215	-	143
	396 Miscellaneous Equipment						3	,800 3,800			-		4,300	4.30			_		_,						• .	<u>. </u>				-
	399 Other Tangible Property				<u>-</u> _					-			 .				201	106,179 _9	9,500 205,679	2,066,016	456,600	2,522,516	_	13,177	9.410	2.277	3,464	36,407	4,519 7,	313
56	Total Vy pter Utility Plant in Service	529,239	2,500 531,739	309.516	68,200 37	7,716 49,	708 5	50 58 508	87,371	6,200	93,571	927,012	214,100	1,141,112	_56,991 _ 5	57,300 114,	291	100,179	0.500 200 015	2,000,010	450,000	C,uzz,uio	_	322311						_
	the Mark Danie Library of area																													
57																														
58																														
59	Administrative Plant													204			29 2.62%	80	80				5.0%	11	6	4	5	16	1	4
60	390 Structures and Imp. 3,043 7.35	% 224	224 4 23	% 129		2 40%	73		3.11% 95		95 10			322 0.9			ZH Z.02%	- OU								318			127	347
	350 Substitutes and High 3,043 1.00	19,490	19,490 4.23	11,217		1 217 2 40%6.	364	6,364	3.11%		8,247 10	0.57% 28.028		28,028 0.9	2,545	2,	546 2.52%	6,947	6,947				5.0%	974	561 567	318	412 ~	1.401	127	27.4
61	391 Office Equipment 7.35	19,490		******	· —	1,346	437	6,437	8,341		8,341	28,350		28,350	2,575		575	7,027	7,027				_	986	56/	322	417	<u> </u>		131
62	268,211	19,714	19,714	11,345		_ 6,	701	0,447																						
63	_											(259.326)						(3,549)												
64	Contributions in Aid of Construction	(115,010)		(80,000														574			4	Annual		(2,864)	(2.432)	-	. ((10,185)	- (244)
65	Accumulated Amortization of CIAC	10,513		30,484								70,877						(2.075)												
ec.		(104,497)		[49,516								(188,451)						(2,975)												
D0		(104,45)		,	-																									

Deprecia	ation Reser	<u>ve-Water</u>	П:	ida Catato	a Mhila Braach	Donkin Acres	Spring Valley	Ozark Mountalia	kewood Manor	LTA	Total
			KIV		s White Branch Actual	Actual Actual	Actual	Actual	Actual	Actual	Actual
Line No.			Rate	Actual 9/30/07	9/30/07	9/30/07	9/30/07	9/30/07	9/30/07	9/30/07	9/30/07
	Acct No	Account Description	T TOTAL	0.00.0.							
2	ACG! Hg	Intangible Plant									
3	301	Organization		-							-
4	302	Franchise and Consents									-
5	303	Miscellaneous Inlangible Plant									-
6	000	(Middellational Midellation Cont.)									-
7		Source of Supply Plant									-
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									-
16											-
17		Pumping Plant									-
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				10.0.01	(44 700)	(2.202)	/12 /1E)	(26,747)	(93,820)
23	325	Electric Pumping Equipment	10.0%	(22,567)	(8,179)	(8,010)	(11,700)	(3,202)	(13,415)	(20,747)	(90,020)
24	326	Diesel Pumping Equipment									-
25	327	Hydrautic Pumping Equipment									_
26	328	Other Pumping Equipment	4.0%								-
27											-
28		Water Treatment Plant									-
29	330	Land and Land Rights	2 50/								-
30	331	Structures and Improvments	2.5% 2.9%	(56)	(52)	(60)		(1,377)		(1,626)	(3,171)
31	332	Water Treatment Equipment	2.9%	(30)	(32)	(55)		(1,5/1)		• • • • • • • • • • • • • • • • • • • •	
32		To the send Distribution Blood									-
33		Transmission and Distribution Plant									•
34	340	Land and Land Rights	2.5%	(3,952)	(7,132)	(559)	(165)	(395)			(12,203)
35	341	Structures and Improvements	2.5%	(12,286)	(26,906)	• • •	, ,	(30,394)	(1,531)	(5,176)	(76,293)
36	342	Distribution Reservoirs and Standpipes Transmission and Distribution Mains	2.0%	(34,622)	(16,292)	(1,999)		(89,813)	(3,503)	(6,051)	(152,280)
37	343		4	(01,422)	(,	• • •					•
38	344	Fire Mains	2.5%	(6,204)	(6,061)	(2,760)	(9,570)	(23,470)		(255)	(48,320)
39	345 346	Services Meters	10.0%	(19,561)	(635)	(39)	(2,691)	(25,333)	(5,142)	(10,942)	(64,343)
40 41	348	Hydrants	2.0%	(457)	(186)	` '	(13)			(5,727)	(6,383)
42	349	Other Transmission and Distribution Plan	10.0	(· - ·)	, ,						-
43	549	Other Transmission and Distribution 1 to									-
43		General <u>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%								-
53	397	Communication Equipment						(62)			(62)
53 54	398	Miscellaneous Equipment	5.0%							(38)	(38)
55	399	Other Tangible Property									
56	555	Total Water Utility Plant In Service		(122,377)	(92,668)	(20,143)	(33,930)	# (315,215)	(33,160)	(83,565)	(701,058)
26		Total Trace Office Trace		<u> </u>							

Aqua Missouri Weighted Cost of Capital September 30, 2007

Line No. 1 2 3 4	Long term debt Short term debt Preferred Equity Common Equity	Aqua Missouri 9/30/07 1,950,206 - - 2,060,041	Percent of Total 48.63% 0.00% 0.00% 51.37%	Cost Rates 5.64%	Weighted Cost of Capital 2.74% 0.00% 0.00% 5.62%
5					
6					
7	Total Capitalization	4,010,247	<u>100.0%</u>		<u>8.37%</u>
8					
9					
10					
11					
12					
13 14					
15					
16					
17					
18					