

Aqua Missouri
CU-Maplewood and Lake Carmel Water

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Aqua Missouri
CU-Maplewood and Lake Carmel Water
Proposed Revenue Requirement

Schedule MAP-W-1
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<u>Line No.</u>		
1	Total Rate Base	359,544
2		
3	Weighted Cost of Capital	<u>8.37%</u>
4		
5	Required Return	30,086
6		
7	Test Year net operating income	<u>(8,506)</u>
8		
9	Operating income deficiency	38,592
10		
11	State income tax	3,958
12		
13	Federal income tax	<u>20,780</u>
14		
15	Total Revenue Increase	<u>63,331</u>
16		
17	Percent Increase	<u>49.61%</u>
18		
19	Current Revenue	<u>127,669</u>
20	New annual revenue	<u>191,000</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>

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CU-Maplewood-Water
Cost of Service

Schedule MAP-W-2
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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	130,359	(2,690)	#10	127,669	63,331	191,000
2							
3	Operations and Maintenance						
4	Salaries and Wages	30,082	6,041	#1	36,123		36,123
5	Employee Pensions and Benefits	8,023	3,243	#2	11,266		11,266
6	Purchased Water	-			-		-
7	Sludge Removal				-		-
8	Power	7,358	163	#3	7,521		7,521
9	Chemicals	1,705			1,705		1,705
10	Supplies	11,277			11,277		11,277
11	Engineering				-		-
12	Accounting	887			887		887
13	Legal				-		-
14	Management fees	12,294			12,294		12,294
15	Other Outside Services	5,247			5,247		5,247
16	Leases	1,649			1,649		1,649
17	Transportation	13,414	1,136	#4	14,550		14,550
18	Insurance	3,140			3,140		3,140
19	Other Expenses	17,659			17,659		17,659
20	Bad Debts	629	312	#6	941		941
21	Subtotal O&M Expenses	113,364			124,259		124,259
22	Depreciation Expense	20,131	5,725	#5	25,856		25,856
23	Amortization of CIAC		(9,212)	#5	(9,212)		(9,212)
24	Amortization Expense	4,978			4,978		4,978
25	Taxes Other than Income Taxes	3,382	1,401	#7	4,783		4,783
26	Subtotal-Total exp. before Inc. Tax	141,855			150,664		150,664
27	Income Taxes				(14,488)		10,250
28							
29	Total Cost of Service	141,855			136,175		160,914
30							
31	Operating Income	(11,496)			(8,506)		30,086
32							
33							
34	Rate Base	359,544					359,544
35	Return on Rate Base	-3.2%					8.37%
36							
37							
38							
39							
40							
41							
42							
43							
44							

Aqua Missouri
CU-Maplewood-Water
Rate Base Summary

Schedule MAP-W-3
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<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	725,178	29,300	754,478
3	Accumulated Provision for Depreciation	(166,026)		(166,026)
4				-
5	Utility Plant Acquisition Adjustments			-
6				
7	Net Utility Plant	559,152	29,300	588,452
8				
9	Less:			
10	Contributions in Aid of Construction	(274,347)		(274,347)
11	Accumulated Amortization of CIAC	54,487		54,487
12	Deferred Income Taxes	(9,048)		(9,048)
13				
14				
15	Total Original Cost Rate Base	330,244	29,300	359,544
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				

Aqua Missouri
 CU-Maplewood-Water
 Revenue and Proposed Rate Changes

Schedule MAP-W-4
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Line No.	Customer Classification	Current	Proposed	Dollar Change	Percent Change
1	Residential	83,757	126,013	42,256	50.45%
2	Commercial	41,772	62,846	21,074	50.45%
3					
4					
5	Miscellaneous	2,140	2,140	-	0.00%
6					
7	TOTAL	127,669	191,000	63,331	49.61%
8					
9					
10	<u>Tariff Changes</u>				
11	5/8" service charge	4.61	6.94	2.33	50.45%
12	3/4" service charge	6.93	10.43	3.50	50.45%
13	1" service charge	11.54	17.36	5.82	50.45%
14	1 1/2" service charge	23.10	34.75	11.65	50.45%
15	2" service charge	36.95	55.59	18.64	50.45%
16	3" service charge	69.28	104.23	34.95	50.45%
17					
18	Residential commodity charge	2.268	3.412	1.14	50.45%
19	Commercial commodity charge (non minimums)	3.61	5.43	1.82	50.45%
	<u>Cust. Revenue Proof:</u>				
475	Residential 5/8" meters	26,277	39,534	13,257	50.45%
1	Residential 1" meters	138	208	70	50.45%
1	Commercial-5/8"	55	83	28	50.45%
2	Commercial-2"	887	1,334	447	50.45%
1	Commercial-3"	831	1,251	419	50.45%
	Residential-25,361,521 gallons	57,520	86,539	29,019	50.45%
	Commercial-11,079,800 gallons	39,998	60,177	20,179	50.45%
		125,707	189,127	63,420	

Line No.

1	<u>Adjustment #1-Labor:</u>	
2	2008 Budgeted Labor	36,123
3	Less: Test year labor	(30,082)
4	Adjustment	<u>6,041</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	11,266
12	Less: Test year benefits	(8,023)
13	Adjustment	<u>3,243</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	7,521
20	Less: Test Year Power	(7,358)
21	Adjustment Needed	<u>163</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	14,550
31	Less: Test Year Transportation	(13,414)
32	Adjustment Needed	<u>1,136</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	25,856
3	Test year depreciation expense	(20,131)
4	Adjustment	5,725
5		
6	CIAC Amortization as calculated	(9,212)
7	Test year CIAC amortization	-
8	Adjustment	(9,212)
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	629
15	Adjustment for Rate Increase (Test Year times rate increase percentage)	312
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	4,783
22	Less: Test Year Other Taxes	(3,382)
23	Adjustment	1,401
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	127,669
	Revenue per test year	(130,359)
	Adjustment needed	(2,690)
	To adjust test year revenue to Last Allowed.	

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CU-Maplewood-Water
Income Taxes

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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	127,669			191,000		
2							
3	O&M Expenses	124,259			124,259		
4	Book Depreciation	25,856			25,856		
5	Taxes, Other	4,783			4,783		
6	Interest	9,861			9,861		
7	Tax depreciation greater than book						
8	Subtotal	164,759			164,759		
9	State taxable income	(37,090)			26,240		
10							
11	State income tax at 6.25%	(2,318)	(2,318)		1,640	1,640	
12							
13							
14							
15	Federal taxable income	(34,772)			24,600		
16							
17	FIT at 35%			(12,170)			8,610
18							
19							
20	Net Expense			(14,488)			10,250
21							
22							
23							
24							
25	<u>Interest Expense Calculation:</u>						
26	Test Year Rate Base	359,544			359,544		
27							
28	Times: Weighted cost of debt	<u>2.74%</u>			<u>2.74%</u>		
29		<u>9,861</u>			<u>9,861</u>		
30							

Line No.	Acct No	Account Description	Total 9/30/07	Additions	Proforma	Dep'n Rate	Depreciation Expense
1							
2		<u>Intangible Plant</u>					
3	301	Organization	3,517		3,517		
4	302	Franchise and Consents	4,112		4,112		
5	303	Miscellaneous Intangible Plant					
6							
7		<u>Source of Supply Plant</u>					
8	310	Land and Land Rights					
9	311	Structures and Improvements	268	4,500	4,768	2.5%	119
10	312	Collecting and Impounding Reservoirs					
11	313	Lake, River, and Other Intakes					
12	314	Wells and Springs	30,216	3,500	33,716	2.0%	674
13	315	Infiltration Galleries and Tunnels					
14	316	Supply Mains	126		126	2.0%	3
15	317	Other Water Source Plant					
16							
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	40,143		40,143	10.0%	4,014
24	326	Diesel Pumping Equipment					
25	327	Hydraulic Pumping Equipment					
26	328	Other Pumping Equipment				4.0%	
27							
28		<u>Water Treatment Plant</u>					
29	330	Land and Land Rights					
30	331	Structures and Improvements	1,826		1,826	2.5%	46
31	332	Water Treatment Equipment	10,891		10,891	2.9%	316
32							
33		<u>Transmission and Distribution Plant</u>					
34	340	Land and Land Rights	4,222		4,222		
35	341	Structures and Improvements	3,130		3,130	2.5%	78
36	342	Distribution Reservoirs and Standpipes	151,598		151,598	2.5%	3,790
37	343	Transmission and Distribution Mains	263,677		263,677	2.0%	5,274
38	344	Fire Mains					
39	345	Services	14,845		14,845	2.5%	371
40	346	Meters	38,435	10,800	49,235	10.0%	4,924
41	348	Hydrants	6,421	2,500	8,921	2.0%	178
42	349	Other Transmission and Distribution Pl					
43							
44		<u>General Plant</u>					
45	389	Land and Land Rights	1,025		1,025		
46	390	Structures and Improvements	97,110		97,110	2.5%	2,428
47	391	Office Furniture and Equipment				5.0%	
48	392	Transportation Equipment	7,010		7,010	13.0%	911
49	393	Stores Equipment				4.0%	
50	394	Tools, Shop and Garage Equipment	3,312		3,312	5.0%	166
51	395	Laboratory Equipment	8,422		8,422	5.0%	421
52	396	Power-operated Equipment				6.7%	
53	397	Communication Equipment				6.7%	
54	398	Miscellaneous Equipment	3,089	8,000	11,089	5.0%	554
55	399	Other Tangible Property				2.0%	
56		Total Water Utility Plant In Service	693,395	29,300	722,695		24,267
		<u>Allocation from Administration</u>					
390		Structures and Improvements	3,043	11.85%	361	5.0%	18
391		Office Equipment	265,168	11.85%	31,422	5.0%	1,571
			268,211		31,783		1,589
		Contributions in Aid of Construction	(274,347)		(274,347)		(9,212)
		Accumulated amortization	54,487		54,487		
		Net CIAC	(219,860)		(219,860)		

Aqua Missouri
 CU-Maplewood and Carmel City
 Depreciation Reserve-Water

Schedule MAP-W-8
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Maplewood
Actual
9/30/07

<u>Line No.</u>	<u>Acct No</u>	<u>Account Description</u>	
2		<u>Intangible Plant</u>	
3	301	Organization	-
4	302	Franchise and Consents	
5	303	Miscellaneous Intangible Plant	
6			
7		<u>Source of Supply Plant</u>	
8	310	Land and Land Rights	
9	311	Structures and Improvements	(45)
10	312	Collecting and Impounding Reservoirs	
11	313	Lake, River, and Other Intakes	
12	314	Wells and Springs	(6,327)
13	315	Infiltration Galleries and Tunnels	
14	316	Supply Mains	(35)
15	317	Other Water Source Plant	
16			
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	(37,110)
24	326	Diesel Pumping Equipment	
25	327	Hydraulic Pumping Equipment	
26	328	Other Pumping Equipment	
27			
28		<u>Water Treatment Plant</u>	
29	330	Land and Land Rights	
30	331	Structures and Improvements	(559)
31	332	Water Treatment Equipment	(1,409)
32			
33		<u>Transmission and Distribution Plant</u>	
34	340	Land and Land Rights	
35	341	Structures and Improvements	(739)
36	342	Distribution Reservoirs and Standpipes	(41,637)
37	343	Transmission and Distribution Mains	(38,905)
38	344	Fire Mains	
39	345	Services	(6,366)
40	346	Meters	(18,216)
41	348	Hydrants	(2,427)
42	349	Other Transmission and Distribution Plant	
43			
44		<u>General Plant</u>	
45	389	Land and Land Rights	
46	390	Structures and Improvements	(4,116)
47	391	Office Furniture and Equipment	
48	392	Transportation Equipment	(6,151)
49	393	Stores Equipment	
50	394	Tools, Shop and Garage Equipment	(639)
51	395	Laboratory Equipment	(828)
52	396	Power-operated Equipment	
53	397	Communication Equipment	(517)
54	398	Miscellaneous Equipment	
55	399	Other Tangible Property	-
56		Total Water Utility Plant In Service	<u>(166,026)</u>

Aqua Missouri
Weighted Cost of Capital
September 30, 2007

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<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>
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					