EXHIBIT

Exhibit No.:
Issue(s): St. Joseph Retired Treatment Plant/ Accumulated Funds Used During Construction/ Security AAO/Acquisition Adjustment
Witness: Kimberly K. Bolin
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: Public Counsel
Case Number: WR-2003-0500

REBUTTAL TESTIMONY

OF

KIMBERLY K. BOLIN

FILED

JAN 2 3 2004

Missouri Public Service Commission

Submitted on Behalf of
The Office of the Public Counsel

MISSOURI-AMERICAN WATER COMPANY

Case No. WR-2003-0500

November 10, 2003

Exhibit No. 52
Case No(s). WR-2003-0500
Date 12/16/03 Rptr SLKM

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri-American Water Company for Authority to File Tariffs Reflecting Increased Rates for Water and Sewer Service.	))))	Case No. WR-2003-0500

AFFIDAVIT OF KIMBERLY K. BOLIN

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Kimberly K. Bolin, of lawful age and being first duly sworn, deposes and states:

1. My name is Kimberly K. Bolin. I am a Public Utility Accountant for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony consisting of pages 1 through 14 and Schedule KKB-10.

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

____
Kimberly K. Bolin
Public Utility Accountant I

Subscribed and sworn to me this 10th day of November 2003.

____
Kathleen Harrison
Notary Public

My commission expires January 31, 2006.

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REBUTTAL TESTIMONY

OF

KIMBERLY K. BOLIN

MISSOURI-AMERICAN WATER COMPANY

CASE NO. WR-2003-0500

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. Kimberly K. Bolin, P.O. Box 7800, Jefferson City, Missouri 65102.

Q. ARE YOU THE SAME KIMBERLY K. BOLIN WHO FILED DIRECT TESTIMONY IN THIS CASE?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my rebuttal testimony is to respond to Company direct testimony on the following issues: St. Joseph Retired Treatment Plant, Accumulated Funds Used During Construction, Security AAO, and Acquisition Adjustment.

ST. JOSEPH RETIRED TREATMENT PLANT

Q. DOES THE OFFICE OF THE PUBLIC COUNSEL AGREE WITH COMPANY'S ADJUSTMENT TO AMORTIZE THE NET ORIGINAL COST OF THE OLD PLANT ($2,832,906) PLUS THE COST OF REMOVAL ($344,955) OVER 20 YEARS?

A. No. Company's amortization of the old St. Joseph water treatment plant should not be included in the Company's cost of service because the plant is not owned by the Company and is not used and useful in providing water service to current and future ratepayers.

Q. PLEASE EXPLAIN WHY THE "USED AND USEFUL' PRINCIPLE IS AN APPROPRIATE CRITERION FOR DETERMINING WHETHER THE RATEPAYERS SHOULD PAY FOR THIS AMORTIZATION.

A. The ratepayer should not be required to pay a return on or a return of the cost of plant that is not being used in the provision of service to current ratepayers. The ratepayer is not receiving any benefit or service from what used to be a water treatment plant. In fact, the ratepayers are being served by another water treatment plant whose cost is built into the cost of service. To require the current ratepayers to pay for an abandoned water treatment plant and violates the used and useful standard for inclusion in rate base. This standard holds that property must be used in the current provision of service to customers in order to be included in rate base. Recovery of related plant that is not used and useful results in cost recovery of excess the original cost of the property currently providing service.

Q. PLEASE DEFINE THE MATCHING PRINCIPLE.

A. The matching principle is an accounting/regulatory concept, that compares the level of revenue received from the sale of goods or services with the expenses incurred and investment necessary to provide that level of goods or service during a specific period. This concept is reflected in the revenue requirement formula (revenue required = expenses +return on rate base).

Q. WOULD COMPANY'S INCLUSION OF THE OLD ST. JOSEPH WATER TREATMENT PLANT DISTORT THE MATCHING OR RATE BASE, REVENUE, AND EXPENSES FOR THE TEST PERIOD AND TRUE-UP?

A. Yes. The purpose of establishing a test period in rate case proceedings is to provide the most appropriate and consistent relationship between the rate base, revenue and expenses that will give the Company an opportunity to earn a fair and reasonable return. The old water treatment plant is not used and useful and **not even owned by the Company**, thus, it is not serving customers and thus not producing revenue. Therefore, if the old water treatment plant is included in rates as an expense a mismatch in the revenue requirement formula will occur.

Q. ON PAGE 19 OF MISSOURI-AMERICAN'S WITNESS EDWARD GRUBB'S DIRECT TESTIMONY HE CITES THE COLE COUNTY CIRCUIT COURT CASE NO OOCV325014. HAS THE COMMISSION ISSUED A DECISION CONCERNING THE OLD ST. JOSEPH WATER TREATMENT PLANT?

A. No. The Commission has not issued a report and order on the remanded issues of the old St. Joseph water treatment plant.

Q. WHAT HAS CHANGED SINCE THE COLE COUNTY CIRCUIT COURT CASE JUDGMENT WAS ISSUED?

A. The Company sold the water treatment plant to Riverine Park, LLC on July 1, 2002 for $115,000.

Q. ARE GAINS AND LOSSES ON THE SALE OF UTILITY PROPERTY SHARED WITH RATEPAYERS?

A. No. Based on past Commission practice, utilities expect that any gain on a sale of an asset, (i.e., any sale of an asset in excess of its net book value) will occur to the shareholders and not to the ratepayers. To my knowledge no Missouri utilities have come forward proposing to share gains from the sale of assets with ratepayers. It is inconsistent to expect ratepayers to pay for losses on sale of property or assets while shareholders reap the benefits of any gains when a company disposes of utility property.

Q. SHOULD RATEPAYERS BE HELD RESPONSIBLE FOR COSTS ASSOCIATED WITH ASSETS THAT ARE NO LONGER IN SERVICE OR OWNED BY THE COMPANY?

A. No. Current ratepayers should not be held responsible for costs that do not increase service capabilities or provide cost benefits. The Company is asking the Commission to have the customer pay for plant that does not provide current utility service. I believe this is inconsistent with normal practice of this Commission, and it is unreasonable to force a consumer to pay for something they are not using. Missouri-American is entitled to the opportunity to earn a fair rate or return only upon monies prudently invested in property that is currently used and useful in rendering service.

The purpose of the regulatory ratemaking process is to identify a reasonable monetary return that the monopoly enterprise has the opportunity to earn. In essence, regulation attempts to mimic the conditions of a competitive market. Regulation does not guarantee any specific level of earnings, nor does it force a company to return any overearnings retroactively, in the event overearnings occur. Even if the former St. Joseph plant was used and useful property prior to its retirement and subsequent disposal, current ratepayers should not be held captive to its recovery. In simplistic terms, the ratepayers part of the regulatory bargain is to provide the company with a level of revenues that allow it to earn the Commission approved rate of return on current used and useful investment, along with the costs of operating and maintaining that investment, and no more. Ratepayers do not assume, willing or implied, any risk assumed by the stockholders.

ACCUMULATED FUNDS USED DURING CONSTRUCTION

Q. WHAT RATE DID THE COMMISSION ORDER THE COMPANY TO USE FOR AFUDC IN CASE NO. WR-2000-281, MISSOURI-AMERICAN WATER COMPANY'S LAST RATE CASE?

A. The Commission stated in the Report and Order for Case No. WR-2000-281 on pages 47 and 48:

> Allowance for Funds Used During Construction (AFUDC) is the carrying cost that a utility is allowed to capitalize and recover as part of the cost of a construction project. In the absence of specific Commission authorization to the contrary, capitalization of AFUDC ceases when the construction ends and the new facility becomes used and useful. The AFUDC at issue here is pre-in-service AFUDC relating to the new St. Joseph pant.
>
> MAWC has proposed capitalizing AFUDC at the rate of return on rate base authorized in its most recent rate case. MAWC contends that this is consistent with the approach taken by the Company in past rate cases. Staff, on the other hand, contends that applying the previous rate case's rate of return to the monthly balances of Construction Work in Progress (CWIP) overstates the amount of AFUDC.
>
> Staff proposed that AFUDC should be capitalized at a modified rate, reflecting the carrying charges on the outstanding amount of short-term debt available to the Company. Staff proposes that the rate for the construction balance in excess of the amount of short-term debt should then be based on the composite rate of the other sources of financing available to the Company during the construction period.
>
> MAWC responds that, if the proposed capitalization rate is adopted by the Commission, the Company would be required to record this adjustment in the month of September 2000, resulting in an immediate write-off of $1,257,930. MAWC argues that, if the Commission decides the AFUDC rate should change, it should do so only on a going forward basis.
>
> The Commission agrees that the actual carrying costs of MAWC's $35 million in short-term debt should be reflected in rates. The use of the actual cost of any item is preferred, where known. The amount of $1,289,674 shall be deducted from rate base to reflect this change in the capitalization rate of AFUDC.

Q. IN CASE NO. WO-2002-273 DID THE COMPANY STATE IN A DATA REQUEST THAT IT WOULD USE THE AFUDC RATE ORDER IN CASE NO. WR-2000-281?

A. Yes. In Missouri Public Service Commission Staff data request number 1005, Company stated it would use the method for calculating AFUDC that was a result of MAWC' 1999 rate case (WR-2000-281). See attached Schedule KKB -10. Case No. WR-2000-281 was filed in 1999.

Q. WHAT AFUDC RATE DID THE COMPANY USE?

A. The Company used a the weighted cost of capital on a monthly basis for the AFUDC rate which results in a higher amount of AFUDC being applied to the plant in rate base.

<u>SECURITY AAO</u>

Q. DOES PUBLIC COUNSEL AGREE WITH THE COMPANY'S INCLUSION OF LEGAL EXPENSES IN THE SECURITY AAO?

A. No. Public Counsel does not believe legal expenses incurred to obtain the security AAO are valid expenses incurred to enhance the Company's securing of plant and facilities.

Q. WHAT OTHER TYPE OF COSTS HAVE THE COMPANY INCLUDED IN ITS AAO FOR SECURITY?

A. The Company has included costs for armed security, additional water quality testing, inactive inspections and service company costs. The Company has also included deferred depreciation and carrying costs (AFUDC) associated with various capital expenditures to improve security of plants and other facilities owned by the Company.

Q. WILL THE CAPITAL EXPENDITURES ASSOCIATED WITH THE SECURITY AAO BE INCLUDED IN THE COST OF SERVICE IN THIS CASE?

A. Yes, if the expenditure is a prudently incurred and used and useful capital expenditure.

Q. WILL ANY OF THE EXPENSES THAT ARE STILL ON-GOING EXPENSES RELATED TO THE SECURITY AAO BE INCLUDED IN THE COMPANY'S COST OF SERVICE IN THIS CASE?

A. Yes. Any prudent expenses that are on-going costs that will be incurred in the future will be included in the Company's cost of service as an expense.

Q. WHAT IS THE PRACTICAL EFFECT OF AN AAO WITH RESPECT TO HOW A COMPANY REPORTS ITS EARNINGS?

A. An AAO allows the Company to "manage" its reported earnings by ignoring costs incurred (to produce revenue) in a specific period that would have an impact on earnings (always negative). These costs are then included in the determination of earnings for several subsequent periods in the future and thus minimize the negative impact on reported earnings in any one-year.

Q. DO EVENTS WHICH RESULT IN EXPENSE CHANGES RELATED TO AN AMORTIZATION OF AN AAO OCCUR IN A VACUUM WITH RESPECT TO OTHER POSSIBLE CHANGES IN THE OPERATION OF THE UTILITY?

A. No. The overall cost of service is made up of many factors. Isolating or focusing on only one component, such as an AAO amortization, fails to look at all relevant factors in determining the overall cost of service. Other factors may have changed that have a corresponding decrease or increase on the overall cost of service. Unless all factors are analyzed, it is not normally appropriate to single out one specific event.

Q. FROM A REGULATORY ACCOUNTING PERSPECTIVE, WHAT OCCURS WHEN AN EXPENSE IS DEFERRED PURSUANT TO AN ACCOUNTING AUTHORITY ORDER?

A. From a regulatory accounting perspective, when a cost has been deferred it is not recognized on the income statement as an expense in the current period. The expenditures are recorded on the balance sheet in a section called Deferred Debits, pending the final disposition of the costs at some future point, usually in a rate case. These deferred debit accounts act simply as a temporary holding accounts until the appropriate accounting ratemaking treatment can be determined.

Q. IS THE DEFERRAL OF A COST FROM ONE ACCOUNTING PERIOD TO ANOTHER ACCOUNTING PERIOD FOR THE DEVELOPMENT OF A REVENUE REQUIREMENT CONSISTENT WITH TRADITIONAL RATEMAKING PRACTICES?

A. No. Generally, the deferral of costs from one accounting period to another accounting period for the development of a revenue requirement violates the traditional method of setting utility rates. Rates in Missouri are usually established based upon a historical test period which focuses on four factors: (1) the rate of return the utility has an opportunity to earn; (2) the rate base upon which a return may be earned; (3) the depreciation expense related to plant and equipment; and (4) the allowable operating expenses including income and other taxes.

The relationship of the four factors is such that the expense and rate base necessary to produce the revenues are synchronized. For example, the level of expense is developed based on he expected amount of sales that is used in the determination of revenue for the test period. Similarly, the plant-in-service necessary to produce or deliver water to customers is also based on the customers' demands for the same period. This process is often referred to as the "Matching Principle" which I have previously discussed.

Deferral of expenses from one period to another (and the amortization in subsequent periods) results in costs associated with the production of revenue in one period being charged against the revenue in different unrelated periods. This violates the "matching principle" and if unfettered would allow a utility to manage its earnings in order to avoid regulatory oversight or adverse reactions from the financial community.

Q. DOES PUBLIC COUNSEL BELIEVE THE COMPANY SHOULD RECEIVE THE AMORTIZATION OF THE AAO?

A. No. Public Counsel believes the on-going costs for security measures have been included in the cost of service used in determination of in future rates resulting from this case. Also the capital expenditures made for security will be included in the Company rate base and the Company will earn a return on these investments. The Company will also start collecting depreciation expense on these capital expenditures in rates as a result of this rate case and subsequent cases. To allow the deferral of on-going costs will result in the ratepayers paying in excess of 100 percent of the annual cost of service for security measures.

Q. IF THE COMPANY RECEIVES AN AMORTIZATION OF THE AAO DO YOU BELIEVE THE COMPANY SHOULD ALSO BE ALLOWED TO INCLUDE THE UNAMORTIZED PORTION OF THE AAO COSTS IN RATE BASE?

A. No. The unamortized portion of the security AAO should not be included in the determination of the Company's rate base. The rationale for this position is based on the view that the Company is being given a guaranteed return of the deferrals associated with the security AAO (i.e., elimination of the detrimental effects of regulatory lag on the Company), therefore, it should not be also provided with a guaranteed return on those same amounts.

In addition, the carrying cost and depreciation expense associated with the Security AAO are not actual dollars of investment funded by the Company, they are merely accounting entries on the financial books. Neither the carrying cost nor the depreciation expense causes the Company to forego any actual outlay of cash. Absent a real dollar investment, rate base treatment is not appropriate.

Q. DOES PUBLIC COUNSEL BELIEVE THE DEFERRED INCOME TAXES ASSOCIATED WITH THE AMORTIZATION OF THIS DEFERRAL SHOULD BE INCLUDED AS AN OFFSET TO RATE BASE IF THE COMPANY RECEIVES AN AMORTIZATION OF THE SECURITY AAO?

A. Yes.

Q. PLEASE EXPLAIN WHY PUBLIC COUNSEL WOULD SUPPORT THE INCLUSION OF DEFERRED INCOME TAXES AS AN OFFSET TO RATE BASE WHILE SUPPORTING THE SECURITY AAO COSTS BE EXCLUDED FROM RATE BASE.

A. Deferred income taxes, after appropriate financial recording, are clearly ratepayers supplied funds and therefore properly included in the determination of rate base. Deferred income taxes remain ratepayer funds regardless of any subsequent regulatory treatment of the original investment that gave rise to deferred income taxes. A regulator's decision on whether or not an expenditure by a Company warrants ongoing rate base treatment has no relationship to the cash provided to the company by the ratepayer for deferred income taxes. The decision by the regulator to deny inclusion in rate base of the Company's expenditures cannot change the fact that ratepayers have provided monies to the Company via the regulatory process for DIT and in conformance with the Internal Revenue Service rules and regulations.

Q. PLEASE BRIEFLY DESCRIBE DEFERRED INCOME TAXES AND WHY THEY ARE TREATED AS AN OFFSET TO RATE BASE.

A. Deferred taxes are simply the result of timing differences between when a company deducts a certain expense on its tax return and when it deducts the expense on its financial statement records (books). Missouri-American's deferred tax reserve represents, in effect, a prepayment of income tax by the ratepayers. As an example, because Missouri-American is allowed to deduct depreciation expense on an accelerated basis for income tax purposes, depreciation expense deducted on its income tax return is greater than depreciation expense used for ratemaking purposes. This results in what is referred to as a book-tax timing difference and a deferral of future income taxes is created. The net credit balance in the deferred tax reserve represents a source of cost-free fund to Missouri-American. Therefore, the rate base is reduced by the deferred taxes to avoid having ratepayers pay a return on funds that are cost free to the Company. While depreciation expense is the most significant book-tax timing difference in the deferred tax reserve, all book-tax timing differences created through the ratemaking process should be included in rate base.

Q. DID THE COMMISSION RULE IN A PREVIOUS MISSOURI GAS ENERGY CASE THAT ACCUMULATED DEFERRED INCOME TAXES RELATED TO AN AAO BE INCLUDED AS AN OFFSET TO MISSOURI GAS ENERGY'S RATE BASE?

A. Yes. In Case No. GR-98-140, the Commission state in its Report and Order on Rehearing:

> MGE is involved in an accelerated program to replace customer service lines as ordered by the Commission. While implementing the SLRP, MGE has been granted a series of accounting authority orders that permit MGE to accumulate expenditures that would normally be expense in the period in which they were incurred. These items are depreciation expense, property tax expense, and carrying costs associated with the installed SLRP plant after the actual SLRP plant was placed in service, but prior to these related expenses being directly reflected in rates.

In Case No. GR-96-285, the Commission permitted MGE to include these expensed deferrals in rate base as well as to amortize the deferrals over a 20-year period. By including the expense deferrals in rate base, MGE earned a return on the unamortized deferred amounts. In the present case, the Commission excluded those deferrals from rate base, but accelerated MGE's total recovery of the costs from 20 to ten years.

MGE argues that since the shareholders are financing the investment that gave rise to deferred income taxes, the benefit of those deferred income taxes should flow to the shareholders (in other words, the deferred income taxes should not be an offset to rate base). The Commission was not persuaded by MGE's arguments or the testimony of its witnesses and determines that the use of the SLRP accumulated deferred income taxes, as an offset to rate base, is appropriate as explained below.

Deferred income taxes, including MGE's accumulated deferred income taxes for SLRP deferrals, result from the timing difference between a company currently deducts an expense on its income tax return and when it later deducts the expense on its financial statement records. This is also known as a book-tax timing difference. MGE's accumulated deferred income taxes for SLRP deferrals are created by a book-tax timing difference.

The purpose of including an offset to rate base for accumulated deferred income taxes is to recognize that ratepayers have provided money through rates for the payment of taxes that the utility has deferred paying until a later period. The utility may use the ratepayers' money until the payment of the deferred income taxes is made.

MGE's witness, June Dively, testified to the fact that MGE was "enjoying" the benefits of those deferred taxes. Therefore, MGE's deferred income tax reserve represents a prepayment of income taxes by the ratepayers from which MGE "enjoys" a financial benefit.

MGE's witness Dively further admitted that MGE's taxes would not be affected by whether or not the item was included or excluded from rate base. Because it is the book-tax timing difference which give rise to the benefit that MGE receives, and the SLRP deferrals that have been excluded from rate base, the Commission finds that the SLRP accumulated deferred income taxes are not related to the actual SLRP expense deferrals for purposes of inclusion in rate base. Therefore, the SLRP accumulated deferred income taxes should continue to be included as an offset to MGE's rate base.

ACQUISITION ADJUSTMENT

Q. ON PAGE 11 OF COMPANY WITNESS EDWARD GRUBB'S DIRECT TESTIMONY HE STATES THAT AN ACQUISITION ADJUSTMENT IS NOT ALWAYS POSITIVE THAT IT CAN BE NEGATIVE. HAS THE COMMISSION DENIED AN NEGATIVE ACQUISITION ADJUSTMENT?

A. Yes. In the U.S. Water/Lexington, Missouri general rate case, Case No. WR-88-255, the Commission denied a negative adjustment that was proposed by a party other than the Company.

Q. ON PAGE 13 OF THE SAME DIRECT TESTIMONY, MR. GRUBB STATES THAT THE EXISTING CUSTOMERS OF MAWC HAVE BENEFITED FROM THE ACQUISITIONS OF UNITED WATER MISSOURI (JEFFERSON CITY)AND THE MUNICIPAL SYSTEMS OF VALLEY PARK, WEBSTER GROVES AND FLORISSANT. HAS THE COMPANY ALSO BENEFITED FROM THESE ACQUISITIONS?

A. Yes. The Company has received more revenue.

Q. WERE THESE ADDITIONAL REVENUES CONSIDERED WHEN THE CURRENT RATES WERE DEVELOPED FOR MAWC IN ITS LAST RATE CASE?

A. No.

Q. IS PUBLIC COUNSEL OPPOSED TO THE RECOVERY OF THE ACQUISITION PREMIUM IN RATES?

A. Yes. Allowing recovery of acquisition adjustments in rates will not provide sufficient incentive for the acquiring utility to negotiate the best possible price for the acquired utility. If utilities expect the recovery of acquisition adjustments, they could negotiate less than favorable terms in acquiring a property with the knowledge that the ratepayers would provide recovery through rates. Allowing acquisition adjustments in rates sends signals to buyers of utility property that recovery is guaranteed regardless of the purchase price. If the acquisition adjustment is allowed in rates, both the purchaser and the seller of the property can benefit from inflating the rate base.

The adoption of acquisition adjustments for ratemaking purposes removes the incentive for purchasers to negotiate a lower price or terminate negotiations when a seller requests an unreasonable price for the property. A policy of giving ratemaking treatment to acquisition premiums would place Missouri regulated utilities at a competitive advantage over unregulated entities, since Missouri jurisdictional utilities then would have a "blank check" for recovery of the acquisition premium from ratepayers.

Q. WHAT IS ORIGINAL COST?

A. Original costs is the cost of the property to the person first devoting it to public service. The deduction of depreciation and CIAC from the original cost results in a net original cost recorded on the purchaser's books and records. The acquired property is thus value at the same that the seller placed on it.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes.

DR #1005

DATA INFORMATION REQUEST
MISSOURI-AMERICAN WATER COMPANY
CASE NO.W0-2002-273
STAFF DATA REQUEST NO. 1005

NP

Requested From:	Jim Jenkins
Date Requested:	01/25/02
Requested By:	Mark Oligschlaeger

Information Requested:

Do the MAWC companies propose to defer carrying charges for its security related capital costs? If so, please provide the proposed carrying charge rate to be used for this purpose, and the basis for this proposed rate.

Information Provided:

Yes. The Company proposes to use the AFUDC rate that is used to book AFUDC in its financial statements. The method used will incorporate the actual debt and equity of the Company. This method for calculating AFUDC was a result of MAWC's 1999 rate case. The rate will change each month as the capital structure changes. See attached for January, 2002 rate.

The information provided in response to the above information request is true and correct based upon present facts known.

Signature

Date Request Received 1/25/02

Date Response Sent 2 / 13 / 02

Schedule KKB-10

MAR 0 5 2002

Missouri-American Water Company
Weighted Cost of Capital
@ 12/31/01

January AFUDC rate calculation

	Rate	@ 12/31/01 Principal Amount	@ 12/31/01 Unamortized Debt Expense	Net Proceeds	Annual Cost	Annual Amortization	total cost	Overall Rate	Ratio	Weighted Cost
Long term debt										
Missouri-American										
BD170012 - due 2005	9.0100%	5,700,000	10,698	5,689,302	513,570	3,468	517,038			
due 2021	7.1250%		0	0	0	0	0			
BD170008 - due 2023	5.5000%	4,890,000	272,594	4,617,406	268,950	12,981	281,931			
BD170006 - due 2025	8.5800%	3,000,000	60,109	2,939,891	257,400	2,595	259,995			
BD170010 - due 2026	5.8500%	6,000,000	365,780	5,634,220	351,000	14,930	365,930			
BD170005 - due 2027	7.7900%	8,000,000	96,571	7,903,429	623,200	3,799	626,999			
BD170009 - due 2028	5.0000%	4,500,000	308,584	4,191,416	225,000	11,832	236,832			
BD170009 & 11 -due 2028	5.0000%	19,000,000	1,126,720	17,873,280	950,000	41,980	991,980			
BD170007 - due 2034	7.1400%	12,500,000	269,311	12,230,689	892,500	8,371	900,871			
due 2002	10.0000%	0	0	0	0	0	0			
BD170013 - due 2030	5.9000%	29,000,000	1,391,992	27,608,008	1,711,000	49,274	1,760,274			
Current portion										
due 2001	10.0000%	0	0	0	0	0	0			
St. Louis										
			72,906	(72,906)	0	12,322	12,322			
			185,817	(185,817)	0	30,756	30,756			
BD350005	10.0500%	3,851,400	38,697	3,812,703	387,066	5,595	392,661			
BD350006	9.4900%	11,000,000	75,305	10,924,695	1,043,900	2,697	1,046,597			
BD350007			1,263,707	(1,263,707)	0	66,221	66,221			
BD350008			1,307,033	(1,307,033)	0	65,079	65,079			
BD350009 - due 2023	5.5000%	14,910,000	546,071	14,363,929	820,050	26,004	846,054			
BD350013 - due 2028	5.1000%	25,000,000	882,432	24,117,568	1,275,000	33,831	1,308,831			
BD350014 - due 2029	5.0000%	40,000,000	1,490,542	38,509,458	2,000,000	55,032	2,055,032			
BD350011 - due 2026	5.5000%	19,900,000	785,889	19,114,111	1,094,500	31,752	1,126,252			
BD350012 - due 2007	7.5000%	15,000,000	76,197	14,923,803	1,125,000	14,514	1,139,514			
BD350010 - due 2025	5.7000%	11,895,000	460,461	11,434,539	678,015	19,733	697,748			
Weighted cost of long term debt		234,146,400	11,087,416	223,058,984	14,216,151	512,766	14,728,917	6.6031%	49.93%	3.296801%
Preferred stock										
PS170003	5.8750%	204,000	2,996	201,004	11,985	0	11,985			
	4.2500%	0	0	0	0	0	0			
PS170001	9.1800%	2,500,000	37,660	2,462,340	229,500	0	229,500			
Weighted cost of preferred stock		2,704,000	40,656	2,663,344	241,485	0	241,485	9.0670%	0.60%	0.054053%
Common equity	10.4700%	196,286,948	0	196,286,948	20,551,243	0	20,551,243	10.4700%	43.94%	4.600057%
Bank debt	2.8928%	24,751,337	0	24,751,337	716,017	0	716,017	2.8928%	5.54%	0.160266%
Total		457,888,685	11,128,072	446,760,613	35,724,896	512,766	36,237,662		100.00%	8.111177%

** investment in united @ 8/31 is $10,149,773
Note: Combine LT and ST in JDE STAR Report

		Monthly Rate	1/2 Month Rate	Rates in STAR Reports Full Month	1/2 Month
Equity Rate AFUDC	4.654110%	0.387843%	0.193922%	0.193920%	0.096960%
LT Debt Rate AFUDC	3.296801%	0.274733%	0.137367%	0.137370%	0.068680%
ST Debt Rate AFUDC	0.160266%	0.013356%	0.006678%	0.006680%	0.003340%
Total AFUDC	8.111177%	0.675932%	0.337967%	0.337970%	0.168980%

NP