

COST OF CAPITAL FOR VEOLIA ENERGY KANSAS CITY, INC.

Capital Component	Proportion	Cost	Weighted Cost
Common Equity	49.341%	8.30%	4.10%
Long-Term Debt	38.587%	5.93%	2.29%
Short-term Debt	12.072%	0.19%	0.02%

Overall Cost of Capital **6.41%**