

Exhibit No.:
Issues: Rate Base Adjustments, Cash Working
Capital, Materials and Supplies,
Advertising, Dues and Donations, Main
Break Expenses, Promotional Items,
Property Taxes, PSC Assessment,
Regulatory Asset Expense, Telephone
Expense
Witness: Regina C. Tierney
Exhibit Type: Rebuttal
Sponsoring Party: Missouri-American Water Company
Case No.: WR-2010-0131
SR-2010-0135
Date: April 15, 2010

MISSOURI PUBLIC SERVICE COMMISSION

**CASE NO. WR-2010-0131
CASE NO. SR-2010-0135**

REBUTTAL TESTIMONY

OF

REGINA C. TIERNEY

ON BEHALF OF

MISSOURI-AMERICAN WATER COMPANY

**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-2010-0131 CASE NO. SR-2010-0135
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AFFIDAVIT OF REGINA C. TIERNEY

Regina C. Tierney, being first duly sworn, deposes and says that she is the witness who sponsors the accompanying testimony entitled "Rebuttal Testimony of Regina C. Tierney"; that said testimony and schedules were prepared by her and/or under her direction and supervision; that if inquires were made as to the facts in said testimony and schedules, she would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of her knowledge.


Regina C. Tierney

State of Missouri
County of St. Louis
SUBSCRIBED and sworn to
Before me this 14th day of Apr. 2010.



Notary Public

My commission expires:



**REBUTTAL TESTIMONY
REGINA C. TIERNEY
MISSOURI-AMERICAN WATER COMPANY
CASE NO. WR.2010.0131
SR.2010.0135**

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REBUTTAL TESTIMONY

REGINA C. TIERNEY

WITNESS INTRODUCTION AND PURPOSE

10 **Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.**

11 A. Regina C. Tierney, Financial Analyst II for American Water, 727 Craig Road,
12 St. Louis, Missouri 63141.

13
14 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS**
15 **PROCEEDING?**

16 A. Yes, I submitted direct testimony in this proceeding on behalf of Missouri-
17 American Water Company (MAWC or Company).

18
19 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

20 A. The purpose of my rebuttal testimony is to respond on behalf of MAWC to
21 the Staff Report regarding the following issues:

- 22 1) Rate Base Adjustments;
- 23 2) Advertising;
- 24 3) Dues and Donations;
- 25 4) Main Break Expense;
- 26 5) Promotional Items;
- 27 6) Property Tax;
- 28 7) PSC Assessment ;
- 29 8) Regulatory Asset Expense; and,

1 9) Telephone.

2
3 **(1) RATE BASE ADJUSTMENTS**
4

5 **Q. DOES MAWC AGREE WITH THE RATE BASE COMPUTED BY THE**
6 **STAFF IN ITS REPORT?**

7 A. No. The Company has several issues with the method Staff used to compute
8 Rate Base.

9
10 **Q. WITH WHAT ITEMS IS MAWC CONCERNED?**

11 A. MAWC has issues concerning Cash Working Capital and Materials and Supplies.
12 In addition to the substantive disagreements, Staff and MAWC's Rate Base
13 calculation have some inconsistency.

14
15 **Q. WHAT DO YOU BELIEVE HAS CAUSED THIS INCONSISTENCY?**

16 A. Staff used an October 31, 2009 Rate Base with no true-up to April 30, 2010,
17 while Company used a June 30, 2009 Rate Base with a true-up to April 30, 2010.
18 I believe this added some difficulty in reconciling the Rate Base of Staff to the
19 Rate Base of Company. The explanations below attempt to reconcile the Staff
20 Rate Base at October 31 to Company Rate base at June 30, 2009 with an April
21 30, 2010 true-up.

22
23 **CASH WORKING CAPITAL**

24
25 **Q. WHAT IS THE FUNCTION OF CASH WORKING CAPITAL?**

1 A. Cash working capital is included in a utility's rate base to help compensate
2 investors for the lag between the time utility service is rendered to the
3 customer and the time it takes to collect revenues from the customer to pay
4 for the service. Investors are required to provide "upfront" capital to fund the
5 daily operations of the business before customers pay their bills. The cash
6 working capital calculation can also properly reflect the impact of the delay in
7 receiving revenues from customers on paying the incurred expenses. The
8 timing difference between incurring expenses and the receipt of the revenue
9 will result in either a net (lead) or lag. This net (lead) or lag is multiplied by
10 the average daily expense resulting in the net cash working capital
11 requirement of the Company.

12
13 **Q. HOW WAS THE LEVEL OF WORKING CAPITAL DETERMINED?**

14 A. The determination of the amount of working capital for a specific item in the study
15 is calculated by multiplying the daily expense requirement by the difference
16 between the revenue lag and the expense lag for the category.

17
18 **Q. PLEASE DISCUSS THE ISSUE REGARDING THE SERVICE COMPANY
19 LEAD/LAG EXPENSE ITEM.**

20 A. The Staff and MAWC have taken different approaches to the appropriate lag for
21 Service Company expenses in the Lead/Lag Study. Both Company and Staff
22 used a Lead/Lag Study approach in determining the level of working capital to be
23 reflected in rate base.

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Q. DO THE COMPANY AND STAFF RESULTS DIFFER?

A. Yes. There is a discrepancy in the expense lag calculation for Tax Withholding, Service Company fees and Cash Vouchers. In addition, the Company does not agree with the approach to reduce the Revenue Lag in each district. There are also discrepancies in the FICA tax & Unemployment tax expense lags.

Q. DOES COMPANY DISAGREE WITH THE REVENUE LAG CALCULATED IN EACH DISTRICT BY STAFF?

A. Yes. The Company believes that Staff is unfairly penalizing MAWC in the calculation of the Revenue Lag. Staff has reduced the collection days used in calculating the Revenue lag by 50% in the following districts, Brunswick, Cedar Hill, and Warrensburg. Staff did not provide a reason for the reduction other than stating if the collection days seemed high the adjustment was made. Many areas in the State of Missouri are dealing with economic hardships. Such hardships clearly impact the customer's ability to provide payment on a timely basis. However, MAWC should not be held responsible for these issues by decreasing the collection days in the calculation of the Cash Working Capital Revenue lag. It is the Company's position that the collection day lag should not be arbitrarily adjusted.

In addition, the St Louis Service lag was reduced from 40.53 to 15.21. The Company believes this adjustment is incorrect, as St Louis bills on a quarterly basis. In response to this point, Staff stated that since the Company

1 chooses to bill on a quarterly basis, the monthly lag should be used instead of
2 the quarterly lag. This adjustment alone greatly impacts the St Louis Working
3 Capital. Staff's approach is unfair to the Company, as the Company would incur
4 additional expenses if billing occurred on a monthly basis.

5 In sum, it is inappropriate to effectively hold the Company liable for the
6 lack of timely payment on the part its customers. MAWC is making every effort
7 to collect on accounts in a timely manner, but due to economic conditions beyond
8 its control, the Company finds it extremely difficult to shorten the time between
9 billing and collection. Already, many customers complain about the short time
10 frame between receipt of the bill and the due date; further efforts to shorten this
11 period will only work to the disadvantage of the customers.

12
13 **Q. PLEASE DESCRIBE THE DISCREPANCY IN EXPENSE LAG FOR TAX**
14 **WITHHOLDING.**

15 A. The tax withholding lag represents the amount of time between collection of
16 payroll and taxes and submission to the various tax agencies. The Company has
17 used 15.50 Expense lag days and Staff has used 12.00 days. The Company
18 explained in its original filing that the 15.50 Expense lag days is appropriate
19 because the employee is paid about ten days after the end of the service period.
20 The average service period of the pay cycle is 5.5, or one half of the 11 day
21 service period. Adding the average of the service period, 5.5 days, to the 10
22 days between service period end date and payment date results in a lag of 15.5
23 days. The Company believes this is an appropriate lag for the tax withholding

1 and should be used instead of the 12.0 calculated by staff. Please see Schedule
2 RCT – 1 to see the Cash Working Capital lag calculation for tax withholding.

3
4 **Q. WHAT SERVICE COMPANY FEE LAG DOES STAFF USE?**

5 A. The Staff's lag is a positive 23.99 days. This indicates that Staff believes that
6 MAWC receives Service Company services before it is required to pay for those
7 services.

8
9 **Q. WHAT LAG DID MAWC USE FOR SERVICE COMPANY FEES?**

10 A. The Company's lag for Service Company fees is a negative 10.98.

11
12 **Q. WHY DOES MAWC BELIEVE THAT THE APPROPRIATE SERVICE
13 COMPANY FEE LAG IS A NEGATIVE 10.98 DAYS?**

14 A. MAWC is billed in advance for services to be provided by the Service Company.
15 Such arrangement allows the Service Company to have the necessary funds to
16 operate and provide its services to MAWC. For example, MAWC was billed in
17 January 2009 for an estimated level of Service Company charges to be incurred
18 in the month of January 2009. In the February bill, the January estimate is trued
19 up to the actual amount of expense incurred. The Company disagrees with the
20 Staff position related to the lag for this expense item. The Company should be
21 allowed the negative 10.98 as the Service Company fees are paid in advance.

22
23 **Q. IS THERE AN EXAMPLE OF A SIMILAR PAYMENT ARRANGEMENT THAT**

1 **WILL BE FAMILIAR TO THE COMMISSION?**

2 A. Yes. The PSC Fee Assessment that is issued by the Commission represents
3 costs to be incurred by the Commission for service it will provide in the regulation
4 of utilities in the State of Missouri. The Commission gives the regulated utilities
5 the option of paying the entire yearly amount in one lump sum or of paying in
6 quarterly installments. MAWC chooses to pay through quarterly installments.
7 However, each quarterly payment is made in advance of the applicable quarter.
8 As a result, the Staff, in the calculation of its Working Capital requirements,
9 reflects a negative expense lag of 45 days for the assessment. This reflects the
10 payment of PSC Fees to the Commission in a manner that will allow the
11 Commission to have the necessary funds available to operate and provide its
12 services in the regulation of Missouri utilities. MAWC management fees are paid
13 in advance for the same reason.

14
15 **Q. PLEASE EXPLAIN WHAT OTHER DISCREPANCIES REMAIN BETWEEN**
16 **STAFF AND MAWC.**

17 A. There are also Expense Lag variances in the Employer portion of FICA,
18 Unemployment taxes and Cash Vouchers

19 Also, the Company feels some errors have been made by Staff in
20 calculating the Staff's annualized results amounts. The Company has discussed
21 the issue with Staff and believes Staff will correct the annualized results amounts
22 in the next EMS run.

23

1 **Q. WHAT IS THE ORIGIN OF THESE VARIANCES?**

2 A. It is the Company's position that separate and distinct Expense lag calculations
3 should be used for Tax Withholding, Employer Portion FICA taxes, and
4 Unemployment taxes and has submitted these calculations as part of the original
5 workpapers. In contrast, Staff used the same generic lag for Labor, Tax
6 Withholding, FICA taxes and Unemployment taxes.

7 The Cash Vouchers lag discrepancy is due to Staff using an average of all
8 of the districts Cash Vouchers expense lag. Staff's method in this regard is
9 inconsistent with the Cash Working Capital lag for all other Operating Expense
10 items. Staff calculated this lag by adding together each of the districts expense
11 lags and dividing by the number of districts. Further, such method will
12 necessarily create a variance, because all districts have equal weight in the
13 average.

14
15 **Q. WHAT IS THE DOLLAR IMPACT BY CATEGORY TO THE COMPANY'S RATE**
16 **BASE FOR CASH WORKING CAPITAL?**

17 A. The Company has calculated the negative impact relating to Revenue Lag of
18 \$8,030,681, a positive impact for Tax Withholding lag of \$72,300, a negative
19 impact for Management fees lag of \$2,533,169, a negative impact for Cash
20 Vouchers lag of \$13,077, a negative impact for FICA – Employer portion of
21 \$12,434, and a negative impact for Unemployment tax of \$3,111.

22 The Total of the impact relating only to lag day variances is \$10,520,172.
23 The negative adjustment to the Rate Base item Cash Working Capital by Staff

1 would seriously impair the Company's ability to make the timely payments. The
2 Company seeks to change the Revenue lag days and Expense lag days to more
3 closely reflect the Company's previously calculated days. Please see Rebuttal
4 Schedule RCT – 2 for a breakdown by district and category of the different
5 impact calculations.

6
7 **MATERIALS AND SUPPLIES**
8

9 **Q. WOULD YOU LIKE TO RESPOND TO THE POSITION TAKEN BY STAFF
10 REGARDING MATERIALS AND SUPPLIES IN RATE BASE?**

11 A. Yes. Staff has adjusted the Rate Base amount for Platte County Water's
12 Materials and Supplies, rather than using the 13 month average value ending
13 October 2009.

14
15 **Q. WHY DID STAFF TAKE THIS APPROACH?**

16 A. Staff states that there is a downward trend in materials and supplies, and
17 therefore used the October 2009 balance as the amount for Platte County
18 Water.

19
20 **Q. IS THIS THE APPROACH STAFF TOOK IN THE OTHER OPERATING
21 DISTRICTS?**

22 A. No. This treatment is not consistent with the treatment of the other districts.
23

1 **Q. IS IT APPROPRIATE TO TAKE THIS APPROACH AS TO PLATTE**
2 **COUNTY WATER?**

3 A. No. Even though there is a downward trend in Platte County, using only the
4 October 2009 balance does not accurately reflect the activity over the past
5 13 months, or the activity expected on a going forward basis. The usage of
6 an average reduces the impact of the fluctuation in balances. However,
7 MAWC does recognize that there is a large variance in the balances at
8 October 2008 and October 2009 that is related to a change in operations at
9 the Platte County treatment facility.

10

11 **Q. WHAT WOULD BE A REASONABLE APPROACH TO TAKE IN SETTING**
12 **AN AMOUNT FOR MATERIALS AND SUPPLIES FOR PLATTE COUNTY**
13 **WATER?**

14 A. It would be reasonable to use a 12 month average rather than the October
15 2009 balance for the Rate Base. Use of a twelve month average would
16 eliminate the use of the October 2008 balance and result in a Materials and
17 Supplies amount for Platte County Water of \$18,998, instead of the \$6,845
18 proposed by Staff.

19

20 **Q. DOES THIS CONCLUDE YOUR DISCUSSION OF RATE BASE ISSUES?**

21 A. Yes.

22

23

(2) ADVERTISING

1 **Q. WHAT IS THE ISSUE REGARDING ADVERTISING?**

2 A. Staff has disallowed recovery of the cost of several advertisements that
3 MAWC believes should be allowed.

4

5 **Q. WHAT TYPES OF ADVERTISEMENTS WERE EXCLUDED?**

6 A. Staff typically excludes any advertisement that is institutional or
7 promotional in nature, but supports recovery of advertisements that
8 provide customers general or safety information. The difficulty in
9 classifying advertisements is that they often contain elements that are
10 both informational and institutional in nature. I do not agree with all of the
11 Staff's classifications but recognize that interpretational judgment is
12 involved.

13

14 **Q. HOW WOULD YOU DESCRIBE THE ADVERTISEMENTS FOR WHICH
15 STAFF DID NOT RECOMMEND RECOVERY?**

16 A. Many of the advertisements provide information regarding customer service
17 center contact information, which would fall into the general advertisement
18 category. Staff has properly allowed advertisements in Yellow Pages
19 regarding customer service center contact information in this rate case.
20 Similar ads in community publications should also be allowed. Examples of
21 these advertisements are attached to this testimony as Schedule RCT- 3A.

22 Other types of the disallowed advertisements provide useful
23 information about protecting watersheds and water sources. Some people

1 do not realize that fertilizers, herbicides, and pollution can end up in the
2 water systems. These pollutants can dramatically impact water quality and
3 the amount of chemicals that it takes the company to treat the water to
4 provide clean and safe water.

5 Staff has also disallowed the Public Hearing announcements from the
6 Advertising costs. MAWC coded the announcements to Advertising cost in
7 error. Although the expenses are not coded to the correct account, the
8 expenses should be included because the announcements are required for
9 filing a rate case. Thus, If Staff makes an adjustment to exclude the
10 announcement cost from Advertising, a corresponding adjustment should be
11 made to include the cost in Rate Case Expense.

12
13 **Q. WHAT IS THE DIFFERENCE BETWEEN STAFF AND COMPANY ON**
14 **ADVERTISING?**

15 A. Staff's total cost of Advertising is \$18,647. If the costs related to the above
16 described advertisements are included, the revised level of Advertising cost
17 should be \$22,187, or \$3,540 greater than Staff's cost. Further explanation
18 of the costs the Company seeks to include is provided in Schedule RCT – 3.

19
20 **(3) DUES AND DONATIONS**

21 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY REGARDING DUES**
22 **AND DONATIONS?**

23 A. Staff has excluded some Company Dues and Donations from its Revenue

1 Requirement. Company believes many of the excluded Dues and
2 Donations provide a benefit to the customer.

3
4 **Q. WHAT DUES AND DONATIONS HAVE BEEN EXCLUDED BY STAFF?**

5 A. Staff has excluded donations to local charitable organizations,
6 membership dues to chambers of commerce, membership dues to rotary
7 clubs, and dues to professional organizations.

8
9 **Q. IS MEMBERSHIP IN COMMERCE ASSOCIATIONS AND**
10 **PROFESSIONAL ORGANIZATIONS COMMON FOR BUSINESSES?**

11 A. Yes. It is a customary and reasonable practice for other businesses in the
12 community to belong to the local commerce associations. These
13 associations often have local information symposiums at which business
14 members can present useful information to their customers. Other
15 organizations that MAWC is a member of have conferences where valuable
16 information is presented that can lead to more efficient and safer business
17 practices which in turn provide a benefit to the customer. For example, the
18 membership payment to the American Water Works Association was
19 excluded by the Staff. This association's members represent water
20 treatment plant operators and managers, scientists, environmentalists,
21 manufacturers and others that discuss water supply and public health issues.
22 Members can get valuable information that could be applied current water
23 treatment practices. This could mean dramatic improvements to the services

1 and quality of the water MAWC provides, which would directly benefit the
2 customer.

3
4 **Q. WHAT IS THE DIFFERENCE BETWEEN STAFF AND COMPANY AS TO**
5 **DUES AND DONATIONS?**

6 A. The adjustment difference between Staff and Company is \$344,678. The
7 Company seeks to include \$123,277 associated with Dues to local
8 chambers of commerce, rotary clubs, and various water related
9 professional organizations in its revenue requirement. A detailed listing of
10 the amounts the Company would like to include is provided in Schedule
11 RCT – 4.

12 It is my understanding that \$12,307 in Missouri State Chamber of
13 Commerce dues, including program costs of activities sponsored by the
14 State Chamber, were excluded by Staff not only because of the perception
15 that membership in chambers of commerce provide no benefit to the
16 customer, but also because of a belief that they constitute lobbying or are
17 duplicative of local chamber memberships. A number of other excluded
18 dues are not nearly as significant in scope but represent similar fees paid
19 on a local level so that MAWC personnel can actively participate in the
20 development of the local communities we serve.

21
22 **Q. IS THE STATE CHAMBER OF COMMERCE A LOBBYING**
23 **ORGANIZATION?**

1 A. The Missouri Chamber of Commerce is organized as a 501.c.6
2 organization for IRS tax reporting purposes. Some employees of the
3 Chamber are registered lobbyists and have provided testimony before the
4 legislature on various subject matters such as taxation, insurance, and
5 tools for economic growth, however the main focus is to provide
6 companies with the resources to manage their business effectively and
7 efficiently. Members have access to cutting-edge information, leadership
8 and professional development programs, and business products, services
9 and networking opportunities to help a business grow.

10

11 **Q. HOW DOES THE STATE CHAMBER DIFFER FROM LOCAL**
12 **CHAMBERS OF COMMERCE?**

13 A. The two are very different in scope and application. Local chambers are
14 oriented to local communities and therefore the efforts are not duplicative.
15 Local chambers understand the needs and resource availability on a local
16 level and work to improve local working and business conditions.
17 MAWC's participation in local chambers helps enable the Company to
18 stay in touch with and be accessible to our customers. The Missouri
19 Chamber of Commerce deals with larger scope issues and industries such
20 as Boeing, Chrysler, Monsanto, etc., and is dedicated to creating a
21 stronger environment for business growth and economic development.
22 The State Chamber of Commerce is focused on broader educational and
23 economic development issues that impact the state or region as a whole.

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Q. CAN YOU PROVIDE EXAMPLES OF THE EDUCATION AND ECONOMIC DEVELOPMENT PROGRAMS SPONSORED BY THE MISSOURI CHAMBER OF COMMERCE AND EXPLAIN HOW THEY BENEFIT CUSTOMERS?

A. The State Chamber sponsors the Educational Foundation Program, Show Me Scholars Program, Missouri METS and the Leadership Missouri Program. The Staff has proposed disallowance of the costs of all programs, such as these, that are organized or funded by the State Chamber. The educational programs mentioned help improve existing students' and leaders' productivity, lead to better public awareness, and develop employees and future leaders more capable of dealing with issues of statewide importance. Missouri METS is a coalition of state business, education and community leaders that are developing programs to boost student achievement in math, engineering, technology and science. This program was formed when various business, community and education leaders came to the Missouri governor to discuss the emerging crisis of students underperforming in math and science standardized tests. These students are part of the future workforce that may someday come to work in the water treatment facilities. It is imperative that the students of today have the skills to understand the engineering, math, and science that are necessary to operate these facilities. Leadership Missouri allows participants to take a close look at

1 topics of interest that are important to Missouri, such as regulation, health
2 care, and economic development. Having current leaders knowledgeable
3 of and exchanging ideas with top state agency personnel can only provide
4 a better understanding of the operation of our state's government and
5 serve to strengthen the recognition of problems and solutions important to
6 the state. A more educated workforce and a better understanding of
7 statewide problems strengthen the competitive position of the state and
8 results in growth which, in turn, tends to stabilize utility rates. Growth can
9 stabilize utility rates by spreading fixed costs over a larger customer base.
10 The Missouri Chamber of Commerce participates in trade missions and
11 works with state agencies to attract and retain industry within the state.
12 Success in that effort would provide manufacturers in the state, and
13 specifically within the MAWC service territory. Such economic
14 development efforts are essential to a viable, growing economy and go
15 hand in hand with financially strong utilities and adequate utility
16 infrastructure.

17
18 **(4) MAIN BREAK EXPENSE**

19 **Q. WHAT ISSUE WOULD YOU LIKE TO ADDRESS REGARDING MAIN**
20 **BREAK EXPENSE?**

21 **A.** Staff used a 36 month average for the actual cost per main break. The
22 Company believes a 24 month average for the actual cost per break should
23 be used.

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Q. WHY IS THE USE OF A 24 MONTH AVERAGE MORE APPROPRIATE?

A. The costs incurred for paving after a main break have increased significantly over the past several years. Utilizing a longer period for average costs does not account for the current higher cost that would be incurred in paving after a main break. It also should be noted that costs for paving are expected to continue to increase in the future. Our analysis of a 5 year period shows that the average cost for paving after a main break has increased by approximately \$86 per main break. Please see Schedule RCT – 5 for the average cost per main break over a 5 year period.

Q. WHAT IS THE DIFFERENCE BETWEEN STAFF AND COMPANY ON THE ISSUE RELATING TO MAIN BREAKS?

A. Staff's total cost of main breaks expense is \$2,040,309. The revised level of main break expense should be \$2,073,849, or \$33,540 greater than Staff's cost.

(5) PROMOTIONAL ITEMS

Q. WHAT ISSUE WOULD YOU LIKE TO DISCUSS REGARDING PROMOTIONAL ITEMS?

A. I would like to discuss the Staff's adjustment that limited recovery of costs for promotional items. MAWC believes certain items coded to the Promotional Items Expense should be allowed for recovery. Staff states that these "giveaways" are

1 not necessary for the provision of safe and adequate service, providing no
2 benefit to the ratepayer. However, many of the promotional items carry
3 informational messages to remind water consumers of how to conserve on water
4 usage and how the water systems are impacted by ground pollutants. More
5 efficient water usage by customers can have a direct impact on their bill. Better
6 education about the impact of ground pollutants such as fertilizers and herbicides
7 on the watersheds may convince consumers to use different methods of treating
8 their lawns. This would have a direct affect on the water quality in rivers and
9 lakes.

10
11 **Q. WHY DOES MAWC PURCHASE PROMOTIONAL ITEMS?**

12 A. MAWC purchases inexpensive promotional items as part of its community
13 outreach program. Every year, MAWC employees volunteer their time at river
14 clean-ups, watershed preservation and water-related educational events in
15 collaboration with a variety of community organizations. These community
16 events give our customers an opportunity to talk with and ask questions of a
17 broad cross-section of water company employees. Many of the promotional
18 items that we distribute are educational in nature or supportive of the
19 environmental mission of these community activities.

20
21 **Q. WHAT PROMOTIONAL ITEMS DO YOU CONSIDER TO BE EDUCATIONAL IN
22 NATURE?**

23 A. MAWC has three promotional items that are educational in nature and useful in

- 1 the provision of adequate service.
- 2 • Water conservation sponges. These simple household sponges include water
3 saving tips to help customers manage their water usage. Practical and durable,
4 customers benefit from the messages every time they use the sponges.
 - 5 • Water conservation rain gauges. Outdoor water usage during the summer
6 months is a significant factor in high summer water bills. The rain gauges include
7 water-saving messages that help customers manage their water usage. These
8 practical tools provide educational reminders for customers who want to reduce
9 their use of water.
 - 10 • Watershed protection seed packets. MAWC is dedicated to protecting our source
11 waters – Missouri’s rivers and groundwater supplies. We have produced two
12 watershed protection bill inserts to remind customers that everyone lives in a
13 watershed and some simple steps at homes and businesses can help protect our
14 water supplies. Reducing the use of fertilizers and herbicides, disposing of trash
15 and household hazardous waste properly and other simple behavioral changes
16 can, collectively, help to reduce pollution in our waterways. Because native plants
17 tend to require less fertilizer and herbicides, MAWC provides the seed packets
18 along with the watershed brochures as a way to help customers take action.

19

20 **Q. HOW DO PROMOTIONAL ITEMS HELP SUPPORT THE MISSION OF**
21 **COMMUNITY OUTREACH EVENTS?**

22 **A.** All of the items listed above speak to the environmental stewardship mission of
23 the community events that MAWC supports, largely through our employees’

1 volunteer time. The organizers of these community events are also dedicated to
2 minimizing the environmental impact of their community activities. To achieve
3 this goal, these community groups frequently ask MAWC to contribute water
4 bottles to help keep event volunteers and attendees hydrated, and reduce the
5 need for bottled water. According to the Earth Policy Institute, making bottles to
6 meet Americans' demand for bottled water requires more than 17 million barrels
7 of oil annually, enough to fuel more than 1 million U.S. cars for a year.
8 Worldwide, some 2.7 million tons of plastic are used to bottle water each year.
9 By providing water bottles that can be filled with tap water, MAWC helps these
10 groups achieve their goal of reducing the footprint of their community outreach
11 activities.

12
13 **Q. WHAT IS THE DIFFERENCE BETWEEN STAFF AND COMPANY ON THE**
14 **ISSUE REGARDING PROMOTIONAL ITEMS?**

15 A. Staff has excluded \$53,487 from the revenue requirement. The Company seeks
16 to include \$42,063 in the revenue requirement. Please see Schedule RCT – 6
17 for a detailed listing of the items disputed by MAWC.

18
19 **(6) PROPERTY TAXES**

20 **Q. TO WHAT ASPECT OF STAFF'S REPORT WOULD YOU LIKE TO**
21 **RESPOND REGARDING PROPERTY TAX EXPENSE?**

22 A. I would like to point out that the Staff and Company used different
23 approaches to calculate property tax expense. Staff used the per books utility
24 plant at December 31, 2009 for the calculation of the property tax expense,

1 while Company used the per books utility plant at June 30, 2009. The
2 Company believes that property tax should be ultimately trued-up to include
3 utility plant as of April 30, 2010. MAWC expects to place an additional
4 \$32,466,606 of plant in service after December 31, 2009. Staff's approach
5 currently makes no provision for the property taxes that will be associated
6 with this additional plant. It will not be known until the April true-up whether
7 an issue will ultimately exist. If it does the item will be discussed in the true-
8 up process.

9
10 **Q. WHAT IS THE IMPACT OF STAFF'S APPROACH ON THE REVENUE**
11 **REQUIREMENT IN THIS CASE?**

12 A. Because of its use of utility plant as of December 31, 2009, Staff currently
13 provides property taxes that are \$210,721 greater than those MAWC has
14 calculated utilizing June 30, 2009 utility plant. As of the true-up date, April
15 30, 2010, MAWC expects that it will be seeking property taxes in an amount
16 that is \$37,215 greater than the taxes currently included in Staff's Report.

17
18 **Q. WHEN WILL MAWC BEGIN TO INCUR THE PROPERTY TAXES**
19 **ASSOCIATED WITH THE PLANT THAT IS PLACED IN SERVICE DURING**
20 **2010?**

21 A. MAWC will incur the property tax expenses associated with this property on
22 its books as of January, 2011 - or within three months after the Operation of
23 Law Date.

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(7) PSC ASSESSMENT

Q. WHAT ISSUE DOES MAWC HAVE WITH THE PSC ASSESSMENT UTILIZED BY THE STAFF?

A. Staff calculated the PSC Assessment using the last actual assessment from the summer of 2009. A new assessment will be issued by the Commission in June of 2010, approximately three months before rates established in this case are expected to go into effect. MAWC's revenues for 2009 (which forms the basis for the assessment) will increase over the 2008 revenues that were used in setting MAWC's last assessment. For purposes of setting rates in this case, MAWC proposes to calculate its assessment amount using 2009 revenue, plus an adjustment for the proposed rate increase. This approach would increase the PSC Assessment expense by \$311,871, which more closely reflects the costs that will be incurred at the time rates go into effect.

(8) REGULATORY ASSET EXPENSE

Q. DOES MAWC AGREE WITH THE STAFF'S APPROACH TO REGULATORY ASSET AMORTIZATION EXPENSE?

A. No. Staff has calculated an adjustment to Regulatory Asset Amortization Expense. The adjustment does not include the true-up entry posted by MAWC in May of 2008.

1 **Q. WHY WAS THE TRUE-UP ENTRY POSTED BY MAWC?**

2 A. In the annual reporting process of the regulatory asset accounts it was
3 discovered that the accumulated reserve on the assets in utility plant in
4 service (UPIS) was overstated. This created a lower net book value at the
5 time the assets were transferred to the regulatory asset account. The entry
6 was made to correct the net book value of the assets.

7
8 **Q. WHY WAS THIS ENTRY NECESSARY?**

9 A. This entry was necessitated because the accumulated reserve on the assets
10 in utility plant in service (UPIS) was overstated.

11
12 **Q. WHY WAS THE ACCUMULATED RESERVE OVERSTATED?**

13 A. An entry that was posted to correct Accumulated Depreciation in 2006 was
14 not included in the analysis performed to determine the entries to be posted
15 to transfer the balance to the regulatory asset account.

16
17 **Q. WHAT WAS THE EFFECT OF THE ACCUMULATED RESERVE BEING
18 OVERSTATED?**

19 A. Overstatement of the accumulated reserve created a lower net book value at
20 the time, September 30, 2007, the assets were transferred to the Regulatory
21 Asset Accounts 183280 and 183281. A net book value of \$7,968,264.02 was
22 reported. However, the true September 30, 2007 net book value of the
23 assets should have been \$8,563,045.76. The correcting entry of

1 \$602,781.74 was recorded in May of 2008.

2
3 **Q. HOW DOES THIS CHANGE AFFECT THE REGULATORY ASSET**
4 **AMORTIZATION?**

5 A. The correct monthly amortization after the adjustment is \$14,271.75, or an
6 annualized amount of \$171,261. This amount differs from Staff's annualized
7 amount of \$166,140, by \$5,121. The Company believes the correct
8 annualized Regulatory Asset Amortization Expense is \$171,261 and that no
9 adjustment is necessary.

10
11 **(9) TELEPHONE EXPENSE**

12 **Q. WHAT ASPECT OF THE STAFF REPORT WOULD YOU LIKE TO**
13 **ADDRESS REGARDING TELEPHONE EXPENSE?**

14 A. Staff has excluded three invoices that Company believes should be included
15 in Pro Forma Telephone expense. The first of the three invoices is a \$336
16 invoice for towing a generator. The second is a \$1,500 invoice for the State
17 Operating permit under the Missouri Clean Water Law. The last is a \$232.69
18 invoice for the annual subscription to the Kansas City Star newspaper. All
19 three were incorrectly coded to Telephone expense. Company's position is
20 that these items are valid expenses, just coded to an incorrect general ledger
21 account. Accordingly, they should either be left in telephone expense or, if
22 an adjustment is made to telephone expense, a corresponding adjustment to
23 add them to the appropriate accounts should also be made. Please see

1 Schedule RCT – 7 for the invoices.

2

3 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

4 **A. Yes.**

Missouri American Water Company
 Test Year Ended 06/30/09
 Lead/Lag Study

Line
 No.

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TAX WITHHOLDING MISSOURI

Paid	Service Period		Avg Service Period	Lag/ Lead
	From	To		
1/19/2009	12/29/2008	1/9/2009	5.50	15.50
2/2/2009	1/12/2009	1/23/2009	5.50	15.50
2/16/2009	1/26/2009	2/6/2009	5.50	15.50
3/2/2009	2/9/2009	2/20/2009	5.50	15.50
3/16/2009	2/23/2009	3/6/2009	5.50	15.50
3/30/2009	3/9/2009	3/20/2009	5.50	15.50
4/13/2009	3/23/2009	4/3/2009	5.50	15.50
4/27/2009	4/6/2009	4/17/2009	5.50	15.50
5/11/2009	4/20/2009	5/1/2009	5.50	15.50
5/25/2009	5/4/2009	5/15/2009	5.50	15.50
6/8/2009	5/18/2009	5/29/2009	5.50	15.50
6/22/2009	6/1/2009	6/12/2009	5.50	15.50
Average Lead/Lag for Tax Withholding				<u>\$ 15.50</u>

	BRU	JFC	IOP	MEX	PKW	PKS	SJO	SLM	WCW	WCS	WAR	CDH	Total
MO PSC - Revenue (Lead)/Lag													
Labor	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
Tax Withholding	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
Pensions & OPEB's	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
Group Insurance	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
401K Withheld	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
Fuel & Power	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
Chemicals	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
Rents	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
Management Fees	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
Uncollectibles	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
PSC Assessment	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
Insurance Other	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
Purchased Water	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
Cash Vouchers	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
ESOP	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
FICA - Employer Portion	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
Unemployment Tax	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
Property Taxes	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
Franchise Tax	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
Federal Income Tax	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
State Income Tax	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
Interest Expense	49.00	38.58	40.00	43.82	35.19	35.19	40.50	42.25	46.29	46.29	46.29	37.60	38.89
Calculation of Impact relating to Revenue (Lead)/Lag variance (Staff's Annualized Results multiplied by the difference of Mo PSC & MAWC Net(Lead)/Lag) multiplied by the Average daily cash balance													
Labor	12,219.40	6,794.21	15,609.73	1,302.12	2,613.77	57.24	4,078.81	1,363,246.15	(382.75)	(1,206.04)	1,537.03	8,054.68	1,413,924.35
Tax Withholding	1,318.35	2,469.44	7,348.26	579.70	1,291.60	186.70	2,063.97	868,536.78	(92.38)	(659.21)	1,023.30	1,071.37	885,137.88
Pensions & OPEB's	7,359.02	4,150.44	1,265.19	748.82	317.76	22.10	1,427.15	502,917.39	(535.35)	(776.51)	837.31	2,732.86	520,466.16
Group Insurance	1,311.92	795.60	2,348.76	165.93	332.48	8.40	566.45	243,958.61	(20.84)	(22.38)	239.52	732.39	250,416.84
401K Withheld	380.48	117.02	342.18	21.60	36.50	17.13	52.36	31,362.99	(6.74)	(16.10)	31.85	28.35	32,367.62
Fuel & Power	1,605.44	1,784.15	9,530.67	812.97	2,238.09	-	1,978.19	527,898.69	(57.72)	(142.52)	1,101.93	1,837.11	548,587.00
Chemicals	867.08	2,615.92	6,571.49	299.29	1,354.03	-	2,089.26	821,982.12	(23.66)	-	211.19	-	835,966.73
Rents	-	239.61	840.42	53.55	119.42	1.71	221.41	59,820.55	(11.43)	(36.02)	6.70	-	61,255.93
Management Fees	-	4,331.33	14,151.49	989.86	2,837.72	-	4,267.58	1,670,895.15	(30.37)	(154.12)	2,017.70	2,154.50	1,701,460.82
Uncollectibles	271.34	419.98	2,016.63	92.51	224.49	2.18	452.81	114,270.99	(14.92)	(16.90)	175.58	269.57	118,164.25
PSC Assessment	250.51	325.01	1,243.73	96.82	334.86	35.10	270.94	85,580.68	(15.40)	(91.99)	146.48	2,482.75	90,659.50
Insurance Other	2,526.84	1,447.69	3,229.63	260.81	389.00	12.65	774.02	167,334.63	(67.26)	(267.88)	277.94	1,531.11	177,449.17
Purchased Water	-	-	-	-	1,322.90	-	-	16,313.26	-	-	-	-	17,636.16
Cash Vouchers	13,750.43	5,542.33	12,168.37	1,106.72	2,865.69	304.59	2,923.09	(13,127.04)	(434.36)	35.79	185.36	3,389.08	28,710.03
ESOP	-	-	-	-	-	-	-	-	-	-	-	-	-
FICA - Employer Portion	881.91	491.40	1,258.57	97.38	183.08	4.06	309.22	92,022.43	(27.62)	(82.46)	116.17	600.10	95,854.25
Unemployment Tax	44.15	27.10	74.81	5.43	11.94	0.22	18.30	4,958.11	(1.49)	(4.45)	7.63	32.17	5,173.94
Property Taxes	2,762.11	2,603.16	11,909.66	758.32	7,568.64	-	2,332.70	717,622.58	(1,398.83)	-	1,345.35	-	745,503.69
Franchise Tax	89.86	60.38	424.92	27.49	124.01	0.18	84.83	22,455.18	(4.33)	(11.75)	40.61	10.06	23,301.44
Federal Income Tax	1,418.26	1,027.28	14,434.87	713.85	3,297.10	0.02	1,560.06	389,075.82	(46.59)	(344.62)	953.02	-	412,089.07
State Income Tax	469.09	161.43	2,349.20	116.17	536.58	0.01	253.89	62,608.96	(19.15)	(74.66)	155.10	-	66,556.64
Interest Expense	5,663.31	3,344.01	26,316.77	1,741.13	7,772.94	9.04	5,881.98	1,342,616.30	(344.69)	(936.29)	2,755.57	415.44	1,395,235.51
Total	47,526.19	35,403.48	107,118.58	8,249.32	27,999.63	652.27	25,725.05	7,749,734.03	(3,191.16)	(3,871.81)	10,409.78	24,926.10	8,030,681.47

	BRU	JFC	JOP	MEX	PKW	PKS	SIO	SLM	WCW	WCS	WAR	CDH	Total
MAWC - Expense (Lead)/Lag													
Labor	12.00	12.00	12.00	13.56	13.53	13.63	13.63	13.61	13.64	13.60	13.60	13.47	12.00
Tax Withholding	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50
Pensions & OPEB's	(1.39)	(1.39)	(1.39)	(1.39)	(1.39)	(1.39)	(1.39)	(1.39)	(1.39)	(1.39)	(1.39)	(1.39)	(1.39)
Group Insurance	(9.38)	(9.38)	(9.38)	(9.38)	(9.38)	(9.38)	(9.38)	(9.38)	(9.38)	(9.38)	(9.38)	(9.38)	(9.38)
401K Withheld	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50
Fuel & Power	28.47	24.26	24.26	24.60	24.99	27.10	27.10	27.90	28.04	30.20	30.20	32.79	20.52
Chemicals	13.58	13.64	13.73	13.73	7.14	13.78	13.78	13.01	15.58	13.66	13.66	22.28	13.58
Rents	(10.98)	41.27	(4.57)	43.82	(10.98)	(127.50)	(127.50)	(10.71)	(4.00)	46.29	46.29	(16.41)	(10.98)
Management Fees	(10.98)	(10.98)	(10.98)	(10.98)	(10.98)	(10.98)	(10.98)	(10.98)	(10.98)	(10.98)	(10.98)	(10.98)	(10.98)
Uncollectibles	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)
PSC Assessment	(32.94)	(32.94)	(32.94)	(32.94)	(32.94)	(32.94)	(32.94)	(32.94)	(32.94)	(32.94)	(32.94)	(32.94)	(32.94)
Insurance Other													
Purchased Water						35.68	35.68	33.82	33.82				
Cash Vouchers	18.86	30.04	17.61	14.80	25.56	25.56	25.56	23.69	21.08	43.30	43.30	20.25	26.05
ESOP					35.19	35.19	35.19	42.25	42.25				
FICA - Employer Portion	10.80	10.76	10.65	10.65	10.66	10.65	10.65	10.65	10.73	10.76	10.76	11.13	10.79
Unemployment Tax	0.63	0.65	0.80	0.80	0.79	0.78	0.78	0.80	0.71	0.63	0.63	1.44	0.61
Property Taxes	175.50	175.50	170.62	175.50	175.50	175.50	175.50	174.35	178.77	159.50	159.50	175.50	175.50
Franchise Tax	29.63	29.63	29.63	29.63	29.63	29.63	29.63	29.63	29.63	29.63	29.63	29.63	29.63
Federal Income Tax	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64
State Income Tax	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64
Interest Expense	91.00	91.00	91.00	91.00	91.00	91.00	91.00	91.00	91.00	91.00	91.00	91.00	91.00
MO PSC - Expense (Lead)/Lag													
Labor	12.00	12.00	12.00	13.56	13.53	13.63	13.63	13.61	13.64	13.60	13.60	13.47	12.00
Tax Withholding	12.00	12.00	12.00	13.56	13.53	13.63	13.63	13.61	13.64	13.60	13.60	13.47	12.00
Pensions & OPEB's	(1.39)	(1.39)	(1.39)	(1.39)	(1.39)	(1.39)	(1.39)	(1.39)	(1.39)	(1.39)	(1.39)	(1.39)	(1.39)
Group Insurance	(9.38)	(9.38)	(9.38)	(9.38)	(9.38)	(9.38)	(9.38)	(9.38)	(9.38)	(9.38)	(9.38)	(9.38)	(9.38)
401K Withheld	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50
Fuel & Power	28.47	24.26	24.60	24.99	24.99	27.10	27.10	27.90	28.04	30.20	30.20	32.79	20.52
Chemicals	13.58	13.64	13.73	13.73	7.14	13.78	13.78	13.01	15.58	13.66	13.66	22.28	13.58
Rents	(10.98)	41.27	(4.57)	43.82	(10.98)	(127.50)	(127.50)	(10.71)	(4.00)	46.29	46.29	(16.41)	(10.98)
Management Fees	(10.98)	(10.98)	(10.98)	(10.98)	(10.98)	(10.98)	(10.98)	(10.98)	(10.98)	(10.98)	(10.98)	(10.98)	(10.98)
Uncollectibles	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)
PSC Assessment	(32.94)	(32.94)	(32.94)	(32.94)	(32.94)	(32.94)	(32.94)	(32.94)	(32.94)	(32.94)	(32.94)	(32.94)	(32.94)
Insurance Other													
Purchased Water						35.68	35.68	33.82	33.82				
Cash Vouchers	23.99	23.99	23.99	23.99	23.99	23.99	23.99	23.99	23.99	23.99	23.99	23.99	23.99
ESOP					35.19	35.19	35.19	42.25	42.25				
FICA - Employer Portion	12.00	12.00	12.00	13.56	13.53	13.63	13.63	13.61	13.64	13.60	13.60	13.47	12.00
Unemployment Tax	12.00	12.00	12.00	13.56	13.53	13.63	13.63	13.61	13.64	13.60	13.60	13.47	12.00
Property Taxes	175.50	175.50	170.62	175.50	175.50	175.50	175.50	174.35	178.77	159.50	159.50	175.50	175.50
Franchise Tax	29.63	29.63	29.63	29.63	29.63	29.63	29.63	29.63	29.63	29.63	29.63	29.63	29.63
Federal Income Tax	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64
State Income Tax	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64	29.64
Interest Expense	91.00	91.00	91.00	91.00	91.00	91.00	91.00	91.00	91.00	91.00	91.00	91.00	91.00

	BRU	JFC	JOP	MEX	PKW	PKS	SIO	SLM	WCW	WCS	WAR	CDH	Total
	Calculation of Impact relating to Expense (Lead)/Lag variance (Staff's Annualized Results multiplied by the difference of Mo PSC & MAWC Net(Lead)/Lag) multiplied by the Average daily cash balance)												
Labor	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax Withholding	(121.97)	(3,177.59)	(3,741.63)	(787.60)	(669.06)	(96.71)	(4,699.88)	(57,408.61)	(51.47)	(367.30)	(1,038.65)	(139.87)	(72,300.34)
Pensions & OPEB's	-	-	-	-	-	-	-	-	-	-	-	-	-
Group Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
401K Withheld	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel & Power	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	-	-	-	-	-	-	-	-	-	-	-	-	-
Rents	-	-	-	-	-	-	-	-	-	-	-	-	-
Management Fees	-	55,686.23	129,889.12	23,872.63	27,488.91	-	179,803.96	2,076,446.46	311.47	1,580.55	35,279.46	2,810.25	2,533,169.03
Uncollectibles	-	-	-	-	-	-	-	-	-	-	-	-	-
PSC Assessment	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased Water	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Vouchers	1,864.65	(12,327.61)	20,376.43	7,014.29	(1,246.30)	(132.46)	1,056.54	(1,357.49)	(2,459.67)	202.68	346.62	(260.41)	13,077.26
ESOP	-	-	-	-	-	-	-	-	-	-	-	-	-
FICA - Employer Portion	27.97	224.02	961.27	192.75	151.13	3.36	1,102.77	9,516.18	23.00	68.67	135.92	27.08	12,484.13
Unemployment Tax	13.27	113.10	250.55	47.75	42.49	0.77	282.42	2,278.20	5.65	16.91	45.88	13.67	3,110.66
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Franchise Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
State Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>1,783.92</u>	<u>40,518.14</u>	<u>147,735.74</u>	<u>30,339.82</u>	<u>25,767.18</u>	<u>(225.05)</u>	<u>177,545.81</u>	<u>2,029,474.73</u>	<u>(2,171.02)</u>	<u>1,501.51</u>	<u>34,769.23</u>	<u>2,450.73</u>	<u>2,489,490.73</u>
Total impact to Rate Base	49,310.11	75,921.62	254,854.31	38,589.13	53,766.82	427.23	203,270.86	9,779,208.76	(5,362.18)	(2,370.30)	45,179.01	27,376.83	10,520,172.20
Cash Working Capital													

District	District Description	Object Acc	Acct Description	Amount	Category	Disallowed	Explanation	Notes	MAWC seeks inclusion	Reason
1701	MO-Corporate	575030	Advertising	\$ 470.00	Institutional	\$ 470.00	COMMUNITYLINK	Ad 3	\$ 470.00	(General)Provides 24 hour customer contact info, community paper
1701	MO-Corporate	575030	Advertising	\$ 400.00	Rate Case	\$ 400.00	JB's Graphic Works-REMIT	Ad 5	\$ 400.00	Public Hearing notices - should have been coded to rate case expense
1702	SL-St. Louis County	575030	Advertising	\$ 259.50	Institutional	\$ 259.50	Union Labor Directory	Ad 23	\$ 259.50	(General)Provides toll free contact number to Labor Union members (Promotional)Informs Public of Birds of Prey expo & Watershed information seminar
1702	SL-St. Louis County	575030	Advertising	\$ 550.00	Institutional	\$ 550.00	WEBSTER KIRKWOOD TIMES	Ad 8a	\$ 550.00	(General)Informs Public of Customer call center number, web address, & information about the plant.
1710	MO-Mexico	575030	Advertising	\$ 800.00	Institutional	\$ 800.00	MO Life Inc	Ad 15 & 16	\$ 800.00	(General)Informs Public of Customer call center number, web address, & information about the plant.
1710	MO-Mexico	575030	Advertising	\$ 800.00	Institutional	\$ 800.00	MO Life Inc	Ad 15 & 16	\$ 800.00	(General)Informs Public of Customer call center number, web address, & information about the plant.
1710	MO-Mexico	575030	Advertising	\$ 260.00	Institutional	\$ 260.00	Mexico Ledger	Ad 24	\$ 260.00	(General)Informs Public of Customer call center number & web address
						\$9,570.62			3,539.50	

Ad 3
(Community Link)

**Innovation. Personal Service.
Environmental Stewardship.**

Missouri American Water is proud to support the
businesses and communities of Missouri.

**For more information 24 hours a day, seven days a week,
please call our customer service center at 1-866-430-0620
or visit www.missouriamwater.com.**



Ad 5



**MISSOURI PUBLIC SERVICE COMMISSION
Hearing and Comment Process
Missouri American Water Rate Filing**

Missouri American Water Company has filed water tariff sheets with the Missouri Public Service Commission (PSC) which would increase the Company's Missouri jurisdictional annual gross water revenues by approximately 26.4 percent.

If the PSC grants the company's full rate request, the water bill for the average residential customer in Brunswick (using 3,500 gallons of water per month) will increase by approximately \$10.43 per month or 34 cents per day. This proposed increase does not affect the sewer or garbage collection charges that appear on your Missouri American Water bill. Your local service providers set the sewer and garbage collection rates.

PUBLIC HEARINGS

Monday, September 8, 2008, at 6:30 p.m., Mexico Advanced Technology Center, ITV Room, 2900 Doreli Lane, Mexico, MO.

Tuesday, September 9, 2008, at 6:30 p.m., University of Central Missouri, James C. Kirkpatrick Library, Room 1430, Warrensburg, MO.

A question-and-answer session will be held one-half hour before the beginning of each hearing.

If you are unable to attend a public hearing and wish to make written comments or secure additional information, you may contact the Office of the Public Counsel, P.O. Box 2230, Jefferson City, MO 65102, telephone (573) 751-4857, email mopco@ded.mo.gov, or the Missouri Public Service Commission, P.O. Box 360, Jefferson City, MO 65102, telephone 800-392-4211, email pscinfo@psc.mo.gov.

For additional information visit: www.missouriamwater.com

Ad 5
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**MISSOURI PUBLIC SERVICE COMMISSION
Hearing and Comment Process
Missouri American Water Rate Filing**

Missouri American Water Company has filed water tariff sheets with the Missouri Public Service Commission (PSC) which would increase the Company's Missouri jurisdictional annual gross water revenues by approximately 26.4 percent.

If the PSC grants the company's full rate request, the water bill for the average residential customer in Jefferson City (using 5,000 gallons of water per month) will increase by approximately \$5.83 per month or 19 cents per day. This proposed increase does not affect the sewer portion of your water bill. Your local sewer service provider sets the sewer rates.

A public comment hearing has been set before the PSC as follows:

PUBLIC HEARING: Tuesday, September 23, 2008, at 6:30 p.m., Governor Office Building, Room 310, 200 Madison Street, Jefferson City, MO.

A question-and-answer session will be held one-half hour before the beginning of each hearing.

If you are unable to attend a public hearing and wish to make written comments or secure additional information, you may contact the Office of the Public Counsel, P.O. Box 2230, Jefferson City, MO 65102, telephone (573) 751-4857, email mopco@ded.mo.gov, or the Missouri Public Service Commission, P.O. Box 360, Jefferson City, MO 65102, telephone 800-392-4211, email pscinfo@psc.mo.gov.

For additional information visit: www.missouriamwater.com

Ad 5
P 3



**MISSOURI PUBLIC SERVICE COMMISSION
Hearing and Comment Process
Missouri American Water Rate Filing**

Missouri American Water Company has filed wastewater tariff sheets with the Missouri Public Service Commission (PSC) which would increase the Company's Missouri jurisdictional annual gross sewer revenues by approximately 28.7 percent.

If the PSC grants the company's full rate request, the sewer bill for the average residential customer in Cedar Hill will increase by approximately \$6.84 per month, or 22 cents per day.

A public comment hearing has been set before the PSC as follows:

Thursday, September 25, 2008 at 6:30 p.m., St. Louis Community College
– Meramec Campus, Business Administration Building, Room 105, 11333 Big Bend
Road, Kirkwood, MO

A question-and-answer session will be held one-half hour before the beginning of each hearing.

If you are unable to attend a public hearing and wish to make written comments or secure additional information, you may contact the Office of the Public Counsel, P.O. Box 2230, Jefferson City, MO 65102, telephone (573) 751-4857, email mopco@ded.mo.gov, or the Missouri Public Service Commission, P.O. Box 360, Jefferson City, MO 65102, telephone 800-392-4211, email pscinfo@psc.mo.gov.

For additional information visit: www.missouriamwater.com

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**MISSOURI PUBLIC SERVICE COMMISSION
Hearing and Comment Process
Missouri American Water Rate Filing**

Missouri American Water Company has filed water tariff sheets with the Missouri Public Service Commission (PSC) which would increase the Company's Missouri jurisdictional annual gross water revenues by approximately 26.4 percent.

If the PSC grants the company's full rate request, the water bill for the average residential customer in Joplin (using 5,500 gallons of water per month) will increase by approximately \$8.42 per month or 28 cents per day. This proposed increase does not affect the sewer or garbage collection portion of your water bill. Your local sewer and garbage collection service provider sets these rates.

A public comment hearing has been set before the PSC as follows:

PUBLIC HEARING: Tuesday, September 16, 2008, at 6:30 p.m., Missouri Southern State University, Webster Hall, 3950 East Newman Road, Joplin, MO.

A question-and-answer session will be held one-half hour before the beginning of the hearing.

If you are unable to attend a public hearing and wish to make written comments or secure additional information, you may contact the Office of the Public Counsel, P.O. Box 2230, Jefferson City, MO 65102, telephone (573) 751-4857, email mopco@ded.mo.gov, or the Missouri Public Service Commission, P.O. Box 360, Jefferson City, MO 65102, telephone 800-392-4211, email pscinfo@psc.mo.gov.

For additional information visit: www.missouriamwater.com

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MISSOURI PUBLIC SERVICE COMMISSION
Hearing and Comment Process
Missouri American Water Rate Filing

Missouri American Water Company has filed water tariff sheets with the Missouri Public Service Commission (PSC) which would increase the Company's Missouri jurisdictional annual gross water revenues by approximately 26.4 percent.

If the PSC grants the company's full rate request, the water bill for the average residential customer in Mexico (using 4,500 gallons of water per month) will increase by approximately \$5.70 per month or 19 cents per day.

A public comment hearing has been set before the PSC as follows:

PUBLIC HEARING: Monday, September 8, 2008, at 6:30 p.m., Mexico Advanced Technology Center, ITV Room, 2900 Dorell Lane, Mexico, MO.

A question-and-answer session will be held one-half hour before the beginning of the hearing.

If you are unable to attend a public hearing and wish to make written comments or secure additional information, you may contact the Office of the Public Counsel, P.O. Box 2230, Jefferson City, MO 65102, telephone (573) 751-4857, email mopco@ded.mo.gov, or the Missouri Public Service Commission, P.O. Box 360, Jefferson City, MO 65102, telephone 800-392-4211, email pscinfo@psc.mo.gov.

For additional information visit: www.missouriamwater.com

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**MISSOURI PUBLIC SERVICE COMMISSION
Hearing and Comment Process
Missouri American Water Rate Filing**

Missouri American Water Company has filed water tariff sheets with the Missouri Public Service Commission (PSC) which would increase the Company's Missouri jurisdictional annual gross water revenues by approximately 26.4 percent.

If the PSC grants the company's full rate request, the water bill for the average residential customer in Platte County (using 8,000 gallons of water per month) will increase by approximately \$14.24 per month or 47 cents per day.

A public comment hearing has been set before the PSC as follows:

PUBLIC HEARING: Tuesday, September 9, 2008, at 6:30 p.m., Park University, McCoy Meetin' House, 8700 Northwest River Park Drive, Parkville, MO.

A question-and-answer session will be held one-half hour before the beginning of the hearing.

If you are unable to attend a public hearing and wish to make written comments or secure additional information, you may contact the Office of the Public Counsel, P.O. Box 2230, Jefferson City, MO 65102, telephone (573) 751-4857, email mopco@ded.mo.gov, or the Missouri Public Service Commission, P.O. Box 360, Jefferson City, MO 65102, telephone 800-392-4211, email pscinfo@psc.mo.gov.

For additional information visit: www.missouriamwater.com



**MISSOURI PUBLIC SERVICE COMMISSION
Hearing and Comment Process
Missouri American Water Rate Filing**

Missouri American Water Company has filed water tariff sheets with the Missouri Public Service Commission (PSC) which would increase the Company's Missouri jurisdictional annual gross water revenues by approximately 26.4 percent.

If the PSC grants the company's full rate request, the water bill for the average residential customer in St. Charles County (using 8,000 gallons of water per month) will increase by approximately \$11.22 per month or 37 cents per day.

A public comment hearing has been set before the PSC as follows:

PUBLIC HEARING: Tuesday, September 23, 2008, at 6:30 p.m., St. Charles Administration Building, Room 115, 201 N. Second Street, St. Charles, MO.

A question-and-answer session will be held one-half hour before the beginning of each hearing.

If you are unable to attend a public hearing and wish to make written comments or secure additional information, you may contact the Office of the Public Counsel, P.O. Box 2230, Jefferson City, MO 65102, telephone (573) 751-4857, email mopco@ded.mo.gov, or the Missouri Public Service Commission, P.O. Box 360, Jefferson City, MO 65102, telephone 800-392-4211, email pscinfo@psc.mo.gov.

For additional information visit: www.missouriamwater.com

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**MISSOURI PUBLIC SERVICE COMMISSION
Hearing and Comment Process
Missouri American Water Rate Filing**

Missouri American Water Company has filed water tariff sheets with the Missouri Public Service Commission (PSC) which would increase the Company's Missouri jurisdictional annual gross water revenues by approximately 26.4 percent.

If the PSC grants the company's full rate request, the water bill for the average residential customer in St. Joseph (using 5,000 gallons of water per month) will increase by approximately \$2.54 per month or 8 cents per day. This proposed increase does not affect the sewer portion of your water bill. Your local sewer service provider sets the sewer rates.

A public comment hearing has been set before the PSC as follows:

PUBLIC HEARING: Monday, September 22, 2008, at 6:30 p.m., Missouri Western University, Spratt Hall, Room 201, 4525 Downs Drive, St. Joseph, MO.

A question-and-answer session will be held one-half hour before the beginning of the hearing.

If you are unable to attend a public hearing and wish to make written comments or secure additional information, you may contact the Office of the Public Counsel, P.O. Box 2230, Jefferson City, MO 65102, telephone (573) 751-4857, email mopco@ded.mo.gov, or the Missouri Public Service Commission, P.O. Box 360, Jefferson City, MO 65102, telephone 800-392-4211, email pscinfo@psc.mo.gov.

For additional information visit: www.missouriamwater.com

Ad 5
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**MISSOURI PUBLIC SERVICE COMMISSION
Hearing and Comment Process
Missouri American Water Rate Filing**

Missouri American Water Company has filed water tariff sheets with the Missouri Public Service Commission (PSC) which would increase the Company's Missouri jurisdictional annual gross water revenues by approximately 26.4 percent.

If the PSC grants the company's full rate request, the water bill for the average residential customer in St. Louis County will increase by approximately \$6.83 per month, or \$20.49 per quarter.

Public comment hearings have been set before the PSC as follows:

Wednesday, September 24, 2008 at 6:30 p.m., University of Missouri, St. Louis, Millennium Student Center (MSC) Century Room A, One University Drive, **St. Louis, MO.**

Thursday, September 25, 2008 at 6:30 p.m., St. Louis Community College – Meramec Campus, Business Administration Building, Room 105, 11333 Big Bend Road, **Kirkwood, MO**

A question-and-answer session will be held one-half hour before the beginning of each hearing.

If you are unable to attend a public hearing and wish to make written comments or secure additional information, you may contact the Office of the Public Counsel, P.O. Box 2230, Jefferson City, MO 65102, telephone (573) 751-4857, email mopco@ded.mo.gov, or the Missouri Public Service Commission, P.O. Box 360, Jefferson City, MO 65102, telephone 800-392-4211, email pscinfo@psc.mo.gov.

For additional information visit: www.missouriamwater.com

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**MISSOURI PUBLIC SERVICE COMMISSION
Hearing and Comment Process
Missouri American Water Rate Filing**

Missouri American Water Company has filed water tariff sheets with the Missouri Public Service Commission (PSC) which would increase the Company's Missouri jurisdictional annual gross water revenues by approximately 26.4 percent and sewer revenues by approximately 28.5 percent.

If the PSC grants the company's full rate request, the water bill for the average residential customer in Warren County (using 6,500 gallons of water per month) will **decrease** by approximately \$4.94 per month or 16 cents per day. Sewer bills would **increase** by approximately \$8.74 per month or 29 cents per day.

PUBLIC HEARING

Monday, September 8, 2008, at 6:30 p.m., Black Hawk Middle School, Media Center, 300 Kuhl Ave., Warrenton, Mo. 63383.

A question-and-answer session will be held one-half hour before the beginning of the hearing.

If you are unable to attend a public hearing and wish to make written comments or secure additional information, you may contact the Office of the Public Counsel, P.O. Box 2230, Jefferson City, MO 65102, telephone (573) 751-4857, email mopco@ded.mo.gov, or the Missouri Public Service Commission, P.O. Box 360, Jefferson City, MO 65102, telephone 800-392-4211, email pscinfo@psc.mo.gov.

For additional information visit: www.missouriamwater.com

Ad 5
P10



MISSOURI PUBLIC SERVICE COMMISSION
Hearing and Comment Process
Missouri American Water Rate Filing

Missouri American Water Company has filed water tariff sheets with the Missouri Public Service Commission (PSC) which would increase the Company's Missouri jurisdictional annual gross water revenues by approximately 26.4 percent.

If the PSC grants the company's full rate request, the water bill for the average residential customer in Warrensburg (using 5,000 gallons of water per month) will increase by approximately \$6.36 per month or 21 cents per day. This proposed increase does not affect the sewer charges that appear on your Missouri American Water bill. Your local sewer service provider sets the sewer rates.

A public comment hearing has been set before the PSC as follows:

PUBLIC HEARING: Tuesday, September 9, 2008, at 6:30 p.m., University of Central Missouri, James C. Kirkpatrick Library, Room 1430, Corner of Clark and McGuire Streets, Warrensburg, MO.

A question-and-answer session will be held one-half hour before the beginning of the hearing.

If you are unable to attend a public hearing and wish to make written comments or secure additional information, you may contact the Office of the Public Counsel, P.O. Box 2230, Jefferson City, MO 65102, telephone (573) 751-4857, email mopco@dcd.mo.gov, or the Missouri Public Service Commission, P.O. Box 360, Jefferson City, MO 65102, telephone 800-392-4211, email pscinfo@psc.mo.gov.

For additional information visit: www.missouriamwater.com

Ad 23



*You're invited to
a celebration of
water, watersheds
and wild birds.
Come see Missouri's
birds of prey up-close
and in-flight.*

**Tuesday,
May 5,
2:00 pm**

**Powder Valley
Conservation
Nature Center**
11715 Cragwood Rd.
Kirkwood, MO 63122-7015



**MISSOURI
AMERICAN WATER**



The event
is free, but
reservations
are required.
Make your
reservation
by calling
314-301-1500.



7282

Ad 15476

PROMOTION

MISSOURI AMERICAN WATER COMPANY

Mexico's liquid asset

As the water provider for the city of Mexico and surrounding water districts, Missouri American Water delivers high-quality water service to approximately 5,000 customers. With the water system's history dating back to 1885, Mexico became part of Missouri American Water in 1993 as one of five properties acquired from Avatar. The Mexico facility pumps 2.1 million gallons of water each day, from seven wells with seven employees who are dedicated to providing reliable water service 365 days a year. It is a responsibility its employees take seriously. It is easy to take water for granted, but Missouri American Water doesn't.

With approximately 85 miles of underground water main, Missouri American Water recently invested approximately \$1.89 million in improvements to Mexico's water system, including the replacement of old water mains. Improvements to equipment at the water treatment plant were also made to continue our high standard of water quality.

Missouri American Water is committed to protecting the environment and finding ways to use our most precious resource wisely. The Mexico's Wellhead Protection Program has been recognized by the Missouri Department of Natural Resources and the United States Environmental Protection Agency for outstanding performance in safeguarding the community's groundwater. The Mexico Operation also assisted with the city's Hazardous Waste Program by providing funding for protective equipment for city employees and advertising to announce the program to the community. This proactive measure helps to ensure the safety of Mexico's main source of supply by decreasing groundwater contamination.

Missouri American's Mexico employees are also members of the community and understand the importance of being actively involved. They support the Chamber of Commerce and various youth sponsored activities. The company's belief is that the key to the future of Mexico's water supply resides with the youth of the community. Missouri American Water provides science kits to elementary schools and sponsors educational programs on source water protection and conservation as a tool for further classroom instruction.

Missouri American Water is a subsidiary of American Water, which has operations in 32 states and serves approximately 15.6 million customers across the United States.



CALL 866-430-0820 OR VISIT WWW.AM WATER.COM/MOAW FOR MORE INFORMATION.

Ad 2 11



Water Essentials.

It's easy to take water for granted. And because so many do, we don't. At Missouri American Water, we know that water is a precious natural resource, and we continually strive to find new and better ways to treat and deliver water to our customers.

We care about water. It's what we do.

For more information 24 hours a day, seven days a week call our customer service center at 1-866-430-0820 or visit us at www.missouriamwater.com.



**MISSOURI
AMERICAN WATER**

1701	MO-Corporate	P20	General OI	170122 575281	16	11/30/08	Dues/Membership Nondeduct	11 JR	130	\$177.49	MO Chamber Commerce Dues 08-09	Yes	Dues - not lobbying	177.49
1701	MO-Corporate	P20	General OI	170105 575281	16	11/30/08	Dues/Membership Nondeduct	11 JR	135	\$1,125.95	Amortize MO Energy Develop Ass	Yes	Dues - not lobbying	1,125.95
1701	MO-Corporate	P20	General OI	170122 575281	16	11/30/08	Dues/Membership Nondeduct	11 JR	141	\$52.12	2008 RCGA Dues Amortization	Yes	Dues - not lobbying	52.12
1701	MO-Corporate	P20	General OI	170105 575281	16	12/31/08	Dues/Membership Nondeduct	12 JR	130	\$177.49	MO Chamber Commerce Dues 08-09	Yes	Dues - not lobbying	177.49
1701	MO-Corporate	P20	General OI	170122 575281	16	12/31/08	Dues/Membership Nondeduct	12 JR	135	\$1,125.95	Amortize MO Energy Develop Ass	Yes	Dues - not lobbying	1,125.95
1701	MO-Corporate	P20	General OI	170122 575281	16	01/31/09	Dues/Membership Nondeduct	1 JR	130	\$52.12	2008 RCGA Dues Amortization	Yes	Dues - not lobbying	52.12
1701	MO-Corporate	P20	General OI	170105 575281	16	01/31/09	Dues/Membership Nondeduct	1 JR	135	\$1,125.95	Amortize MO Energy Develop Ass	Yes	Dues - not lobbying	1,125.95
1701	MO-Corporate	P20	General OI	170122 575281	16	02/28/09	Dues/Membership Nondeduct	2 JR	130	\$177.49	MO Chamber Commerce Dues 08-09	Yes	Dues - not lobbying	177.49
1701	MO-Corporate	P20	General OI	170105 575281	16	02/28/09	Dues/Membership Nondeduct	2 JR	135	\$1,125.95	Amortize MO Energy Develop Ass	Yes	Dues - not lobbying	1,125.95
1701	MO-Corporate	P20	General OI	170122 575281	16	03/31/09	Dues/Membership Nondeduct	3 JR	130	\$177.49	MO Chamber Commerce Dues 08-09	Yes	Dues - not lobbying	177.49
1701	MO-Corporate	P20	General OI	170105 575281	16	03/31/09	Dues/Membership Nondeduct	3 JR	135	\$1,125.95	Amortize MO Energy Develop Ass	Yes	Dues - not lobbying	1,125.95
1701	MO-Corporate	P20	General OI	170122 575281	16	04/30/09	Dues/Membership Nondeduct	4 JR	130	\$177.49	MO Chamber Commerce Dues 08-09	Yes	Dues - not lobbying	177.49
1701	MO-Corporate	P20	General OI	170105 575281	16	04/30/09	Dues/Membership Nondeduct	4 JR	135	\$1,125.95	Amortize MO Energy Develop Ass	Yes	Dues - not lobbying	1,125.95
1701	MO-Corporate	P20	General OI	170122 575281	16	05/31/09	Dues/Membership Nondeduct	5 JR	130	\$177.49	MO Chamber Commerce Dues 08-09	Yes	Dues - not lobbying	177.49
1701	MO-Corporate	P20	General OI	170105 575281	16	05/31/09	Dues/Membership Nondeduct	5 JR	135	\$1,125.95	Amortize MO Energy Develop Ass	Yes	Dues - not lobbying	1,125.95
1701	MO-Corporate	P20	General OI	170122 575281	16	06/30/09	Dues/Membership Nondeduct	6 JR	130	\$177.49	MO Chamber Commerce Dues 08-09	Yes	Dues - not lobbying	177.49
1701	MO-Corporate	P20	General OI	170105 575281	16	06/30/09	Dues/Membership Nondeduct	6 JR	135	\$1,125.95	Amortize MO Energy Develop Ass	Yes	Dues - not lobbying	1,125.95
1709	MO-St. Charles	P21	Miscellaneous	170906 575220	16	04/16/09	Community Relations	4 CC	5835	20.00	ST. CHARLES COUNTY ECONOMIC		Dues	20.00
1709	MO-St. Charles	P21	Miscellaneous	170905 575240	16	03/23/09	Co Dues/Membership Deduct	3 PS	42169386	135.00	Saint Peters Rotary Club		Dues	135.00
1712	JF-Jefferson City	P21	Miscellaneous	171205 575240	16	05/13/09	Co Dues/Membership Deduct	5 PS	42222373	170.00	Saint Peters Rotary Club		Dues	170.00
1712	JF-Jefferson City	P21	Miscellaneous	171205 575240	16	12/17/08	Co Dues/Membership Deduct	12 PV	42098974	\$100.00	Jefferson City of Business Lic		Business License	100.00
1712	JF-Jefferson City	P20	General OI	171205 575281	16	01/08/09	Co Dues/Membership Deduct	1 PV	42116644	1,895.00	Jefferson City Area Chamber of		Membership Dues	1,895.00
1712	JF-Jefferson City	P20	General OI	171205 575281	16	03/11/09	Dues/Membership Nondeduct	3 PS	42162995	173.00	American Water Works Assoc-AWW		Membership Dues Gilbert Cole	173.00
1712	JF-Jefferson City	P20	General OI	171205 575281	16	05/19/09	Dues/Membership Nondeduct	5 PV	42226049	160.00	Rotary Club of Jefferson City		Membership Dues - Gilbert Cole	160.00
							Total Account 921			483.00				

123,276.91

Missouri-American Water Company
St. Louis Operations - Field Services
Paving Expenses

	Actual Paving invoices paid												# of Breaks invoices paid																					
	2005			2006			2007			2008			2009			2004			2005			2006			2007			2008			2009			
Jan			56,663.15			73,380.86			74,111.83			40,854.82			64,356.41			64,356.41	Jan			41			50			45			27			39
Feb			50,253.77			158,227.80			58,761.24			63,109.28			49,967.37			49,967.37	Feb			43			86			40			31			32
Mar			45,478.38			222,394.64			47,471.96			190,054.35			282,180.50			282,180.50	Mar			34			141			32			82			145
Apr			142,773.13			99,978.00			290,886.21			62,822.31			147,782.77			147,782.77	Apr			90			54			131			45			84
May			110,574.74			191,855.48			177,427.52			233,833.54			76,600.62			76,600.62	May			60			111			78			119			39
Jun			68,746.37			63,469.63			192,035.92			235,958.00			74,166.87			74,166.87	Jun			49			39			79			130			39
Jul			34,903.44			46,864.15			238,857.32			154,474.13			55,024.89			55,024.89	Jul			18			25			86			45			25
Aug			50,930.50			28,418.37			239,874.32			166,835.82			29,714.16			29,714.16	Aug			24			15			87			60			14
Sep			29,633.38			111,485.56			107,976.34			77,038.86			75,742.75			75,742.75	Sep			9			57			40			34			29
Oct			73,137.72			20,403.85			134,758.64			87,947.94			60,895.38			60,895.38	Oct			46			10			55			45			27
Nov			60,111.72			27,774.65			94,167.01			41,699.93							Nov			17			18			31			34			34
Dec			19,075.11			52,925.55			144,702.82			73,431.85							Dec			14			36			63			25			25
			79,186.83			1,097,178.54			1,801,031.13			1,428,060.83			916,431.72			916,431.72				31			642			767			677			473
																						2,554			1,709			2,348			2,109			1,937

Average Paving Costs per break

	2005			2006			2007			2008			2009		
60 Months paid			6,112,826			6,112,826			6,112,826			6,112,826			6,112,826
60 Months # of Breaks paid			3,071			3,071			3,071			3,071			3,071
60 Month Average			1,991			1,991			1,991			1,991			1,991
48 Months paid			5,370,544			5,370,544			5,370,544			5,370,544			5,370,544
48 Months # of Breaks paid			2,626			2,626			2,626			2,626			2,626
48 Month Average			2,045			2,045			2,045			2,045			2,045
Variance from 5 year to 2 year average									86.00						

MAWC seeks to include

1701	MO-Corporate	P21	Miscellaneous	170125 575220	16	Community Relations	07/21/08	7 PV	41966697	\$1,594.73	Identity Links Inc	tool kits	
1701	MO-Corporate	P21	Miscellaneous	170125 575220	16	Community Relations	08/07/08	8 PV	41983684	\$1,594.73	Identity Links Inc	tool kits	
1701	MO-Corporate	P21	Miscellaneous	170125 575220	16	Community Relations	09/04/08	9 PV	42008446	\$17,010.13	Identity Links Inc	Water bottles - penny per gallon	17,010.13
1701	MO-Corporate	P21	Miscellaneous	170125 575220	16	Community Relations	11/26/08	11 CC	5406	\$71.65	MODEL APPAREL	samples - employee shirts	
1701	MO-Corporate	P21	Miscellaneous	170125 575220	16	Community Relations	12/17/08	12 PV	42099633	\$16,538.50	Identity Links Inc	Rain gauges and sponges w/ water saving msgs	16,538.50
1701	MO-Corporate	P21	Miscellaneous	170125 575220	16	Community Relations	01/15/09	1 PV	42120931	638.70	Identity Links Inc	Pens	
1701	MO-Corporate	P21	Miscellaneous	170125 575220	16	Community Relations	04/14/09	4 PV	42192025	3,502.50	Identity Links Inc	\$1999.47 frisbees/\$1503.03 seeds	
1701	MO-Corporate	P21	Miscellaneous	170125 575220	16	Community Relations	04/30/09	4 PV	42211485	372.50	Identity Links Inc	coffee mugs	1,503.03
1701	MO-Corporate	P21	Miscellaneous	170125 575220	16	Community Relations	05/06/09	5 PV	42217548	377.00	Identity Links Inc	logo polo shirts for community events	
1701	MO-Corporate	P21	Miscellaneous	170125 575220	16	Community Relations	05/08/09	5 PV	42218588	3,176.76	Identity Links Inc		
1701	MO-Corporate	P21	Miscellaneous	170125 575220	16	Community Relations	05/18/09	5 PV	42217548	(377.00)	Identity Links Inc		
1701	MO-Corporate	P21	Miscellaneous	170125 575220	16	Community Relations	05/19/09	5 PV	42225743	3.00	Identity Links Inc		
1701	MO-Corporate	P21	Miscellaneous	170125 575220	16	Community Relations	05/19/09	5 PV	42225879	409.44	Identity Links Inc	paper cups for runs	
1701	MO-Corporate	P21	Miscellaneous	170125 575220	16	Community Relations	05/28/09	5 PV	42234397	325.08	Identity Links Inc	bags for trade shows	
1701	MO-Corporate	P21	Miscellaneous	170125 575220	16	Community Relations	06/05/09	6 PV	42242454	5,568.12	Identity Links Inc	sponges with water saving messages	5,568.12
1701	MO-Corporate	P21	Miscellaneous	170125 575220	16	Community Relations	06/30/09	6 PV	42260694	1,443.06	Identity Links Inc	seed packets	1,443.06
1701	MO-Corporate	P21	Miscellaneous	170125 575220	16	Community Relations	06/30/09	6 PV	42260714	239.99	Identity Links Inc	paper cups for runs	
										52,488.89			
1711	MO-Ioplin	P21	Miscellaneous	171105 575220	16	Community Relations	02/16/09	2 PV	42144565	998.33	Identity Links Inc	ducks for trade shows	
										53,487.22			42,062.84



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PAGE 1
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BILL TO: MISSOURI AMERICAN WATER COMPANY - JEFF CITY DIV
37944 PO BOX 5605 CHERRY HILL NJ 08034

FOR: SAME
LOC: SAME
DATE: 07/03/2008
P.O.#: 084123 001 37204

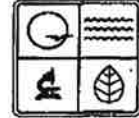
AMOUNT \$ 336.00
INVOICE# 49276
INVOICE DATE 07/09/2008
DUE DATE 08/09/2008
TICKET# 37204

LINE REFERENCE/ INVOICE NO.	DESCRIPTION	SHIFT	UNITS	RATR	AMOUNT	RETENTION
1	TRACTOR, TRAILER & DRIVER	N	3.50 HR	96.000	336.00	
	TOTAL		3.50		336.00	
	INVOICE TOTAL				336.00	08/09/2008

INVOICE COMMENTS: TOWING GENERATOR FROM: 908 WEST HIGH STREET, JEFFERSON CITY, MO. TO: 506 SOUTHWESTERN AVENUE, MEXICO, MISSOURI

NOTICE TO OWNER: FAILURE OF THIS CONTRACTOR TO PAY THOSE PERSONS SUPPLYING MATERIAL OR SERVICES TO COMPLETE THIS CONTRACT CAN RESULT IN THE FILING OF A MECHANIC'S LIEN ON THE PROPERTY WHICH IS THE SUBJECT OF THIS CONTRACT PURSUANT TO CHAPTER 429, RSMO. TO AVOID THIS RESULT YOU MAY ASK THIS CONTRACTOR FOR "LIEN WAIVERS" FROM ALL PERSONS SUPPLYING MATERIAL OR SERVICES FOR THE WORK DESCRIBED IN THIS CONTRACT. FAILURE TO SECURE LIEN WAIVERS MAY RESULT IN YOUR PAYING FOR LABOR AND MATERIAL TWICE.

INVOICE



**MISSOURI DEPARTMENT OF NATURAL RESOURCES
Division Of Environmental Quality / Water Protection Program**

Jefferson City, MO 65102

Contact: CATHY ENGELMEYER
Phone: 573-751-6723
Fax: 573-526-1146

A17SPEC08
V# 17005438
8ms *NSX \$1,500.00*

Bill To:
MISSOURI AMERICAN WATER C
101 EAST 1ST STREET
PARKVILLE, MO 65102

Invoice #: 34600904059
Permit #: MO0101354
Date: 11/05/2008
Date Due: 01/31/2009

ANNUAL NOTICE				
Description	Unit	Quantity	Amount	Total
MAWC, PARKVILLE WTP * FOR FEE DATE OF: 1 /2009 CURRENT INVOICE # 34600904059	PERMIT	1.00	\$1,500.00	\$1,500.00
Current Balance Due				\$1,500.00
Past Balance Due				\$0.00
Less Payments Received				\$0.00
Plus Late Penalties				\$0.00
Total Due				\$1,500.00

*STATE OPERATING PERMIT UNDER THE MISSOURI CLEAN WATER LAW, SECTION 644.052.5.

RECEIVED

NOV 19 2008

SSC-MAILROOM

Please detach here and return lower portion with your payment.

Permit #: MO0101354
MISSOURI AMERICAN WATER C
101 EAST 1ST STREET
PARKVILLE, MO 65102

Please return this remittance advice with your payment to:
Missouri Department Of Natural Resources
Administrative Support / Accounting
Po Box 477, Jefferson City, Mo 65102

Invoice Number:
34600904059
Invoice Date:
11/05/2008

Fee Month/Year: 1 /2009

Make check payable to **MO DEPT OF NATURAL RESOURCES**

Total Due: \$1,500.00
Due Date: 01/31/2009

Amount Enclosed: _____ **Check No:** _____
Please include the Permit # on your check.

Accounting Distribution:

Visa _____ MC _____ Discover _____

WP 12 UI SITE SPECIFIC PERMITS 0368-780-4461-1130-12= \$1,500.00/
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Credit Card #

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THE STAR

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ACCOUNT SUMMARY

Customer name: MISSOURI-AMERICAN WATER CO.
For Service At: 101 E 1ST ST

Acct. #: 210625 JAN09

1/20/09

If you have any billing questions please call Customer Service toll free at 1-877-962-7827 for assistance.

Payment received (03/13/07).....\$209.89cr
Payment received (04/02/07).....\$210.62cr

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SMW

NSX \$ 232.69

JAN 20 2009

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