

LAW OFFICES  
**BRYDON, SWEARENGEN & ENGLAND**  
PROFESSIONAL CORPORATION

DAVID V.G. BRYDON  
JAMES C. SWEARENGEN  
WILLIAM R. ENGLAND, III  
JOHNNY K. RICHARDSON  
GARY W. DUFFY  
PAUL A. BOUDREAU  
SONDRA B. MORGAN  
CHARLES E. SMARR

312 EAST CAPITOL AVENUE  
P.O. BOX 456  
JEFFERSON CITY, MISSOURI 65102-0456  
TELEPHONE (573) 635-7166  
FACSIMILE (573) 635-0427  
Email: PAULB@BRYDONLAW.COM

DEAN COOPER  
MARK G. ANDERSON  
GREGORY C. MITCHELL  
BRIAN T. MCCARTNEY  
BRIAN K. BOGARD  
DIANA C. FARR  
JANET E. WHEELER

OF COUNSEL  
RICHARD T. CIOTTONI

July 9, 2002

Secretary of the Public Service Commission  
Governor Office Building  
200 Madison Street, Suite 100  
P.O. Box 360  
Jefferson City, MO 65102-0360

**Re: Missouri-American Water Company  
Case No. WF-2002-1096**

Dear Mr. Roberts:

I enclose herewith for filing in the referenced matter nine (9) copies of a substitute Appendix 6 to the Application heretofore filed with the Commission on May 30, 2002. This Appendix (comprised of 5 pages) replaces the original Appendix 6 to the Application. I would appreciate it if you would substitute this updated Appendix 6 for the original Appendix 6 to the Application and to circulate the extra copies enclosed herewith to the appropriate Commission personnel.

I have enclosed an extra copy of the substitute Appendix, which I request that you stamp "filed" and return to the person delivering this to you. Thank you for your attention to this matter.

Sincerely,

BRYDON, SWEARENGEN & ENGLAND, P.C.

By:

  
Paul A. Boudreau

PAB/aw  
Enclosures  
cc: Roberta McKiddy

MISSOURI-AMERICAN WATER COMPANY

Balance Sheet as of May 31, 2002 and Pro Forma giving effect as of that date to the Proposed Financing

ASSETS

	<u>Per Books</u>	<u>Adjustments</u>	<u>Pro Forma</u>
Utility plant	\$ 846,043,805		\$ 846,043,805
Construction work in progress	27,657,086		27,657,086
Accumulated depreciation	(215,097,313)		(215,097,313)
Utility plant acquisition adjustment	3,451,604		3,451,604
Other utility plant adjustments	-		-
Other investments	59,867		59,867
	<u>662,115,049</u>	<u>-</u>	<u>662,115,049</u>
Current Assets:			
Cash and cash equivalents	1,509,878	85,000,000 (1) 15,000,000 (2) (60,253,343) (3) (4,250,000) (4)	37,006,535
Customer accounts receivable	11,171,318		11,171,318
Allowance for uncollectible accounts	(248,176)		(248,176)
Unbilled revenues	17,610,620		17,610,620
Federal income taxes due from associated company	-		-
Miscellaneous receivables	4,106,711		4,106,711
Materials and supplies	3,153,086		3,153,086
Other	6,403,103		6,403,103
Total current assets	<u>43,706,540</u>	<u>35,496,657</u>	<u>79,203,197</u>
Deferred debits:			
Debt and preferred stock expense	12,639,975	4,250,000 (4)	16,889,975
Expense of rate proceedings	993,786		993,786
Preliminary survey and investigation	149,414		149,414
Regulatory asset - FAS 109	26,851,969		26,851,969
Other	5,569,666		5,569,666
Total deferred debits	<u>46,204,810</u>	<u>4,250,000</u>	<u>50,454,810</u>
Total Assets	<u>\$ 752,026,399</u>	<u>\$ 39,746,657</u>	<u>\$ 791,773,056</u>

MISSOURI-AMERICAN WATER COMPANY

Balance Sheet as of May 31, 2002 and Pro Forma giving effect as of that date to the Proposed Financing

CAPITAL AND LIABILITIES

	<u>Per Books</u>	<u>Adjustments</u>	<u>Pro Forma</u>
Common stock	\$ 95,994,075	\$ 15,000,000 (2)	\$ 110,994,075
Paid in capital	2,764,716		2,764,716
Retained earnings	108,751,918		108,751,918
Total common equity	207,510,709	15,000,000	222,510,709
Preferred stock	2,704,000		2,704,000
Long-term debt	234,250,000	85,000,000 (1)	319,250,000
Total capitalization	444,464,709	100,000,000	544,464,709
Current Liabilities:			
Bank debt-pending issuance of securities	60,253,343	(60,253,343) (3)	0
Current portion of long-term debt			0
Accounts payable	2,663,014		2,663,014
Taxes accrued	8,812,438		8,812,438
Interest accrued	3,339,996		3,339,996
Dividends declared	259		259
Other	10,297,094		10,297,094
Total current liabilities	85,366,144	(60,253,343)	25,112,801
Deferred Credits:			
Customer advances for construction	51,400,309		51,400,309
Deferred income taxes	57,868,701		57,868,701
Deferred investment tax credit	4,845,282		4,845,282
Reg liability-income taxes refundable thru rates	3,191,843		
Other	11,526,623		11,526,623
Total deferred credits	128,832,758		128,832,758
Contribution in aid of construction	93,362,788		93,362,788
Total Capital and Liabilities	\$ 752,026,399	\$ 39,746,657	\$ 791,773,056

MISSOURI-AMERICAN WATER COMPANY

Notes to the Balance Sheet Adjustments

	<u>Debit</u>	<u>Credit</u>
(1) Cash	\$85,000,000	
Long-term debt		\$85,000,000
To reflect the issuance of \$85,000,000 Mortgage Bonds, ___% Series and/or Unsecured Notes.		
(2) Cash	\$15,000,000	
Common stock		\$15,000,000
To reflect the sale of \$15,000,000 aggregate amount of Common Stock or Additional Paid in Capital.		
(3) Notes payable	\$60,253,343	
Cash		\$60,253,343
To reflect the payment of Notes Payable from the proceeds of the issuance of the Bonds and/or Notes.		
(4) Debt and preferred stock expense	\$4,250,000	
Cash		\$4,250,000
To reflect the payment of the estimated additional expense to be incurred in the issuance of the Bonds and/or Notes.		

MISSOURI-AMERICAN WATER COMPANY

Statement of Income for Twelve Months Ended May 31, 2002 and Pro Forma giving effect as of that date to the proposed financing.

	Per Books	Adjustments	Pro Forma
Operating revenues	<u>\$ 157,237,547</u>		<u>\$ 157,237,547</u>
Operating expenses:			
Operation and Maintenance	69,560,655		69,560,655
Depreciation and amortization	23,299,055		23,299,055
Taxes on operating income:			
General	11,978,268		11,978,268
State and Federal income	14,967,216	(1,876,607) (5)	13,090,609
Tax savings on acquisition adjustment	104,006		104,006
	<u>119,909,200</u>	<u>(1,876,607)</u>	<u>118,032,593</u>
Utility operating income	37,328,347	1,876,607	39,204,954
Other income:			
Allowance for funds used during construction - Equity	778,529		778,529
Miscellaneous other income - (net)	<u>1,347,966</u>		<u>1,347,966</u>
Total income	<u>39,454,842</u>	<u>1,876,607</u>	<u>41,331,449</u>
Interest charges:			
Interest on long-term debt	13,724,736	6,000,474 (1)	19,725,210
Amortization of debt expense	557,530	141,667 (2)	699,197
Interest on bank debt	1,253,694	(1,253,694) (3)	0
Other interest	12,422		12,422
AFUDC on borrowed funds	<u>(549,093)</u>		<u>(549,093)</u>
Total interest charges	<u>14,999,289</u>	<u>4,888,447</u>	<u>19,887,736</u>
Net income	24,455,553	(3,011,839)	21,443,714
Preferred dividends	<u>241,896</u>	<u>(411)</u> (4)	<u>241,485</u>
Balance available for common equity	<u>\$ 24,213,657</u>	<u>\$ (3,011,428)</u>	<u>\$ 21,202,229</u>

MISSOURI-AMERICAN WATER COMPANY

Notes to the Statement of Income Adjustments

(1) To reflect the annual interest expense on the proposed issuance of the new General Mortgage Bonds and/or Notes Payable as follows:

LONG-TERM DEBT:	Principal Pro Forma	Rate	Annualized Interest
First Mortgage Bonds:			
Series T, due 02/01/23	14,910,000	5.500%	820,050
Series U, due 06/01/25	11,895,000	5.700%	678,015
Series V, due 11/01/26	19,900,000	5.500%	1,094,500
Series W, due 05/01/07	15,000,000	7.500%	1,125,000
Series X, due 03/01/28	25,000,000	5.100%	1,275,000
Series Y, due 03/01/29	40,000,000	5.000%	2,000,000
	<u>126,705,000</u>		<u>6,992,565</u>
General Mortgage Bonds:			
7.79% Series, due 06/01/27	8,000,000	7.790%	623,200
8.58% Series, due 03/01/25	3,000,000	8.580%	257,400
7.14% Series, due 03/01/34	12,500,000	7.140%	892,500
5.50% Series, due 01/01/23	4,845,000	5.500%	266,475
5.00% Series, due 02/01/28	4,500,000	5.000%	225,000
5.85% Series, due 07/01/26	6,000,000	5.850%	351,000
5.00% Series, due 11/01/28	19,000,000	5.000%	950,000
9.01% Series, due 02/15/05	5,700,000	9.010%	513,570
5.90% Series, due 03/01/30	29,000,000	5.900%	1,711,000
5.20% Series, due 04/01/32	15,000,000	5.200%	780,000
Proposed New Series Bonds and/or Notes	85,000,000	7.250%	6,162,500
	<u>\$ 192,545,000</u>		<u>\$ 12,732,645</u>
Total long-term debt principal & interest Pro Forma	<u>\$ 319,250,000</u>		<u>\$ 19,725,210</u>

Total long-term debt interest for the twelve months ended May 31, 2002 13,724,736

Adjustment \$ 6,000,474

(2) To reflect the annual amortization of issuance expense on the issuance of the proposed New Bonds and/or Notes \$ 141,667

(3) To reflect the elimination of interest expense on Notes Payable refunded from the proceeds of the proposed financing. \$ (1,253,694)

(4) To reflect the annualized reduction of preferred dividends on the redemption of Preferred Stock.

	Principal Pro Forma	Rate	Annualized Dividends
Cumulative Preferential Stock:			
9.18% Series	\$ 2,500,000	9.18%	\$ 229,500
5-7/8% Series	204,000	5.875%	11,985
Total preferred stock principal & dividends Pro Forma	<u>\$ 2,704,000</u>		<u>\$ 241,485</u>

Total preferred stock dividends for the twelve months ended May 31, 2002 241,896

Adjustment \$ (411)

(5) To reflect tax effect on adjustments \$ (1,876,607)