

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS, MISSOURI

COST OF SERVICE
ALLOCATION STUDY
FOR THE TEST YEAR ENDED JUNE 30, 2006



Gannett Fleming
Valuation and Rate Division

Harrisburg, Pennsylvania

Calgary, Alberta

Valley Forge, Pennsylvania

MISSOURI-AMERICAN WATER COMPANY

St. Louis, Missouri

COST OF SERVICE

ALLOCATION STUDY

FOR THE TEST YEAR ENDED JUNE 30, 2006

GANNETT FLEMING, INC. - VALUATION AND RATE DIVISION

Harrisburg, Pennsylvania

Calgary, Alberta

Valley Forge, Pennsylvania



Gannett Fleming

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July 6, 2007

Missouri-American Water Company
535 North New Ballas Road
St. Louis, MO 63141

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Attention Mr. Terry L. Gloriod, President

Gentlemen:

Pursuant to your request, we have conducted cost of service allocation studies based on the district specific revenue requirements estimated for the test year ended June 30, 2006.

The attached report presents the results of the allocation studies, as well as supporting schedules which set forth the detailed cost allocation calculations and the proposed schedule of rates. Schedule A, for each district, presents a comparison of the cost of service by customer classification with the pro forma revenues produced by each classification under present and proposed rates.

Respectfully submitted,

GANNETT FLEMING, INC.

PAUL R. HERBERT
Sr. Vice President
Valuation and Rate Division

PRH:krm

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MISSOURI-AMERICAN WATER COMPANY
COST OF SERVICE ALLOCATION STUDY
FOR THE TEST YEAR ENDED JUNE 30, 2006

PART I. INTRODUCTION

PLAN OF REPORT

The report sets forth the results of the cost of service allocation studies based on district specific revenue requirements as of June 30, 2006, for Missouri-American Water Company. Part I, Introduction, contains statements with respect to the basis of the study, the procedures employed, and a summary of the results of the study. Part II, Cost of Service by Customer Classification, presents detailed schedules of the allocation of costs to district specific customer classifications, as well as the bases for the allocations. Schedule A in Part II summarizes the cost allocation and the revenues produced under present and proposed rates for each district.

BASIS OF STUDY

The purpose of the cost allocation studies was to determine the relative cost of service responsibilities of the several customer classifications within each operating district, based on considerations of quantity of water consumed, variability of rate of consumption, and costs associated with customer metering, billing and accounting. The allocation studies incorporated generally-accepted principles and procedures for allocating the several categories of cost to customer classifications in proportion to each classification's use of facilities, commodities and services required in providing water service.

ALLOCATION PROCEDURES

The allocation studies were based on the Base-Extra Capacity Method for allocating costs to customer classifications. The method is described in the 2000 and prior editions of the Water Rates Manual published by the American Water Works Association. The four basic categories of cost responsibility are base, extra capacity, customer, and fire protection costs. The following discussion presents a brief description of these costs and the manner in which they were allocated.

Base Costs are costs that tend to vary with the quantity of water used, plus costs associated with supplying, treating, pumping, and distributing water to customers under average load conditions, without the elements necessary to meet peak demands. Base costs were allocated to customer classifications on the basis of average daily usage.

Extra Capacity Costs are costs associated with meeting usage requirements in excess of the average. They include operating and capital costs for additional plant and system capacity beyond that required for average use. The extra capacity costs in this study are subdivided into costs necessary to meet maximum day extra demand and costs to meet maximum hour extra demand. The extra capacity costs were allocated to customer classifications on the bases of each classification's maximum day and hour usage in excess of average usage.

Customer Costs are costs associated with serving customers regardless of their usage or demand characteristics. Customer costs include the operating and capital costs related to meters and services, meter reading costs, and billing and collecting costs. The customer costs were allocated on the bases of the capital cost of meters and services, and the number of customers.

Fire Protection Costs are costs associated with providing the facilities to meet the potential peak demand of fire protection service. Fire Protection costs are subdivided into costs to meet Public Fire Protection and Private Fire Protection demands. The extra capacity costs assigned to fire protection service were allocated to Public and Private Fire Protection on the basis of the total relative demands of the hydrants and fire service lines, sized to provide fire protection.

RESULTS OF STUDY

The results of the cost of service allocation study are set forth in Part II. The data summarized for each district in Schedule A, Comparison of Pro Forma Cost of Service with Revenues Under Present and Proposed Rates for the Test Year Ended June 30, 2006, constitute the principal results of the cost allocation studies and subsequent rate designs.

The cost of service by customer classification shown in column 2 of Schedule A is developed in Schedule B, Cost of Service for the Twelve Months Ended June 30, 2006, Allocated to Customer Classifications. The allocation of the total cost of service to the several customer classifications was performed by applying the allocation factors referenced in column 2 of Schedule B to the cost of service set forth in column 3. The bases for the allocation factors are presented in Schedule C.

Schedule D sets forth the experienced average day and maximum day system sendout and the maximum day ratios from 1990 through 2005. Schedule E presents the basis for allocating demand related costs of fire service to private and public fire protection classifications.

PART II. COST OF SERVICE BY CUSTOMER CLASSIFICATION

BRUNSWICK DISTRICT

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED JUNE 30, 2006

Customer Classification (1)	Cost of Service		Revenues, Present Rates		Revenues, Proposed Rates		Proposed Increase	
	Amount (Schedule B) (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
Residential	\$ 456,704	76.7%	\$ 101,775	75.3%	\$ 127,477	75.4%	\$ 25,702	25.3%
Commercial	111,486	18.7%	24,244	18.1%	30,366	18.0%	6,122	25.3%
Industrial	1,343	0.2%	522	0.4%	654	0.4%	132	25.3%
Public Authority	14,606	2.5%	3,682	2.7%	4,612	2.7%	930	25.3%
Sales for Resale	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Private Fire Service	11,795	2.0%	4,762	3.5%	5,964	3.5%	1,202	25.2%
Public Fire Service	-	0.0%	\$0	0.0%	\$0	0.0%	-	0.0%
Total Sales	595,935	100.1%	134,985	100.0%	169,073	100.0%	34,088	25.3%
Other Revenues	3,065		\$3,065		\$3,065		-	0.0%
Total	\$ 599,000		\$ 138,050		\$ 172,138		\$ 34,088	24.7%

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Fire Protection Private (9)	Public (10)
OPERATION AND MAINTENANCE EXPENSES									
SOURCE OF SUPPLY EXPENSES									
Super & Eng Oper SS	2	\$ 6,887	\$ 5,272	\$ 1,366	\$ 10	\$ 190	\$ -	\$ 6	\$ 41
Labor & Exp Oper SS	2	80	61	16	0	2	0	0	0
Labor & Exp Oper SS	2	158	121	31	0	4	0	0	1
Purchased Water	1	0	0	0	0	0	0	0	0
TOTAL SS EXPENSE - OPERATION		7,125	5,455	1,414	11	197	0	6	43
Misc Exp Oper SS	2	4,751	3,637	943	7	131	0	4	29
Misc Exp Oper SS	2	23	18	5	0	1	0	0	0
Rents Oper SS	2	0	0	0	0	0	0	0	0
Super & Eng Maint SS	2	0	0	0	0	0	0	0	0
Struct & Improve Maint SS	2	0	0	0	0	0	0	0	0
Struct & Improve Maint SS	2	0	0	0	0	0	0	0	0
Collect & Impound Maint SS	2	0	0	0	0	0	0	0	0
Collect & Impound Maint SS	2	0	0	0	0	0	0	0	0
Lake, River & Oth Maint SS	2	0	0	0	0	0	0	0	0
Lake, River & Oth Maint SS	2	0	0	0	0	0	0	0	0
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0
Inflit Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Inflit Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Misc Plant Maint SS	2	1	0	0	0	0	0	0	0
Misc Plant Maint SS	2	481	368	95	1	13	0	0	3
TOTAL SS EXPENSE - MAINTENANCE		5,256	4,024	1,043	8	145	0	5	32
TOTAL SS EXPENSE		12,380	9,478	2,456	19	342	0	11	74
POWER AND PUMPING EXPENSES									
Super & Eng Oper P	6	0	0	0	0	0	0	0	0
Fuel for Power Prod	1	0	0	0	0	0	0	0	0
Labor & Exp Oper Pwr Prod	6	(1,325)	(877)	(227)	(2)	(32)	0	(26)	(161)
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Purch Fuel/Power for Pump	1	4,013	3,001	843	6	118	0	6	39
Labor & Exp Oper Pump	6	3,537	2,342	607	5	85	0	70	429
Labor & Exp Oper Pump	6	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Expenses Transferred	6	0	0	0	0	0	0	0	0
Misc Exp Oper P	6	0	0	0	0	0	0	0	0
Rents Oper P	6	0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSE - OPERATION		6,224	4,466	1,223	9	171	0	50	307
Super & Eng Maint P	6	0	0	0	0	0	0	0	0
Struct & Improve Maint P	6	0	0	0	0	0	0	0	0
Struct & Improve Maint P	6	0	0	0	0	0	0	0	0
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Pump Equip Maint P	6	2,826	1,871	485	4	68	0	0	0
Pump Equip Maint P	6	1,082	716	186	1	26	0	56	343
TOTAL PUMPING EXPENSES - MAINTENANCE		3,908	2,588	671	5	93	0	77	474
TOTAL PUMPING EXPENSES		10,133	7,053	1,893	14	264	0	127	782
WATER TREATMENT									
Super & Eng Oper WT	2	18,401	14,087	3,651	28	508	0	17	110
Chemicals	1	5,117	3,827	1,075	8	150	0	8	49
Labor & Exp Oper WT	2	14,156	10,838	2,808	21	391	0	13	85
Labor & Exp Oper WT	2	5,849	4,478	1,161	9	161	0	5	35
Misc Exp Oper WT	2	799	612	159	1	22	0	1	5
Misc Exp Oper WT	1	7,989	5,975	1,679	12	235	0	12	77
Misc Exp Oper WT	2	861	559	171	1	24	0	1	5
Rents Oper WT	2	0	0	0	0	0	0	0	0
TOTAL WT EXPENSE - OPERATION		53,172	40,476	10,703	80	1,491	0	56	366
Super & Eng Maint WT	2	18,454	14,128	3,661	28	509	0	17	111
Struct & Improve Maint WT	2	0	0	0	0	0	0	0	0
Struct & Improve Maint WT	2	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	4,035	3,089	801	6	111	0	4	24
TOTAL WT EXPENSE - MAINTENANCE		22,489	17,217	4,462	34	621	0	20	135
TOTAL WT EXPENSE		75,660	57,694	15,164	113	2,112	0	76	501
TRANSMISSION AND DISTRIBUTION EXPENSES									
Super & Eng Oper TD	11	2,296	918	229	1	31	0	156	961
Storage Facility Exp	5	0	0	0	0	0	0	0	0
Storage Facility Exp	5	0	0	0	0	0	0	0	0
TD Lines Exp	7	9,627	3,797	952	2	132	0	661	4,083
TD Lines Exp	7	473	186	47	0	6	0	32	200
Meter Expense	9	99	80	17	1	2	0	0	0
Meter Expense	9	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Customer Install Exp	10	39	32	6	0	1	0	1	0
Customer Install Exp	10	0	0	0	0	0	0	0	0
Misc Exp Oper TD	11	2,444	978	244	1	33	0	166	1,023
Misc Exp Oper TD	11	117	47	12	0	2	0	8	49
Misc Exp Oper TD	11	1,269	508	127	0	17	0	86	531
Rents Oper TD	11	15	6	1	0	0	0	1	6
TOTAL T & D EXPENSE OPERATION		16,380	6,552	1,635	5	225	0	1,111	6,853
Super & Eng Maint TD	12	2,296	906	227	0	31	0	158	974
Struct & Improve Maint TD	12	0	0	0	0	0	0	0	0
Struct & Improve Maint TD	12	0	0	0	0	0	0	0	0
Dist Res Stand Maint TD	5	0	0	0	0	0	0	0	0
TD Main Maint TD	7	92	36	9	0	1	0	6	39
TD Main Maint TD	7	0	0	0	0	0	0	0	0
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Services Maint TD	10	0	0	0	0	0	0	0	0
Services Maint TD	10	0	0	0	0	0	0	0	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Misc Plant Maint TD	12	24	10	2	0	0	0	2	10
Mat and Sup Maint TD	12	3,609	1,423	357	1	49	0	248	1,530
Misc Maint TD	12	0	0	0	0	0	0	0	0
Amort Def Maint TD	5	19,742	9,772	2,487	0	375	0	995	6,112
TOTAL T & D EXPENSE - MAINTENANCE		25,763	12,147	3,083	1	458	0	1,409	8,666
TOTAL T & D EXPENSE		42,144	18,699	4,718	6	682	0	2,520	15,519
CUSTOMER ACCOUNTS									
Supervision CA	13	2,296	1,882	356	10	29	0	20	0
Meter Reading Exp CA	14	1,270	1,050	199	5	16	0	0	0
Meter Reading Exp CA	14	0	0	0	0	0	0	0	0
Meter Reading Exp CA	14	(3)	(3)	(0)	(0)	(0)	0	0	0
Cust Rec & Collection CA	13	0	0	0	0	0	0	0	0
Cust Rec & Collection CA	13	1,817	1,489	282	8	23	0	15	0
Uncollectible Accts	13	5,642	4,624	875	24	72	0	48	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Fire Protection Private (9)	Public (10)
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	2,125	1,741	329	9	27	0	18	0
Cust Serv & Info Exp CA	13	(0)	(0)	(0)	(0)	(0)	0	(0)	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		13,146	10,784	2,039	55	167	0	101	0
ADMINISTRATIVE AND GENERAL EXPENSES									
Salaries AG	15	30,166	20,111	5,017	39	679	0	621	3,698
Other Supplies & Exp AG	15	0	0	0	0	0	0	0	0
Other Supplies & Exp AG	15	4,096	2,731	681	5	92	0	84	502
Other Supplies & Exp AG	15	6,397	4,265	1,064	8	144	0	132	784
Mgmt Fees-Corporate/Shared Service Center	15	18,175	12,117	3,023	24	409	0	374	2,228
Mgmt Fees-Call Center	13	666	546	103	3	8	0	6	0
Mgmt Fees-Bellefonte Lab	2	838	642	166	1	23	0	1	5
Mgmt Fees- Financial ITS	15	6,334	4,223	1,053	8	143	0	130	777
Mgmt Fees- Customer Billings ITS	13	(0)	(0)	(0)	(0)	(0)	0	(0)	0
Mgmt Fees-Other ITS	15	82	55	14	0	2	0	2	10
Outside Services AG	15	787	525	131	1	18	0	16	96
Outside Services AG	15	9,521	6,347	1,583	12	214	0	196	1,167
Property Insurance	15	0	0	0	0	0	0	0	0
Ins Gen Liab Oper AG	15	2,893	1,929	481	4	65	0	60	355
Ins Work Comp AG	16	4,481	3,056	774	6	106	0	77	463
Ins Other Oper AG	15	1,104	736	184	1	25	0	23	135
Property Insurance	15	552	368	92	1	12	0	11	68
Injuries & Damages	16	5	3	1	0	0	0	0	1
Employee Pension & Benefits	16	37,486	25,566	6,474	49	885	0	641	3,872
Employee Pension & Benefits	16	12,203	8,323	2,108	16	288	0	209	1,261
Employee Pension & Benefits	16	2,104	1,435	363	3	50	0	36	217
Reg Commission Exp	15	268	179	45	0	6	0	6	33
Rents AG	15	2,069	1,380	344	3	47	0	43	254
Goodwill Advertising Exp	15	12	8	2	0	0	0	0	1
Misc Exp AG	15	17,613	11,743	2,929	23	396	0	363	2,159
Research & Development	15	0	0	0	0	0	0	0	0
TOTAL A & G OPERATIONS		157,853	106,287	26,631	207	3,611	0	3,030	18,087
General Plant Maint AG	15	0	0	0	0	0	0	0	0
General Plant Maint AG	15	468	312	78	1	11	0	10	57
TOTAL A & G EXPENSE - MAINTENANCE		468	312	78	1	11	0	10	57
TOTAL A & G EXPENSE		158,321	106,599	26,708	208	3,622	0	3,040	18,145
Total Operation & Maintenance Expenses		311,785	210,306	52,980	415	7,189	0	5,874	35,020

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
DEPRECIATION EXPENSE									
Organization	17	0	0	0	0	0	0	0	0
Franchises	17	0	0	0	0	0	0	0	0
Land & Ld Rights SS	2	0	0	0	0	0	0	0	0
Land & Ld Rights P	6	0	0	0	0	0	0	0	0
Land & Ld Rights WT	7	0	0	0	0	0	0	0	0
Land & Ld Rights TD	15	0	0	0	0	0	0	0	0
Land & Land Rights AG	2	0	0	0	0	0	0	0	0
Struct & Imp SS	2	554	424	110	1	15	0	0	3
Struct & Imp P	6	1,632	1,081	280	2	39	0	32	198
Struct & Imp WT	2	6,369	4,876	1,264	10	176	0	6	38
Struct & Imp TD	7	560	221	55	0	8	0	38	237
Struct & Imp Offices	15	112	75	19	0	3	0	2	14
Struct & Imp Store, Shop, Gar	15	28	19	5	0	1	0	1	3
Struct & Imp Misc	15	188	125	31	0	4	0	4	23
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Infiltration Galleries & Tunnels	2	0	0	0	0	0	0	0	0
Wells & Springs	2	3,454	2,644	685	5	95	0	3	21
Supply Mains	2	1,299	995	258	2	36	0	1	8
Power Generation Equip Othe	6	36	24	6	0	1	0	1	4
Pump Equip Electric	6	2,033	1,346	349	3	49	0	40	247
Pump Equip Other	6	229	152	39	0	5	0	5	28
WT Equip Non-Media	2	4,181	3,201	830	6	115	0	4	25
WT Equip Filter Media	2	991	759	197	1	27	0	1	6
Dist Reservoirs & Standpipe	5	1,306	646	165	0	25	0	66	404
Elevated Tanks & Standpipes	5	396	196	50	0	8	0	20	123
Ground Level Facilities	5	0	0	0	0	0	0	0	0
TD Mains Not Classified by	7	4,720	1,862	467	1	65	0	324	2,002
TD Mains 4 & Less "	4	786	277	69	0	10	0	60	370
TD Mains 6 to 8"	4	2,823	996	247	0	34	0	216	1,330
TD Mains 10 to 16"	3	0	0	0	0	0	0	0	0
TD Mains 18 & Grtr "	3	0	0	0	0	0	0	0	0
Services	10	(393)	(318)	(62)	(2)	(6)	0	(6)	0
Meters Bronze Case	9	1,086	874	185	7	20	0	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	391	315	67	2	7	0	0	0
Meters Other-Rem Rdr Units	9	0	0	0	0	0	0	0	0
Meter Installations	9	2,045	1,646	349	12	37	0	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	1,242	0	0	0	0	0	0	0
Other P/E Intangible	17	0	0	0	0	0	0	0	1,242
Utility Plant Acquisition Adjustment	17	0	0	0	0	0	0	0	0
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0
Other P/E TD	7	0	0	0	0	0	0	0	0
Other P/E CPS	15	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Fire Protection Private (9)	Public (10)
Office Furniture & Equip	15	197	131	33	0	4	0	4	24
Comp & Periph Equip	15	1,039	893	173	1	23	0	21	127
Computer Software	15	1,420	947	236	2	32	0	29	174
Comp Software Personal	15	19	13	3	0	0	0	0	2
Data Handling Equipment	15	1,931	1,287	321	3	43	0	40	237
Other Office Equipment	15	191	127	32	0	4	0	4	23
Trans Equip Lt Duty Trks	15	97	65	16	0	2	0	2	12
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0
Trans Equip Autos	15	19	13	3	0	0	0	0	0
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	859	573	143	1	19	0	18	105
Tools, Shop, Garage Equip	15	2,663	1,775	443	3	60	0	55	326
Tools, Shop, Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	2,751	2,106	546	4	76	0	2	17
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	0	0	0	0	0	0	0	0
Comm Equip Non-Telephone	15	0	0	0	0	0	0	0	0
Comm Equip Telephone	15	1	1	0	0	0	0	0	0
Misc Equipment	15	12,852	8,568	2,137	17	289	0	265	1,576
Other Tangible Property	15	7,681	5,121	1,277	10	173	0	158	942
Total Depreciation Expense		67,788	43,855	11,027	93	1,501	0	1,417	9,895
Amort-Other UP	18	62	40	10	0	1	0	1	9
Amort-Intangible Fin	2	334	256	66	1	9	0	0	2
Taxes Other Than Income									
Utility Reg Assessment Fee	19	1,155	765	191	2	26	0	23	149
Property Taxes	18	22,775	14,756	3,598	39	471	0	478	3,432
FUTA	16	114	78	20	0	3	0	2	12
FICA	16	8,846	6,032	1,528	11	209	0	151	915
SUTA	16	75	51	13	0	2	0	1	8
Other Taxes & Licenses	15	568	379	94	1	13	0	12	70
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
Total Taxes, Other Than Income		33,533	22,061	5,444	53	723	0	667	4,585
Income Taxes	18	52,060	33,730	8,225	89	1,078	0	1,093	7,845
Utility Income Available for Return	18	133,437	86,454	21,083	227	2,762	0	2,802	20,109
Total Cost of Service		599,000	396,696	98,835	878	13,264	0	11,856	77,472
Less: Other Water Revenues	19	3,065	2,030	506	5	68	0	61	396
Revenue Contribution	19	0	0	0	0	0	0	0	0
Total Other Water Revenues		3,065	2,030	506	5	68	0	61	396
Total Cost of Service Related to Sales of Water		\$ 595,935	\$ 394,666	\$ 98,329	\$ 873	\$ 13,196	\$ -	\$ 11,795	\$ 77,076
Reallocation of Public Fire	20	0	62,038	13,157	470	1,410	0	0	(77,076)
Total		\$ 595,935	\$ 456,704	\$ 111,486	\$ 1,343	\$ 14,606	\$ -	\$ 11,795	\$ -

**MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS

FACTOR 1. ALLOCATION OF COSTS WHICH VARY WITH THE AMOUNT OF WATER CONSUMED.

Factors are based on the pro forma test year average daily consumption for each customer classification.

Customer Classification (1)	Average Daily Consumption, Thousand Gallons (2)	Allocation Factor (3)
Residential	48.4	0.7479
Commercial	13.6	0.2101
Industrial	0.1	0.0015
Other Public Authority	1.9	0.0294
Sales for Resale	0.0	0.0000
Private Fire Protection	0.1	0.0015
Public Fire Protection	0.6	0.0096
Total	64.7	1.0000

FACTOR 2. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM DAY EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the factors for average daily consumption (Factor 1) and the factors derived from maximum day extra capacity demand for each customer classification, as follows:

Customer Classification (1)	Average Daily Consumption		Maximum Day Extra Capacity		Allocation Factor (6)=(3)+(5)
	Allocation Factor 1 (2)	Weighted Factor (3)=(2)x 0.6250	Allocation Factor (4)	Weighted Factor (5)=(4)x 0.3750	
Residential	0.7479	0.4675	0.7948	0.2981	0.7656
Commercial	0.2101	0.1313	0.1790	0.0671	0.1984
Industrial	0.0015	0.0009	0.0016	0.0006	0.0015
Other Public Authority	0.0294	0.0184	0.0246	0.0092	0.0276
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0015	0.0009			0.0009
Public Fire Protection	0.0096	0.0060			0.0060
Total	1.0000	0.6250	1.0000	0.3750	1.0000

The derivation of the maximum day extra capacity factors in column 4 and the basis for the column 3 and 5 weightings are presented on the following page.

**MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 2. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND
MAXIMUM DAY EXTRA CAPACITY FUNCTIONS, cont.

Customer Classification	Average Daily Consumption, Thousand Gal.	Maximum Day Extra Capacity		
		Factor*	Rate of Flow, Thousand Gal. Per Day	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	48.4	1.0	48.4	0.7948
Commercial	13.6	0.8	10.9	0.1790
Industrial	0.1	0.5	0.1	0.0016
Other Public Authority	1.9	0.8	1.5	0.0246
Sales for Resale	0.0	0.6	0.0	0.0000
Total	<u>64.0</u>		<u>60.9</u>	<u>1.0000</u>

The weighting of the factors is based on the maximum day ratio of 1.60, based on a review of maximum day ratios experienced during the period 1990 through 2005 (see Schedule D).

	Maximum Day Ratio	Weight
Average Day	1.00	0.6250
Maximum Day Extra Capacity	<u>0.60</u>	<u>0.3750</u>
Total	<u>1.60</u>	<u>1.0000</u>

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 3. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY
AND FIRE PROTECTION FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification	Average Daily Consumption		Maximum Day Extra Capacity		Fire Protection		Allocation Factor
	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	
(1)	(2)	(3)=(2) X 0.5406	(4)	(5)=(4) X 0.3243	(6)	(7)=(6) X 0.1351	(8)=(3)+(5)+(7)
Residential	0.7479	0.4043	0.7948	0.2578			0.6621
Commercial	0.2101	0.1136	0.1790	0.0580			0.1716
Industrial	0.0015	0.0008	0.0016	0.0005			0.0013
Other Public Authority	0.0294	0.0159	0.0246	0.0080			0.0239
Sales for Resale	0.0000	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.0015	0.0008			0.1400	0.0189	0.0197
Public Fire Protection	0.0096	0.0052			0.8600	0.1162	0.1214
Total	1.0000	0.5406	1.0000	0.3243	1.0000	0.1351	1.0000

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 3. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY AND FIRE PROTECTION FUNCTIONS, cont.

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum day ratio of 1.60 and the average daily system sendout for 2005 of 0.144 MGD. The system demand for fire protection is 300 Gallons per minute for 2 hours.

	<u>Ratio</u>	<u>Rate of Flow, (GPD)</u>	<u>Weight</u>
Average Day	1.00	144,000	0.5406
Maximum Day Extra Capacity	<u>0.60</u>	<u>86,400</u>	<u>0.3243</u>
Subtotal	<u><u>1.60</u></u>	230,400	0.8649
Fire Protection		<u>36,000</u>	<u>0.1351</u>
Total		<u><u>266,400</u></u>	<u><u>1.0000</u></u>

The public and private fire protection allocation factors in column 6 on the previous page are based on the relative potential demands (see Schedule E).

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification (1)	Average Hourly Consumption			Maximum Hour Extra Capacity			Fire Protection		
	Thousand Gallons (2)	Allocation Factor (3)	Weighted Factor (4)=(3) X 0.1818	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.2727		Allocation Factor (7)	Weighted Factor (8)=(7) X 0.5455	Allocation Factor (9)=(4)+(6)+(8)
Residential	2.02	0.7482	0.1360	0.7953	0.2169				0.3528
Commercial	0.57	0.2111	0.0384	0.1800	0.0491				0.0876
Industrial	0.00	0.0000	0.0000	0.0000	0.0000				0.0000
Other Public Authority	0.08	0.0296	0.0054	0.0247	0.0067				0.0121
Sales for Resale	0.00	0.0000	0.0000	0.0000	0.0000				0.0000
Private Fire Protection	0.00	0.0000	0.0000				0.1400	0.0764	0.0764
Public Fire Protection	0.03	0.0111	0.0020				0.8600	0.4691	0.4711
Total	2.70	1.0000	0.1818	1.0000	0.2727		1.0000	0.5455	1.0000

The maximum hour extra capacity factors in column 5 are determined on the next page.

**MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

**FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND
MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS, cont.**

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum hour ratio of 2.5 and the average daily system sendout for 2005 of 0.144 MGD. The system demand for fire protection is 300 gallons per minute.

	<u>Ratio</u>	<u>Rate of Flow, (GPM)</u>	<u>Weight</u>
Average Hour	1.00	100	0.1818
Maximum Hour Extra Capacity	<u>1.50</u>	<u>150</u>	<u>0.2727</u>
Subtotal	<u>2.50</u>	250	0.4545
Fire Protection		<u>300</u>	<u>0.5455</u>
Total		<u>550</u>	<u>1.0000</u>

The maximum hour extra capacity factors in column 5 of the previous page are determined as follows:

<u>Customer Classification</u>	<u>Average Hourly Consumption Thousand Gal.</u>	<u>Maximum Hour Extra Capacity</u>		
		<u>Factor*</u>	<u>1,000 Gallons Per Hour</u>	<u>Allocation Factor</u>
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	2.02	3.5	7.07	0.7953
Commercial	0.57	2.8	1.60	0.1800
Industrial	0.00	1.5	0.00	0.0000
Other Public Authority	0.08	2.8	0.22	0.0247
Sales for Resale	<u>0.00</u>	2.0	<u>0.00</u>	<u>0.0000</u>
Total	<u>2.67</u>		<u>8.89</u>	<u>1.0000</u>

* Ratio of Maximum Hour To Average Hour Minus 1.0.

The public and private fire protection allocation factors in column 7 on the previous page are based on the relative potential demands (see Schedule E).

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES.

Factors are based on the weighting of the average hourly consumption, the maximum hour extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification (1)	Average Hourly Consumption		Maximum Hour Extra Capacity		Fire Protection		Allocation Factor (9)=(4)+(6)+(8)
	Thousand Gallons (2)	Allocation Factor (3)	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.2560	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.3600	
Residential	2.0	0.7408	0.7953	0.1896			0.4950
Commercial	0.6	0.2222	0.1800	0.0569			0.1260
Industrial	0.0	0.0000	0.0000	0.0000			0.0000
Other Public Authority	0.1	0.0370	0.0247	0.0095			0.0190
Sales for Resale	0.0	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.0	0.0000		0.0000	0.1400	0.0504	0.0504
Public Fire Protection	0.0	0.0000		0.0000	0.8600	0.3096	0.3096
Total	2.7	1.0000	1.0000	0.2560	1.0000	0.3600	1.0000

The weighting of the factors is based on the ratio of the capacity required for a 2 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES, cont.

The weighting of the factors is based on the ratio of the capacity required for a 2 hour demand of fire flow, as related to total storage capacity.

$$\text{Fire Protection Weight} = \frac{300 \text{ GPM} \times 60 \text{ Min.} \times 2 \text{ Hrs.}}{100,000 \text{ Gallons}} = 0.3600$$

$$\text{General Service Weight} = 1.0000 - 0.3600 = 0.6400$$

The weighting of the average hourly consumption and maximum hour extra demand for general service is based on the maximum hour ratio, as follows:

	Maximum Hour Ratio	Percent	Weight
Average Hour	1.00	40.00	0.2560
Extra Capacity Maximum Hour	1.50	60.00	0.3840
Total	2.50	100.00	0.6400

**MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 6. ALLOCATION OF COSTS ASSOCIATED WITH POWER AND PUMPING FACILITIES.

Factors are based on the weighting of the maximum daily consumption, Factor 2, the maximum daily consumption with fire, Factor 3, and the maximum hour consumption, Factor 4, for each customer classification, as follows:

Customer Classification	Maximum Daily Consumption		Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		Allocation Factor
	Allocation Factor 2	Weighted Factor	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
(1)	(2)	(3)=(2)X 0.0000	(4)	(5)=(4)X 1.0000	(6)	(7)=(6)X 0.0000	(8)=(3)+ (5)+(7)
Residential	0.7656	0.0000	0.6621	0.6621	0.3528	0.0000	0.6621
Commercial	0.1984	0.0000	0.1716	0.1716	0.0876	0.0000	0.1716
Industrial	0.0015	0.0000	0.0013	0.0013	0.0000	0.0000	0.0013
Other Public Authority	0.0276	0.0000	0.0239	0.0239	0.0121	0.0000	0.0239
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0009	0.0000	0.0197	0.0197	0.0764	0.0000	0.0197
Public Fire Protection	0.0060	0.0000	0.1214	0.1214	0.4711	0.0000	0.1214
Total	1.0000	0.0000	1.0000	1.0000	1.0000	0.0000	1.0000

The weighting of the factors is based on the horsepower of pumps associated with maximum day facilities, maximum day and fire facilities, and maximum hour facilities, as follows:

	Horsepower of Pumps	Weight
Associated with Maximum Day	0	0.0000
Associated with Maximum Day and Fire	100	1.0000
Associated with Maximum Hour	0	0.0000
Total	100	1.0000

**MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 7. ALLOCATION OF COSTS ASSOCIATED WITH TRANSMISSION AND DISTRIBUTION MAINS.

Factors are based on the weighting of the maximum daily consumption with fire, Factor 3, and the maximum hour consumption, Factor 4, for each customer classification, as follows:

Customer Classification	Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		Allocation Factor
	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
(1)	(2)	(3)=(2)X 0.1343	(4)	(5)=(4)X 0.8657	(6)=(3)+(5)
Residential	0.6621	0.0890	0.3528	0.3054	0.3944
Commercial	0.1716	0.0230	0.0876	0.0759	0.0989
Industrial	0.0013	0.0002	0.0000	0.0000	0.0002
Other Public Authority	0.0239	0.0032	0.0121	0.0105	0.0137
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0197	0.0026	0.0764	0.0661	0.0687
Public Fire Protection	0.1214	0.0163	0.4711	0.4078	0.4241
Total	<u>1.0000</u>	<u>0.1343</u>	<u>1.0000</u>	<u>0.8657</u>	<u>1.0000</u>

The weighting of the factors is based on the total footage of mains, designated as either transmission mains or distribution mains, as follows:

	Total Footage of Mains	Weight
Transmission Mains	9,795	0.1343
Distribution Mains	<u>63,160</u>	<u>0.8657</u>
Total	<u>72,955</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH FIRE HYDRANTS.

Costs are assigned directly to Public Fire Protection.

<u>Customer Classification</u> (1)	<u>Allocation Factor</u> (3)
Public Fire Protection	1.0000
Total	<u>1.0000</u>

FACTOR 9. ALLOCATION OF COSTS ASSOCIATED WITH METERS.

Factors are based on the relative cost of meters by size and customer classification, as developed on the following page and summarized below.

<u>Customer Classification</u> (1)	<u>5/8" Dollar Equivalents</u> (2)	<u>Allocation Factor</u> (3)
Residential	396	0.8049
Commercial	84	0.1707
Industrial	3	0.0061
Other Public Authority	9	0.0183
Sales for Resale	0	0.0000
Private Fire	0	0.0000
Total	<u>492</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size (1)	5/8" Dollar Equivalent (2)	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Total	
		Number of Meters (3)	Weighting (4)=(2)X(3)	Number of Meters (5)	Weighting (6)=(2)X(5)	Number of Meters (7)	Weighting (8)=(2)X(7)	Number of Meters (9)	Weighting (10)=(2)X(9)	Number of Meters (11)	Weighting (12)=(2)X(11)	Number of Meters (13)	Weighting (14)
5/8	1.0	383	383	65	65	0	0	5	5	0	0	453	453
3/4	1.3	0	0	0	0	0	0	0	0	0	0	0	0
1	1.7	0	0	6	10	2	3	0	0	0	0	8	13
1-1/2	3.5	0	0	0	0	0	0	0	0	0	0	0	0
2	4.3	3	13	2	9	0	0	1	4	0	0	6	26
3	19.0	0	0	0	0	0	0	0	0	0	0	0	0
4	29.3	0	0	0	0	0	0	0	0	0	0	0	0
6	48.4	0	0	0	0	0	0	0	0	0	0	0	0
8	112.9	0	0	0	0	0	0	0	0	0	0	0	0
Total		386	396	73	84	2	3	6	9	0	0	467	492

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 10. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES.

Factors are based on the relative cost of services by size and customer classification, as developed on the following page and summarized below.

Customer Classification <u>(1)</u>	3/4" Dollar Equivalents <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	389	0.8086
Commercial	76	0.1580
Industrial	2	0.0042
Other Public Authority	7	0.0146
Sales for Resale	0	0.0000
Private Fire Protection	<u>7</u>	<u>0.0146</u>
Total	<u><u>481</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

Service Size (1)	3/4" Dollar Equivalent (2)	Residential Number of Services (3)	Weighting (4)=(2)X(3)	Commercial Number of Services (5)	Weighting (6)=(2)X(5)	Industrial Number of Services (7)	Weighting (8)=(2)X(7)	Other Public Authority Number of Services (9)	Weighting (10)=(2)X(9)	Sales for Resale Number of Services (11)	Weighting (12)=(2)X(11)	Private Fire Protection Number of Services (13)	Weighting (14)=(2)X(13)	Number of Services (15)	Weighting (16)
3/4	1.00	383	383	65	65	0	0	5	5	0	0	0	0	453	453
1	1.17	0	0	6	7	2	2	0	0	0	0	0	0	8	9
1-1/2	1.58	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	2.04	3	6	2	4	0	0	1	2	0	0	0	0	6	12
3	2.73	0	0	0	0	0	0	0	0	0	0	1	3	1	3
4	2.88	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	4.24	0	0	0	0	0	0	0	0	0	0	1	4	1	4
8	6.98	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	9.50	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	12.16	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		386	389	73	76	2	2	6	7	0	0	2	7	469	481

**MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

**FACTOR 11. ALLOCATION OF TRANSMISSION AND DISTRIBUTION OPERATION SUPERVISION
AND ENGINEERING AND MISCELLANEOUS EXPENSES.**

Factors are based on transmission and distribution operation expenses other than those being allocated, as follows:

Customer Classification	Transmission & Distribution Operating Expenses	Allocation Factor
(1)	(2)	(3)
Residential	\$ 4,095	0.4000
Commercial	1,022	0.0998
Industrial	3	0.0003
Other Public Authority	141	0.0137
Sales for Resale	-	0.0000
Private Fire Protection	694	0.0678
Public Fire Protection	4,283	0.4184
Total	10,239	1.0000

**FACTOR 12. ALLOCATION OF TRANSMISSION AND DISTRIBUTION MAINTENANCE SUPERVISION
AND ENGINEERING, STRUCTURES AND IMPROVEMENTS, AND OTHER EXPENSES.**

Factors are based on transmission and distribution maintenance expenses other than those being allocated, as follows:

Customer Classification	Transmission & Distribution Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Residential	\$ 36	0.3944
Commercial	9	0.0989
Industrial	0	0.0002
Other Public Authority	1	0.0137
Sales for Resale	-	0.0000
Private Fire Protection	6	0.0687
Public Fire Protection	39	0.4241
Total	\$92	1.0000

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 13. ALLOCATION OF BILLING AND COLLECTING COSTS.

Factors are based on the total number of customers.

Customer Classification	Total Customers	Allocation Factor
(1)	(2)	(3)
Residential	386	0.8196
Commercial	73	0.1550
Industrial	2	0.0042
Other Public Authority	6	0.0127
Sales for Resale	0	0.0000
Private Fire Protection	4	0.0085
Public Fire Protection	0	0.0000
Total	471	1.0000

FACTOR 14. ALLOCATION OF METER READING COSTS.

Factors are based on the number of metered customers.

Customer Classification	Total Metered Customers	Allocation Factor
(1)	(2)	(3)
Residential	386	0.8266
Commercial	73	0.1563
Industrial	2	0.0043
Other Public Authority	6	0.0128
Sales for Resale	0	0.0000
Total	467	1.0000

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 15. ALLOCATION OF ADMINISTRATIVE AND GENERAL EXPENSES AND CASH
WORKING CAPITAL.

Factors are based on the allocation of all other operation and maintenance expenses excluding purchased water, power, chemicals and waste disposal.

Customer Classification	Operation & Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Residential	\$90,905	0.6667
Commercial	22,675	0.1663
Industrial	182	0.0013
Other Public Authority	3,064	0.0225
Sales for Resale	0	0.0000
Private Fire Protection	2,808	0.0206
Public Fire Protection	16,711	0.1226
Total	\$136,345	1.0000

**MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 16. ALLOCATION OF LABOR RELATED TAXES AND BENEFITS.

Factors are based on the allocation of direct labor expense.

Customer Classification	Direct Labor Expense	Allocation Factor
(1)	(2)	(3)
Residential	\$77,523	0.6820
Commercial	19,625	0.1727
Industrial	152	0.0013
Other Public Authority	2,677	0.0236
Sales for Resale	0	0.0000
Private Fire Protection	1,941	0.0171
Public Fire Protection	11,747	0.1033
Total	<u>\$113,667</u>	<u>1.0000</u>

**FACTOR 17. ALLOCATION OF ORGANIZATION, FRANCHISES AND CONSENTS,
MISCELLANEOUS INTANGIBLE PLANT AND OTHER RATE BASE ELEMENTS.**

Factors are based on the allocation of the original cost less depreciation other than those items being allocated, as follows:

Customer Classification	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
Residential	\$1,065,746	0.6478
Commercial	259,920	0.1580
Industrial	2,850	0.0017
Other Public Authority	34,119	0.0207
Sales for Resale	0	0.0000
Private Fire Protection	34,583	0.0210
Public Fire Protection	248,069	0.1508
Total	<u>\$1,645,287</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 18. ALLOCATION OF INCOME TAXES AND INCOME AVAILABLE FOR RETURN.

Factors are based on the allocation of the original cost measure of value rate base as shown on the following pages and summarized below.

Customer Classification <u>(1)</u>	Original Cost Measure of Value <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	\$1,014,530	0.6479
Commercial	247,439	0.1580
Industrial	2,712	0.0017
Other Public Authority	32,488	0.0207
Sales for Resale	0	0.0000
Private Fire Protection	32,949	0.0210
Public Fire Protection	<u>236,043</u>	<u>0.1507</u>
Total	<u><u>\$1,566,161</u></u>	<u><u>1.0000</u></u>

FACTOR 19. ALLOCATION OF REGULATORY COMMISSION EXPENSES, ASSESSMENTS AND OTHER WATER REVENUES.

The factors are based on the allocation of the total cost of service, excluding those items being allocated.

Customer Classification <u>(1)</u>	Total Cost of Service <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	\$395,758	0.6623
Commercial	98,600	0.1650
Industrial	875	0.0015
Other Public Authority	13,232	0.0221
Sales for Resale	0	0.0000
Private Fire Protection	11,827	0.0198
Public Fire Protection	<u>77,283</u>	<u>0.1293</u>
Total	<u><u>\$597,575</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
RATE BASE									
Organization	17	\$ 181	\$ 117	\$ 29	\$ 0	\$ 4	\$ -	\$ 4	\$ 27
Franchises	17	1,092	707	173	2	23	0	23	165
Land & Ld Rights SS	2	11,981	9,173	2,377	18	331	0	11	72
Land & Ld Rights P	6	0	0	0	0	0	0	0	0
Land & Ld Rights WT	2	1,468	1,124	291	2	41	0	1	9
Land & Ld Rights TD	7	591	233	58	0	8	0	41	251
Land & Land Rights AG	15	0	0	0	0	0	0	0	0
Struct & Imp SS	2	20,910	16,009	4,149	31	577	0	19	125
Struct & Imp P	6	49,701	32,907	8,529	65	1,188	0	979	6,034
Struct & Imp Pumps (STL)	6	0	0	0	0	0	0	0	0
Struct & Imp Pump Boosters	6	0	0	0	0	0	0	0	0
Struct & Imp WT	2	216,492	165,746	42,952	325	5,975	0	195	1,299
Struct & Imp WT Nth Pit (ST	2	0	0	0	0	0	0	0	0
Struct & Imp WT Ctrl Pit 1	2	0	0	0	0	0	0	0	0
Struct & Imp WT Ctrl Pit 3	2	0	0	0	0	0	0	0	0
Struct & Imp WT Sth Pit (ST	2	0	0	0	0	0	0	0	0
Struct & Imp WT Meramec (ST	2	0	0	0	0	0	0	0	0
Struct & Imp TD	7	22,527	8,885	2,228	5	309	0	1,548	9,554
Struct & Imp TD Spec Cross	7	0	0	0	0	0	0	0	0
Struct & Imp Offices	15	4,267	2,845	710	6	96	0	88	523
Struct & Imp Leasehold	15	0	0	0	0	0	0	0	0
Struct & Imp Leasehold	15	0	0	0	0	0	0	0	0
Struct & Imp Store,Shop,Gar	15	468	312	78	1	11	0	10	57
Struct & Imp Misc	15	17,564	11,710	2,921	23	395	0	362	2,153
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Infiltration Galleries & Tunnels	2	0	0	0	0	0	0	0	0
Wells & Springs	2	0	0	0	0	0	0	0	0
Supply Mains	2	115,490	88,419	22,913	173	3,188	0	104	693
Supply Mains Nth Pit (STL)	2	49,761	38,097	9,873	75	1,373	0	45	299
Supply Mains Ctrl Pit (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Sth Pit (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Meramec Pit (S	2	0	0	0	0	0	0	0	0
Power Generation Equip Othe	6	697	461	120	1	17	0	14	85
Boiler Plant Equipment P	6	0	0	0	0	0	0	0	0
Pump Equip Steam	6	0	0	0	0	0	0	0	0
Pump Equip Electric	6	67,038	44,386	11,504	87	1,602	0	1,321	8,138
Pump Equip Elec Pre46 (STL)	6	0	0	0	0	0	0	0	0
Pump Equip Elec Posi46 (STL	6	0	0	0	0	0	0	0	0
Pump Equip Elec Boosters Po	6	0	0	0	0	0	0	0	0
Pump Equip Diesel	6	0	0	0	0	0	0	0	0
Pump Equip Diesel Stratman\	6	0	0	0	0	0	0	0	0
Pump Equip Diesel Ctrl Pit	6	0	0	0	0	0	0	0	0
Pump Equip Hydraulic	6	0	0	0	0	0	0	0	0
Pump Equip Other	6	0	0	0	0	0	0	0	0
WT Equip Non-Media	2	19,257	12,750	3,305	25	460	0	379	2,338
		98,701	75,565	19,582	148	2,724	0	89	592

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Public (10)
WT Equip Non-Med North (STL)	2	0	0	0	0	0	0	0	0
WT Equip Non Media Ctrl 1 &	2	0	0	0	0	0	0	0	0
WT Equip Non Media Ctrl 3 (	2	0	0	0	0	0	0	0	0
WT Equip Non Media Sth (STL)	2	0	0	0	0	0	0	0	0
WT Equip Non Media Mer (STL)	2	0	0	0	0	0	0	0	0
WT Equip Filter Media	2	48,106	36,830	9,544	72	1,328	0	43	289
Dist Reservoirs & Standpipe	5	34,620	17,137	4,362	0	658	0	1,745	10,718
Elevated Tanks & Standpipes	5	16,259	8,048	2,049	0	309	0	819	5,034
Ground Level Facilities	5	0	0	0	0	0	0	0	0
TD Mains Not Classified by	7	119,520	47,139	11,821	24	1,637	0	8,211	50,688
TD Mains 4 & Less "	4	32,837	11,585	2,877	0	397	0	2,509	15,470
TD Mains 6 to 8" "	4	120,204	42,408	10,530	0	1,454	0	9,184	56,628
TD Mains 10 to 16" "	3	0	0	0	0	0	0	0	0
TD Mains 18 & Grtr "	3	0	0	0	0	0	0	0	0
TD Mains AC 4 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1900-28 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1929-56 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1957-93 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI 12 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains CI 16 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains DI 6-8 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains DI 12 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains DI 16 & > (STL) "	3	0	0	0	0	0	0	0	0
TD Mains Galve 1 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains LJ 20 (STL) "	3	0	0	0	0	0	0	0	0
Fire Mains	8	0	0	0	0	0	0	0	0
Services	10	176,492	142,711	27,886	741	2,577	0	2,577	0
Meters Bronze Case	9	47,449	38,192	8,100	289	868	0	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	(1,548)	(1,246)	(264)	(9)	(28)	0	0	0
Meters Other-Rem Rdr Units	9	0	0	0	0	0	0	0	0
Meter Installations	9	73,097	58,836	12,478	446	1,338	0	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	51,463	0	0	0	0	0	0	0
Other P/E Intangible	15	2,294	1,529	381	3	52	0	47	51,463
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	281
Other P/E TD	7	0	0	0	0	0	0	0	0
Other P/E CPS	15	2,105	1,404	350	3	47	0	43	0
Office Furniture & Equip	15	3,542	2,361	589	5	80	0	73	258
Comp & Periph Equip	15	3,377	2,252	562	4	76	0	70	434
Computer Software	15	(7,657)	(5,105)	(1,273)	(10)	(172)	0	(158)	(939)
Comp Software Personal	15	1	1	0	0	0	0	0	0
Data Handling Equipment	15	25,726	17,152	4,278	33	579	0	530	3,154
Other Office Equipment	15	2,287	1,525	380	3	51	0	47	280
Trans Equip Lt Duty Trks	15	16,794	11,197	2,793	22	378	0	346	2,059
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0
Trans Equip Autos	15	(489)	(326)	(81)	(1)	(11)	0	(10)	(60)

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Trans Equip Other	15	(12,484)	(8,323)	(2,076)	(16)	(281)	0	(257)	(1,531)
Stores Equipment	15	10,094	6,730	1,679	13	227	0	208	1,238
Tools, Shop, Garage Equip	15	49,406	32,939	8,216	64	1,112	0	1,018	6,057
Tools, Shop, Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	22,515	17,237	4,467	34	621	0	20	135
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	0	0	0	0	0	0	0	0
Comm Equip Non-Telephone	15	2,069	1,379	344	3	47	0	43	254
Comm Equip Telephone	15	(3,088)	(2,059)	(514)	(4)	(69)	0	(64)	(379)
Misc Equipment	15	113,382	75,592	18,855	147	2,551	0	2,336	13,901
Other Tangible Property	17	19,873	12,874	3,140	34	411	0	417	2,997
Total Utility Plant in Service		1,666,433	1,079,444	263,261	2,886	34,557	0	35,027	251,258
Other Rate Base Items									
Add:									
Other Utility Plant Adjustments	17	0	0	0	0	0	0	0	0
Cash Working Capital	15	13,000	8,667	2,162	17	293	0	268	1,594
Materials and Supplies	15	4,574	3,049	761	6	103	0	94	561
Prepayments	15	688	459	114	1	15	0	14	84
OPEB's Contributed to External Fund	16	4,324	2,949	747	6	102	0	74	447
Premature Retirement	17	0	0	0	0	0	0	0	0
Regulatory Deferrals	17	30,953	20,051	4,891	53	641	0	650	4,668
Less:									
Accumulated Deferred ITC (3%)	17	0	0	0	0	0	0	0	0
Deferred Income Taxes	17	(140,626)	(91,098)	(22,219)	(239)	(2,911)	0	(2,953)	(21,206)
Pensions	16	(13,185)	(8,992)	(2,277)	(17)	(311)	0	(225)	(1,362)
Total Other Rate Base Elements		(100,272)	(64,914)	(15,822)	(174)	(2,068)	0	(2,078)	(15,215)
Total Original Cost Measure of Value		\$ 1,566,161	\$ 1,014,530	\$ 247,439	\$ 2,712	\$ 32,488	\$ -	\$ 32,949	\$ 236,043

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1990-2005

Year	Average Daily Send out (MGD)	Maximum Daily Use		
		MGD	Ratio to Average	Highest Use Day
(1)	(2)	(3)	(4)	(5)
1990	0.179	0.275	1.53	12/28/1990
1991	0.208	0.315	1.51	4/6/1991
1992	0.180	0.266	1.47	8/26/1992
1993	0.154	0.299	1.94	7/29/1993
1994	0.154	0.225	1.46	9/24/1994
1995	0.151	0.204	1.35	7/5/1995
1996	0.151	0.242	1.60	2/7/1996
1997	0.149	0.236	1.58	4/2/1997
1998	0.140	0.200	1.43	5/23/1998
1999	0.145	0.238	1.64	5/27/1999
2000	0.147	0.228	1.55	8/27/2000
2001	0.134	0.207	1.54	11/1/2001
2002	0.135	0.192	1.42	6/13/2002
2003	0.127	0.223	1.76	2/2/2003
2004	0.128	0.203	1.58	2/19/2004
2005	0.144	0.197	1.37	8/30/2005

**MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT**

**BASIS FOR ALLOCATING DEMAND RELATED COSTS OF FIRE SERVICE
TO PRIVATE AND PUBLIC FIRE PROTECTION CUSTOMER CLASSIFICATIONS**

Description (1)	Restrictive Diameters Squared (2)	Quantity (3)	Relative Demand* (4)=(2)x(3)	Allocation Factor (5)
<u>PRIVATE FIRE PROTECTION</u>				
<u>Fire Lines</u>				
2 -inch	4.00	0	0	
3 -inch	9.00	0	0	
4 -inch	16.00	0	0	
6 -inch	36.00	1	36	
8 -inch	64.00	0	0	
10 -inch	100.00	0	0	
12 -inch	144.00	0	0	
Private Hydrants	32.75	3	98	
Total Private Fire Protection		4	134	0.1400
<u>PUBLIC FIRE PROTECTION</u>				
<u>Hydrant</u>	<u>Nozzle Sizes</u>			
6" Valve	2- 2-1/2" & 1 - 4.5"	32.75	3	98
6" Valve	2- 2-1/2"	12.50	58	725
Total Public Fire Protection		61	823	0.8600
Total Fire Protection		65	957	1.0000

JEFFERSON CITY DISTRICT

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED JUNE 30, 2006

Customer Classification (1)	Cost of Service		Revenues, Present Rates		Revenues, Proposed Rates		Proposed Increase	
	Amount (Schedule B) (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
Residential	\$ 3,256,090	58.5%	\$ 2,191,791	53.4%	\$ 2,745,080	53.5%	\$ 553,289	25.2%
Commercial	1,549,461	27.8%	1,241,210	30.3%	1,555,122	30.3%	313,912	25.3%
Industrial	281,511	5.0%	207,426	5.2%	259,776	5.1%	52,350	25.2%
Public Authority	406,743	7.3%	334,917	8.2%	419,446	8.2%	84,529	25.2%
Sales for Resale	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Private Fire Service	80,742	1.4%	120,054	2.9%	150,424	2.9%	30,370	25.3%
Public Fire Service	-	0.0%	\$0	0.0%	-	0.0%	-	0.0%
Total Sales	5,574,548	100.0%	4,095,398	100.0%	5,129,848	100.0%	1,034,450	25.3%
Other Revenues	23,272		23,272		23,272		-	0.0%
Total	\$ 5,597,820		\$ 4,118,670		\$ 5,153,120		\$ 1,034,450	25.1%

MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
OPERATION AND MAINTENANCE EXPENSES									
SOURCE OF SUPPLY EXPENSES									
Super & Eng Oper SS	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor & Exp Oper SS	2	0	0	0	0	0	0	0	0
Labor & Exp Oper SS	2	1,843	852	663	148	173	0	0	0
Purchased Water	1	2,212	951	821	213	213	0	2	6
TOTAL SS EXPENSE - OPERATION		4,055	1,803	1,485	360	386	0	3	12
Misc Exp Oper SS	2	0	0	0	0	0	0	0	18
Misc Exp Oper SS	2	(17)	(8)	(6)	(1)	(2)	0	0	0
Rents Oper SS	2	0	0	0	0	0	0	(0)	(0)
Super & Eng Maint SS	2	0	0	0	0	0	0	0	0
Struct & Improve Maint SS	2	0	0	0	0	0	0	0	0
Struct & Improve Maint SS	2	0	0	0	0	0	0	0	0
Collect & Impound Maint SS	2	0	0	0	0	0	0	0	0
Collect & Impound Maint SS	2	0	0	0	0	0	0	0	0
Lake, River & Oth Maint SS	2	0	0	0	0	0	0	0	0
Lake, River & Oth Maint SS	2	0	0	0	0	0	0	0	0
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0
Infillt Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Infillt Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Misc Plant Maint SS	2	249	115	90	20	23	0	0	0
Misc Plant Maint SS	2	24	11	9	2	2	0	0	1
TOTAL SS EXPENSE - MAINTENANCE		257	119	92	21	24	0	0	1
TOTAL SS EXPENSE		4,312	1,922	1,577	381	410	0	3	19
POWER AND PUMPING EXPENSES									
Super & Eng Oper P	6	0	0	0	0	0	0	0	0
Fuel for Power Prod	1	0	0	0	0	0	0	0	0
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Purch Fuel/Power for Pump	1	0	0	0	0	0	0	0	0
Labor & Exp Oper Pump	6	267,773	115,116	99,424	25,760	25,760	0	268	1,446
Labor & Exp Oper Pump	6	35	16	12	3	3	0	0	1
Expenses Transferred	6	(16)	(7)	(6)	(1)	(1)	0	(0)	(0)
Misc Exp Oper P	6	0	0	0	0	0	0	0	0
Rents Oper P	6	(29)	(13)	(10)	(2)	(3)	0	(0)	(0)
TOTAL PUMPING EXPENSE - OPERATION		267,763	115,111	99,420	25,759	25,759	0	268	1,446

MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Super & Eng Maint P	6	0	0	0	0	0	0	0	0
Struct & Improve Maint P	6	0	0	0	0	0	0	0	0
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Pump Equip Maint P	6	0	0	0	0	0	0	0	0
Pump Equip Maint P	6	0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSES - MAINTENANCE		0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSES		267,763	115,111	99,420	25,759	25,759	0	268	1,446
WATER TREATMENT									
Super & Eng Oper WT	2	16,930	7,825	6,093	1,356	1,591	0	10	54
Chemicals	1	326,563	140,389	121,253	31,415	31,415	0	327	1,763
Labor & Exp Oper WT	2	256,581	118,592	92,343	20,552	24,119	0	154	821
Misc Exp Oper WT	2	5,433	2,511	1,955	435	511	0	3	17
Misc Exp Oper WT	1	(1)	(0)	(0)	(0)	(0)	0	(0)	(0)
Misc Exp Oper WT	1	35	15	13	3	3	0	0	0
Rents Oper WT	2	7,631	3,527	2,746	611	717	0	5	24
TOTAL WT EXPENSE - OPERATION		613,172	272,859	224,404	54,373	58,357	0	499	2,681
Super & Eng Maint WT	2	62,146	28,724	22,366	4,978	5,842	0	37	199
Struct & Improve Maint WT	2	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	0	0	0	0	0	0	0	0
TOTAL WT EXPENSE - MAINTENANCE		22,718	10,500	8,176	1,820	2,135	0	14	73
TOTAL WT EXPENSE		84,864	39,224	30,543	6,798	7,977	0	51	272
TOTAL WT EXPENSE		698,036	312,083	254,946	61,171	66,334	0	549	2,952
TRANSMISSION AND DISTRIBUTION EXPENSES									
Super & Eng Oper TD	11	8	3	2	0	1	0	0	2
Storage Facility Exp	5	0	0	0	0	0	0	0	0
TD Lines Exp	5	0	0	0	0	0	0	0	0
TD Lines Exp	7	6,555	2,239	1,698	345	446	0	280	1,548
Meter Expense	7	4,508	1,540	1,168	237	307	0	192	1,064
Meter Expense	9	1,279	907	262	10	99	0	0	0
Customer Install Exp	9	(8)	(6)	(2)	(0)	(1)	0	0	0
Customer Install Exp	10	0	0	0	0	0	0	0	0
Misc Exp Oper TD	10	0	0	0	0	0	0	0	0
Misc Exp Oper TD	11	0	0	0	0	0	0	0	0
TOTAL TRANSMISSION AND DISTRIBUTION EXPENSES		2,741	1,040	695	132	189	0	105	581

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Misc Exp Oper TD	11	5,848	2,219	1,482	281	404	0	224	1,239
Rents Oper TD	11	21,600	8,197	5,473	1,037	1,490	0	827	4,575
TOTAL T & D EXPENSE OPERATION		42,531	16,140	10,777	2,042	2,935	0	1,629	9,008
Super & Eng Maint TD	12	33,700	24,207	5,412	276	1,378	0	1,459	967
Struct & Improve Maint TD	12	404	291	65	3	17	0	18	12
Struct & Improve Maint TD	12	0	0	0	0	0	0	0	0
Dist Res Stand Maint TD	5	0	0	0	0	0	0	0	0
TD Main Maint TD	7	10,446	3,568	2,706	549	710	0	446	2,466
TD Main Maint TD	7	0	0	0	0	0	0	0	0
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Services Maint TD	10	74,434	57,344	10,942	156	2,761	0	3,230	0
Services Maint TD	10	1,070	824	157	2	40	0	46	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Mat and Sup Maint TD	12	35,469	25,478	5,696	291	1,451	0	1,536	1,018
Misc Maint TD	12	113,997	81,884	18,308	935	4,662	0	4,936	3,272
Misc Maint TD	12	2,914	2,093	468	24	119	0	126	84
Amort Def Maint TD	5	(141,310)	(57,259)	(43,099)	(8,535)	(11,333)	0	(3,222)	(17,862)
TOTAL T & D EXPENSE - MAINTENANCE		131,125	138,429	655	(6,298)	(194)	0	8,576	(10,043)
TOTAL T & D EXPENSE		173,655	154,570	11,432	(4,256)	2,740	0	10,205	(1,035)
CUSTOMER ACCOUNTS									
Supervision CA	13	15,598	12,889	2,073	19	396	0	221	0
Meter Reading Exp CA	14	63,435	53,178	8,551	76	1,630	0	0	0
Meter Reading Exp CA	14	(22)	(18)	(3)	(0)	(1)	0	0	0
Meter Reading Exp CA	14	(87)	(73)	(12)	(0)	(2)	0	0	0
Cust Rec & Collection CA	13	68,443	56,554	9,096	82	1,738	0	972	0
Cust Rec & Collection CA	13	43,067	35,586	5,724	52	1,094	0	612	0
Uncollectible Accts	13	57,413	47,440	7,630	69	1,458	0	815	0
Misc Cust Accts Exp CA	13	352	291	47	0	9	0	5	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	9,543	7,885	1,268	11	242	0	136	0
Cust Serv & Info Exp CA	13	(2)	(2)	(0)	(0)	(0)	0	(0)	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		257,740	213,730	34,374	309	6,566	0	2,761	0

MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
ADMINISTRATIVE AND GENERAL EXPENSES									
Salaries AG	15	118,501	79,621	26,532	3,828	6,541	0	1,943	36
Other Supplies & Exp AG	15	5,374	3,611	1,203	174	297	0	88	2
Other Supplies & Exp AG	15	41,360	27,789	9,260	1,336	2,283	0	678	12
Other Supplies & Exp AG	15	64,494	43,333	14,440	2,083	3,560	0	1,058	19
Mgmt Fees-Corporate/Shared Service Center	15	427,113	286,977	95,631	13,796	23,577	0	7,005	128
Mgmt Fees-Call Center	13	15,652	12,933	2,080	19	398	0	222	0
Mgmt Fees-Belleville Lab	2	19,700	9,105	7,090	1,578	1,852	0	12	63
Mgmt Fees- Financial ITS	15	148,850	100,013	33,328	4,808	8,217	0	2,441	45
Mgmt Fees- Customer Billings ITS	13	(5)	(4)	(1)	(0)	(0)	0	(0)	0
Mgmt Fees-Other ITS	15	1,931	1,297	432	62	107	0	32	1
Outside Services AG	15	13,955	9,377	3,125	451	770	0	229	4
Outside Services AG	15	174,839	117,474	39,146	5,647	9,651	0	2,867	52
Property Insurance	15	0	0	0	0	0	0	0	0
Ins Gen Liab Oper AG	15	68,282	45,878	15,288	2,205	3,769	0	1,120	20
Ins Work Comp AG	16	30,141	18,600	7,647	1,284	1,923	0	407	280
Ins Other Oper AG	15	25,051	17,504	5,833	841	1,438	0	427	8
Property Insurance	15	3,127	2,101	700	101	173	0	51	1
Injuries & Damages	16	67	41	17	3	4	0	1	1
Employee Pension & Benefits	16	227,038	140,105	57,600	9,672	14,485	0	3,065	2,111
Employee Pension & Benefits	16	84,621	52,220	21,468	3,605	5,399	0	1,142	787
Employee Pension & Benefits	16	15,976	9,859	4,053	681	1,019	0	216	149
Reg Commision Exp	15	6,319	4,246	1,415	204	349	0	104	2
Rents AG	15	6,953	4,672	1,557	225	384	0	114	2
Goodwill Advertising Exp	15	963	647	216	31	53	0	16	0
Misc Exp AG	15	120,304	80,832	26,936	3,886	6,641	0	1,973	36
Research & Development	15	0	0	0	0	0	0	0	0
TOTAL A & G OPERATIONS		1,621,604	1,068,231	374,996	56,519	92,888	0	25,211	3,760
General Plant Maint AG	15	0	0	0	0	0	0	0	0
General Plant Maint AG	15	8,380	5,631	1,876	271	463	0	137	3
TOTAL A & G EXPENSE - MAINTENANCE		8,380	5,631	1,876	271	463	0	137	3
TOTAL A & G EXPENSE		1,629,984	1,073,862	376,873	56,789	93,351	0	25,348	3,762
Total Operation & Maintenance Expenses		3,031,491	1,871,278	778,622	140,153	195,160	0	39,134	7,143

MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
DEPRECIATION EXPENSE									
Struct & Imp SS	2	87	40	31	7	8	0	0	0
Struct & Imp P	6	18,311	8,350	6,500	1,447	1,697	0	49	267
Struct & Imp WT	2	45,186	20,885	16,262	3,619	4,247	0	27	145
Struct & Imp TD	7	1,021	349	264	54	69	0	44	241
Struct & Imp Offices	15	6,110	4,105	1,368	197	337	0	100	2
Struct & Imp Store, Shop, Gar	15	0	0	0	0	0	0	0	0
Struct & Imp Misc	15	0	0	0	0	0	0	0	0
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	41,095	18,994	14,790	3,292	3,863	0	25	132
Wells & Springs	2	0	0	0	0	0	0	0	0
Supply Mains	2	0	0	0	0	0	0	0	0
Power Generation Equip Other	6	0	0	0	0	0	0	0	0
Pump Equip Electric	6	29,723	13,554	10,552	2,348	2,755	0	80	434
Pump Equip Diesel	6	0	0	0	0	0	0	0	0
Pump Equip Other	6	0	0	0	0	0	0	0	0
WT Equip Non-Media	2	63,448	29,326	22,835	5,082	5,964	0	38	203
Dist Reservoirs & Standpipe	5	0	0	0	0	0	0	0	0
Elevated Tanks & Standpipes	5	0	0	0	0	0	0	0	0
Ground Level Facilities	5	0	0	0	0	0	0	0	0
TD Mains Not Classified by	5	21,877	8,865	6,672	1,321	1,755	0	499	2,765
TD Mains 4 & Less	7	79,059	27,007	20,476	4,159	5,376	0	3,376	18,666
TD Mains 6 to 8"	4	328	107	80	16	21	0	16	88
TD Mains 10 to 16"	4	5,600	1,822	1,372	272	361	0	272	1,502
TD Mains 18 & Grtr	3	11,702	5,036	3,921	872	1,024	0	130	720
Services	3	0	0	0	0	0	0	0	0
Meters Bronze Case	10	9,853	7,591	1,448	21	366	0	428	0
Meters Plastic Case	9	38	27	8	0	3	0	0	0
Meters Other	9	0	0	0	0	0	0	0	0
Meters Other-Rem Rdr Unts	9	25,456	18,058	5,211	206	1,980	0	0	0
Meter Installations	9	0	0	0	0	0	0	0	0
Meter Installation Other	9	5,066	3,594	1,037	41	394	0	0	0
Hydrants	9	0	0	0	0	0	0	0	0
Utility Plant Acquisition Adjustment	8	15,988	0	0	0	0	0	0	15,988
Other P/E WT Res Hand Equip	17	0	0	0	0	0	0	0	0
Other P/E TD	2	0	0	0	0	0	0	0	0
Other P/E CPS	7	0	0	0	0	0	0	0	0
Office Furniture & Equip	15	0	0	0	0	0	0	0	0
Comp & Periph Equip	15	10,598	7,121	2,373	342	585	0	174	3
Computer Software	15	80,899	54,356	18,113	2,613	4,466	0	1,327	24
Comp Software Personal	15	33,514	22,518	7,504	1,083	1,850	0	550	10
Data Handling Equipment	15	455	306	102	15	25	0	7	0
Other Office Equipment	15	0	0	0	0	0	0	0	0
Trans Equip Lt Duty Trks	15	21	14	5	1	1	0	0	0
Trans Equip Hvy Duty Trks	15	4,858	3,264	1,088	157	268	0	80	1
Trans Equip Autos	15	0	0	0	0	0	0	0	0
Trans Equip Other	15	3,003	2,018	672	97	166	0	49	1
	15	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Stores Equipment	15	115	77	26	4	6	0	2	0
Tools, Shop, Garage Equip	15	13,195	8,866	2,954	426	728	0	216	4
Tools, Shop, Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	3,964	1,832	1,427	318	373	0	2	13
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	6,166	4,143	1,381	199	340	0	101	2
Comm Equip Non-Telephone	15	3,556	2,389	796	115	196	0	58	1
Comm Equip Telephone	15	35	24	8	1	2	0	1	0
Misc Equipment	15	8,877	5,984	1,988	287	490	0	146	3
Total Depreciation Expense		549,204	280,600	151,265	28,610	39,718	0	7,796	41,215
Amort-Other UP	18	550	244	155	31	41	0	9	70
Amort-Intangible Fin	2	2,940	1,359	1,058	235	276	0	2	9
Taxes Other Than Income									
Utility Reg Assessment Fee	19	26,011	14,225	6,953	1,303	1,792	0	377	1,360
Property Taxes	18	252,978	112,120	71,340	14,141	19,049	0	4,326	32,002
FUTA	16	896	553	227	38	57	0	12	8
FICA	16	59,218	36,543	15,024	2,523	3,778	0	799	551
SUTA	16	502	310	127	21	32	0	7	5
Other Taxes & Licenses	15	13,401	9,004	3,000	433	740	0	220	4
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
Total Taxes, Other Than Income		353,006	172,756	96,671	18,460	25,448	0	5,741	33,930
Income Taxes	18	460,556	204,119	129,877	25,745	34,680	0	7,876	58,260
Utility Income Available for Return	18	1,200,071	531,871	338,420	67,084	90,365	0	20,521	151,809
Total Cost of Service		5,597,820	3,062,227	1,496,070	280,318	385,689	0	81,080	292,436
Less: Other Water Revenues	19	23,272	12,727	6,221	1,166	1,603	0	337	1,217
Revenue Contribution	19	0	0	0	0	0	0	0	0
Total Other Water Revenues		23,272	12,727	6,221	1,166	1,603	0	337	1,217
Total Cost of Service Related to Sales of Water		\$ 5,574,548	\$ 3,049,500	\$ 1,489,849	\$ 279,152	\$ 384,086	\$ -	\$ 80,742	\$ 291,219
Reallocation of Public Fire	20	0	206,591	59,612	2,359	22,657	0	0	(291,219)
Total		\$ 5,574,548	\$ 3,256,090	\$ 1,549,461	\$ 281,511	\$ 406,743	\$ -	\$ 80,742	\$ -

**MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS

FACTOR 1. ALLOCATION OF COSTS WHICH VARY WITH THE AMOUNT OF WATER CONSUMED.

Factors are based on the pro forma test year average daily consumption for each customer classification.

Customer Classification	Average Daily Consumption, Thousand Gallons	Allocation Factor
(1)	(2)	(3)
Residential	1,444	0.4299
Commercial	1,247	0.3713
Industrial	323	0.0962
Other Public Authority	323	0.0962
Sales for Resale	0	0.0000
Private Fire Protection	3	0.0010
Public Fire Protection	18	0.0054
Total	3,358	1.0000

FACTOR 2. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM DAY EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the factors for average daily consumption (Factor 1) and the factors derived from maximum day extra capacity demand for each customer classification, as follows:

Customer Classification	Average Daily Consumption		Maximum Day Extra Capacity		Allocation Factor
	Allocation Factor 1	Weighted Factor	Allocation Factor	Weighted Factor	
(1)	(2)	(3)=(2)x 0.5882	(4)	(5)=(4)x 0.4118	(6)=(3)+(5)
Residential	0.4299	0.2528	0.5085	0.2094	0.4622
Commercial	0.3713	0.2184	0.3437	0.1415	0.3599
Industrial	0.0962	0.0566	0.0570	0.0235	0.0801
Other Public Authority	0.0962	0.0566	0.0908	0.0374	0.0940
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0010	0.0006			0.0006
Public Fire Protection	0.0054	0.0032			0.0032
Total	1.0000	0.5882	1.0000	0.4118	1.0000

The derivation of the maximum day extra capacity factors in column 4 and the basis for the column 3 and 5 weightings are presented on the following page.

MISSOURI-AMERICAN WATER COMPANY
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FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 2. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND
MAXIMUM DAY EXTRA CAPACITY FUNCTIONS, cont.

Customer Classification	Average Daily Consumption, Thousand Gal.	Maximum Day Extra Capacity		
		Factor*	Rate of Flow, Thousand Gal. Per Day	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	1,444	1.0	1,444	0.5085
Commercial	1,220	0.8	976	0.3437
Industrial	323	0.5	162	0.0570
Other Public Authority	323	0.8	258	0.0908
Sales for Resale	<u>0</u>	0.6	<u>0</u>	<u>0.0000</u>
Total	<u><u>3,310</u></u>		<u><u>2,840</u></u>	<u><u>1.0000</u></u>

The weighting of the factors is based on the maximum day ratio of 1.70, based on a review of maximum day ratios experienced during the period 1999 through 2005 (see Schedule D).

	Maximum Day Ratio	Weight
Average Day	1.00	0.5882
Maximum Day Extra Capacity	<u>0.70</u>	<u>0.4118</u>
Total	<u><u>1.70</u></u>	<u><u>1.0000</u></u>

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 3. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY
AND FIRE PROTECTION FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification	Average Daily Consumption		Maximum Day Extra Capacity		Fire Protection	
	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor
(1)	(2)	(3)=(2) X 0.5476	(4)	(5)=(4) X 0.3833	(6)	(7)=(6) X 0.0691
Residential	0.4299	0.2353	0.5085	0.1950		0.4303
Commercial	0.3713	0.2034	0.3437	0.1317		0.3351
Industrial	0.0962	0.0527	0.0570	0.0218		0.0745
Other Public Authority	0.0962	0.0527	0.0908	0.0348		0.0875
Sales for Resale	0.0000	0.0000	0.0000	0.0000		0.0000
Private Fire Protection	0.0010	0.0005			0.1535	0.0111
Public Fire Protection	0.0054	0.0030			0.8465	0.0615
Total	1.0000	0.5476	1.0000	0.3833	1.0000	1.0000

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 3. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY AND FIRE PROTECTION FUNCTIONS, cont.

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum day ratio of 1.70 and the average daily system sendout for 2005 of 4.276 MGD. The system demand for fire protection is 3,000 Gallons per minute for 3 hours.

	<u>Ratio</u>	<u>Rate of Flow, (GPD)</u>	<u>Weight</u>
Average Day	1.00	4,276,000	0.5476
Maximum Day Extra Capacity	<u>0.70</u>	<u>2,993,200</u>	<u>0.3833</u>
Subtotal	<u><u>1.70</u></u>	7,269,200	0.9309
Fire Protection		<u>540,000</u>	<u>0.0691</u>
Total		<u><u>7,809,200</u></u>	<u><u>1.0000</u></u>

The public and private fire protection allocation factors in column 6 on the previous page are based on the relative potential demands (see Schedule E).

MISSOURI-AMERICAN WATER COMPANY
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FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification (1)	Average Hourly Consumption			Maximum Hour Extra Capacity			Fire Protection		
	Thousand Gallons (2)	Allocation Factor (3)	Weighted Factor (4)=(3) X 0.3115	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.3738		Allocation Factor (7)	Weighted Factor (8)=(7) X 0.3147	Allocation Factor (9)=(4)+(6)+(8)
Residential	60.2	0.4296	0.1339	0.5126	0.1915				0.3254
Commercial	52.0	0.3712	0.1156	0.3461	0.1294				0.2450
Industrial	13.5	0.0964	0.0300	0.0494	0.0185				0.0485
Other Public Authority	13.5	0.0964	0.0300	0.0919	0.0344				0.0644
Sales for Resale	0.0	0.0000	0.0000	0.0000	0.0000				0.0000
Private Fire Protection	0.1	0.0007	0.0002				0.1535	0.0483	0.0485
Public Fire Protection	0.8	0.0057	0.0018				0.8465	0.2664	0.2682
Total	140.1	1.0000	0.3115	1.0000	0.3738		1.0000	0.3147	1.0000

The maximum hour extra capacity factors in column 5 are determined on the next page.

**MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

**FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND
MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS, cont.**

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum hour ratio of 2.20 and the average daily system sendout for 2005 of 4.276 MGD. The system demand for fire protection is 3,000 gallons per minute.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	2,969	0.3115
Maximum Hour Extra Capacity	<u>1.20</u>	<u>3,563</u>	<u>0.3738</u>
Subtotal	<u><u>2.20</u></u>	6,532	0.6853
Fire Protection		<u>3,000</u>	<u>0.3147</u>
Total		<u><u>9,532</u></u>	<u><u>1.0000</u></u>

The maximum hour extra capacity factors in column 5 of the previous page are determined as follows:

Customer Classification	Average Hourly Consumption Thousand Gal.	Maximum Hour Extra Capacity		
		Factor*	1,000 Gallons Per Hour	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	60.2	3.5	210.7	0.5126
Commercial	50.8	2.8	142.3	0.3461
Industrial	13.5	1.5	20.3	0.0494
Other Public Authority	13.5	2.8	37.8	0.0919
Sales for Resale	<u>0.0</u>	2.0	<u>0.0</u>	<u>0.0000</u>
Total	<u><u>138.0</u></u>		<u><u>411.1</u></u>	<u><u>1.0000</u></u>

* Ratio of Maximum Hour To Average Hour Minus 1.0.

The public and private fire protection allocation factors in column 7 on the previous page are based on the relative potential demands (see Schedule E).

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES.

Factors are based on the weighting of the average hourly consumption, the maximum hour extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification (1)	Average Hourly Consumption		Maximum Hour Extra Capacity		Fire Protection		Allocation Factor (9)=(4)+(6)+(8)
	Thousand Gallons (2)	Allocation Factor (3)	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.4654	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.1467	
Residential	60.2	0.4296	0.5126	0.2385			0.4052
Commercial	52.0	0.3712	0.3461	0.1611			0.3050
Industrial	13.5	0.0964	0.0494	0.0230			0.0604
Other Public Authority	13.5	0.0964	0.0919	0.0428			0.0802
Sales for Resale	0.0	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.1	0.0007			0.1535	0.0225	0.0228
Public Fire Protection	0.8	0.0057			0.8465	0.1242	0.1264
Total	140.1	1.0000	1.0000	0.4654	1.0000	0.1467	1.0000

The weighting of the factors is based on the ratio of the capacity required for a 3 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

MISSOURI-AMERICAN WATER COMPANY
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FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES, cont.

The weighting of the factors is based on the ratio of the capacity required for a 3 hour demand of fire flow, as related to total storage capacity.

$$\text{Fire Protection Weight} = \frac{3,000 \text{ GPM} \times 60 \text{ Min.} \times 3 \text{ Hrs.}}{3,680,000 \text{ Gallons}} = 0.1467$$

$$\text{General Service Weight} = 1.0000 - 0.1467 = 0.8533$$

The weighting of the average hourly consumption and maximum hour extra demand for general service is based on the maximum hour ratio, as follows:

	Maximum Hour Ratio	Percent	Weight
Average Hour	1.00	45.45	0.3879
Extra Capacity Maximum Hour	<u>1.20</u>	<u>54.55</u>	<u>0.4654</u>
Total	<u><u>2.20</u></u>	<u><u>100.00</u></u>	<u><u>0.8533</u></u>

**MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 6. ALLOCATION OF COSTS ASSOCIATED WITH POWER AND PUMPING FACILITIES.

Factors are based on the weighting of the maximum daily consumption, Factor 2, the maximum daily consumption with fire, Factor 3, and the maximum hour consumption, Factor 4, for each customer classification, as follows:

Customer Classification	Maximum Daily Consumption		Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		Allocation Factor
	Allocation Factor 2	Weighted Factor	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
(1)	(2)	(3)=(2)X 0.8042	(4)	(5)=(4)X 0.1958	(6)	(7)=(6)X 0.0000	(8)=(3)+ (5)+(7)
Residential	0.4622	0.3717	0.4303	0.0843	0.3254	0.0000	0.4560
Commercial	0.3599	0.2894	0.3351	0.0656	0.2450	0.0000	0.3550
Industrial	0.0801	0.0644	0.0745	0.0146	0.0485	0.0000	0.0790
Other Public Authority	0.0940	0.0756	0.0875	0.0171	0.0644	0.0000	0.0927
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0006	0.0005	0.0111	0.0022	0.0485	0.0000	0.0027
Public Fire Protection	0.0032	0.0026	0.0615	0.0120	0.2682	0.0000	0.0146
Total	<u>1.0000</u>	<u>0.8042</u>	<u>1.0000</u>	<u>0.1958</u>	<u>1.0000</u>	<u>0.0000</u>	<u>1.0000</u>

The weighting of the factors is based on the horsepower of pumps associated with maximum day facilities, maximum day and fire facilities, and maximum hour facilities, as follows:

	<u>Horsepower of Pumps</u>	<u>Weight</u>
Associated with Maximum Day	1,160	0.8042
Associated with Maximum Day and Fire	283	0.1958
Associated with Maximum Hour	<u>0</u>	<u>0.0000</u>
Total	<u>1,443</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 7. ALLOCATION OF COSTS ASSOCIATED WITH TRANSMISSION AND DISTRIBUTION MAINS.

Factors are based on the weighting of the maximum daily consumption with fire, Factor 3, and the maximum hour consumption, Factor 4, for each customer classification, as follows:

Customer Classification	Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		Allocation Factor
	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
	(2)	(3)=(2)X 0.1555	(4)	(5)=(4)X 0.8445	(6)=(3)+(5)
Residential	0.4303	0.0669	0.3254	0.2747	0.3416
Commercial	0.3351	0.0521	0.2450	0.2069	0.2590
Industrial	0.0745	0.0116	0.0485	0.0410	0.0526
Other Public Authority	0.0875	0.0136	0.0644	0.0544	0.0680
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0111	0.0017	0.0485	0.0410	0.0427
Public Fire Protection	0.0615	0.0096	0.2682	0.2265	0.2361
Total	<u>1.0000</u>	<u>0.1555</u>	<u>1.0000</u>	<u>0.8445</u>	<u>1.0000</u>

The weighting of the factors is based on the total footage of mains, designated as either transmission mains or distribution mains, as follows:

	Total Footage of Mains	Weight
Transmission Mains	120,431	0.1555
Distribution Mains	<u>654,029</u>	<u>0.8445</u>
Total	<u>774,460</u>	1.0000

MISSOURI-AMERICAN WATER COMPANY
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FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH FIRE HYDRANTS.

Costs are assigned directly to Public Fire Protection.

Customer Classification <u> </u> (1)	Allocation Factor <u> </u> (3)
Public Fire Protection	<u>1.0000</u>
Total	<u><u>1.0000</u></u>

FACTOR 9. ALLOCATION OF COSTS ASSOCIATED WITH METERS.

Factors are based on the relative cost of meters by size and customer classification, as developed on the following page and summarized below.

Customer Classification <u> </u> (1)	5/8" Dollar Equivalents <u> </u> (2)	Allocation Factor <u> </u> (3)
Residential	9,298	0.7094
Commercial	2,683	0.2047
Industrial	106	0.0081
Other Public Authority	1,019	0.0778
Sales for Resale	0	0.0000
Private Fire	<u>0</u>	<u>0.0000</u>
Total	<u><u>13,106</u></u>	<u><u>1.0000</u></u>

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BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size (1)	5/8" Dollar Equivalent (2)	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Total	
		Number of Meters (3)	Weighting (4)=(2)X(3)	Number of Meters (5)	Weighting (6)=(2)X(5)	Number of Meters (7)	Weighting (8)=(2)X(7)	Number of Meters (9)	Weighting (10)=(2)X(9)	Number of Meters (11)	Weighting (12)=(2)X(11)	Number of Meters (13)	Weighting (14)
5/8	1.0	8,095	8,095	868	868	3	3	55	55	0	0	9,021	9,021
3/4	1.3	729	948	60	78	0	0	5	7	0	0	794	1,033
1	1.7	126	214	275	468	2	3	67	114	0	0	470	799
1-1/2	3.5	2	7	70	245	0	0	38	133	0	0	110	385
2	4.3	8	34	153	658	5	22	96	413	0	0	262	1,127
3	19.0	0	0	9	171	1	19	11	209	0	0	21	389
4	29.3	0	0	5	147	2	59	3	88	0	0	10	294
6	48.4	0	0	1	48	0	0	0	0	0	0	1	48
8	112.9	0	0	0	0	0	0	0	0	0	0	0	0
Total		8,960	9,298	1,441	2,683	13	106	275	1,019	0	0	10,689	13,106

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 10. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES.

Factors are based on the relative cost of services by size and customer classification, as developed on the following page and summarized below.

Customer Classification <u>(1)</u>	3/4" Dollar Equivalents <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	8,990	0.7704
Commercial	1,716	0.1470
Industrial	24	0.0021
Other Public Authority	433	0.0371
Sales for Resale	0	0.0000
Private Fire Protection	<u>507</u>	<u>0.0434</u>
Total	<u><u>11,670</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY
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BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

Service Size (1)	3/4" Dollar Equivalent (2)	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Private Fire Protection		Total	
		Number of Services (3)	Weighting (4)=(2)X(3)	Number of Services (5)	Weighting (6)=(2)X(5)	Number of Services (7)	Weighting (8)=(2)X(7)	Number of Services (9)	Weighting (10)=(2)X(9)	Number of Services (11)	Weighting (12)=(2)X(11)	Number of Services (13)	Weighting (14)=(2)X(13)	Number of Services (15)	Weighting (16)
3/4	1.00	8,824	8,824	928	928	3	3	60	60	0	0	0	0	9,815	9,815
1	1.17	126	147	275	322	2	2	67	78	0	0	0	0	470	549
1-1/2	1.58	2	3	70	111	0	0	38	60	0	0	0	0	110	174
2	2.04	8	16	153	312	5	10	96	196	0	0	10	20	272	554
3	2.73	0	0	9	25	1	3	11	30	0	0	1	3	22	61
4	2.88	0	0	5	14	2	6	3	9	0	0	27	78	37	107
6	4.24	0	0	1	4	0	0	0	0	0	0	53	225	54	229
8	6.98	0	0	0	0	0	0	0	0	0	0	19	133	19	133
10	9.50	0	0	0	0	0	0	0	0	0	0	5	48	5	48
12	12.16	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		8,960	8,990	1,441	1,716	13	24	275	433	0	0	115	507	10,804	11,670

**MISSOURI-AMERICAN WATER COMPANY
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FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

**FACTOR 11. ALLOCATION OF TRANSMISSION AND DISTRIBUTION OPERATION SUPERVISION
AND ENGINEERING AND MISCELLANEOUS EXPENSES.**

Factors are based on transmission and distribution operation expenses other than those being allocated, as follows:

Customer Classification	Transmission & Distribution Operating Expenses	Allocation Factor
(1)	(2)	(3)
Residential	\$ 4,680	0.3795
Commercial	3,125	0.2534
Industrial	592	0.0480
Other Public Authority	851	0.0690
Sales for Resale	-	0.0000
Private Fire Protection	472	0.0383
Public Fire Protection	2,612	0.2118
Total	12,333	1.0000

**FACTOR 12. ALLOCATION OF TRANSMISSION AND DISTRIBUTION MAINTENANCE SUPERVISION
AND ENGINEERING, STRUCTURES AND IMPROVEMENTS, AND OTHER EXPENSES.**

Factors are based on transmission and distribution maintenance expenses other than those being allocated, as follows:

Customer Classification	Transmission & Distribution Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Residential	\$ 61,736	0.7183
Commercial	13,805	0.1606
Industrial	708	0.0082
Other Public Authority	3,512	0.0409
Sales for Resale	-	0.0000
Private Fire Protection	3,723	0.0433
Public Fire Protection	2,466	0.0287
Total	\$85,950	1.0000

MISSOURI-AMERICAN WATER COMPANY
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FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 13. ALLOCATION OF BILLING AND COLLECTING COSTS.

Factors are based on the total number of customers.

Customer Classification	Total Customers	Allocation Factor
(1)	(2)	(3)
Residential	8,960	0.8263
Commercial	1,441	0.1329
Industrial	13	0.0012
Other Public Authority	275	0.0254
Sales for Resale	0	0.0000
Private Fire Protection	154	0.0142
Public Fire Protection	0	0.0000
Total	10,843	1.0000

FACTOR 14. ALLOCATION OF METER READING COSTS.

Factors are based on the number of metered customers.

Customer Classification	Total Metered Customers	Allocation Factor
(1)	(2)	(3)
Residential	8,960	0.8383
Commercial	1,441	0.1348
Industrial	13	0.0012
Other Public Authority	275	0.0257
Sales for Resale	0	0.0000
Total	10,689	1.0000

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FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 15. ALLOCATION OF ADMINISTRATIVE AND GENERAL EXPENSES AND CASH
WORKING CAPITAL.

Factors are based on the allocation of all other operation and maintenance expenses excluding purchased water, power, chemicals and waste disposal.

Customer Classification <u>(1)</u>	Operation & Maintenance Expenses <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	\$540,945	0.6719
Commercial	180,239	0.2239
Industrial	25,973	0.0323
Other Public Authority	44,418	0.0552
Sales for Resale	0	0.0000
Private Fire Protection	13,190	0.0164
Public Fire Protection	<u>160</u>	<u>0.0003</u>
Total	<u><u>\$804,923</u></u>	<u><u>1.0000</u></u>

**MISSOURI-AMERICAN WATER COMPANY
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FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 16. ALLOCATION OF LABOR RELATED TAXES AND BENEFITS.

Factors are based on the allocation of direct labor expense.

Customer Classification	Direct Labor Expense	Allocation Factor
(1)	(2)	(3)
Residential	\$471,840	0.6171
Commercial	193,986	0.2537
Industrial	32,546	0.0426
Other Public Authority	48,757	0.0638
Sales for Resale	0	0.0000
Private Fire Protection	10,313	0.0135
Public Fire Protection	7,123	0.0093
Total	<u>\$764,565</u>	<u>1.0000</u>

FACTOR 17. ALLOCATION OF ORGANIZATION, FRANCHISES AND CONSENTS,
MISCELLANEOUS INTANGIBLE PLANT AND OTHER RATE BASE ELEMENTS.

Factors are based on the allocation of the original cost less depreciation other than those items being allocated, as follows:

Customer Classification	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
Residential	\$6,771,750	0.4436
Commercial	4,309,409	0.2823
Industrial	855,095	0.0560
Other Public Authority	1,150,229	0.0753
Sales for Resale	0	0.0000
Private Fire Protection	259,912	0.0170
Public Fire Protection	1,921,093	0.1258
Total	<u>\$15,267,488</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 18. ALLOCATION OF INCOME TAXES AND INCOME AVAILABLE FOR RETURN.

Factors are based on the allocation of the original cost measure of value rate base as shown on the following pages and summarized below.

Customer Classification	Original Cost Measure of Value	Allocation Factor
(1)	(2)	(3)
Residential	\$6,242,287	0.4432
Commercial	3,972,072	0.2820
Industrial	787,986	0.0559
Other Public Authority	1,060,484	0.0753
Sales for Resale	0	0.0000
Private Fire Protection	240,776	0.0171
Public Fire Protection	1,781,734	0.1265
Total	<u>\$14,085,339</u>	<u>1.0000</u>

FACTOR 19. ALLOCATION OF REGULATORY COMMISSION EXPENSES, ASSESSMENTS AND OTHER WATER REVENUES.

The factors are based on the allocation of the total cost of service, excluding those items being allocated.

Customer Classification	Total Cost of Service	Allocation Factor
(1)	(2)	(3)
Residential	\$3,043,754	0.5469
Commercial	1,487,702	0.2673
Industrial	278,811	0.0501
Other Public Authority	383,548	0.0689
Sales for Resale	0	0.0000
Private Fire Protection	80,599	0.0145
Public Fire Protection	291,074	0.0523
Total	<u>\$5,565,488</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
RATE BASE									
Organization	17	\$ 5,040	\$ 2,236	\$ 1,423	\$ 282	\$ 380	\$ -	\$ 86	\$ 634
Franchises	17	0	0	0	0	0	0	0	0
Land & Ld Rights SS	2	0	0	0	0	0	0	0	0
Land & Ld Rights P	6	944	430	335	75	88	0	3	14
Land & Ld Rights WT	2	50,762	23,462	18,269	4,066	4,772	0	30	162
Land & Ld Rights TD	7	45,514	15,548	11,788	2,394	3,095	0	1,943	10,746
Land & Land Rights AG	15	7,181	4,825	1,608	232	396	0	118	2
Struct & Imp SS	2	1,007	465	362	81	95	0	1	3
Struct & Imp P	6	535,625	244,245	190,147	42,314	49,652	0	1,446	7,820
Struct & Imp Pumps (STL)	6	0	0	0	0	0	0	0	0
Struct & Imp Pump Boosters	6	0	0	0	0	0	0	0	0
Struct & Imp WT	2	2,087,116	964,665	751,153	167,178	196,189	0	1,252	6,679
Struct & Imp WT Nth Plt (ST	2	0	0	0	0	0	0	0	0
Struct & Imp WT Ctrl Plt 1	2	0	0	0	0	0	0	0	0
Struct & Imp WT Ctrl Plt 3	2	0	0	0	0	0	0	0	0
Struct & Imp WT Sth Plt (ST	2	0	0	0	0	0	0	0	0
Struct & Imp WT Meramec (ST	2	0	0	0	0	0	0	0	0
Struct & Imp TD	7	41,129	14,050	10,652	2,163	2,797	0	1,756	9,711
Struct & Imp TD Spec Cross	7	0	0	0	0	0	0	0	0
Struct & Imp Offices	15	125,567	84,368	28,114	4,056	6,931	0	2,059	38
Struct & Imp Leasehold	15	0	0	0	0	0	0	0	0
Struct & Imp Leasehold	15	0	0	0	0	0	0	0	0
Struct & Imp Store,Shop,Gar	15	0	0	0	0	0	0	0	0
Struct & Imp Misc	15	0	0	0	0	0	0	0	0
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	336,839	155,687	121,228	26,981	31,663	0	202	1,078
Wells & Springs	2	0	0	0	0	0	0	0	0
Supply Mains	2	0	0	0	0	0	0	0	0
Supply Mains Nth Plt (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Ctrl Plt (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Sth Plt (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Meramec Plt (S	2	0	0	0	0	0	0	0	0
Power Generation Equip Othe	6	0	0	0	0	0	0	0	0
Boiler Plant Equipment P	6	0	0	0	0	0	0	0	0
Pump Equip Steam	6	0	0	0	0	0	0	0	0
Pump Equip Electric	6	1,114,417	508,174	395,618	88,039	103,306	0	3,009	16,270
Pump Equip Elec Pre46 (STL)	6	0	0	0	0	0	0	0	0
Pump Equip Elec Post46 (STL)	6	0	0	0	0	0	0	0	0
Pump Equip Elec Boosters Po	6	0	0	0	0	0	0	0	0
Pump Equip Diesel	6	0	0	0	0	0	0	0	0
Pump Equip Diesel Stratman\	6	0	0	0	0	0	0	0	0
Pump Equip Diesel Ctrl Plt	6	0	0	0	0	0	0	0	0
Pump Equip Hydraulic	6	0	0	0	0	0	0	0	0
Pump Equip Other	6	0	0	0	0	0	0	0	0
WT Equip Non-Media	2	1,718,451	794,268	618,471	137,648	161,534	0	1,031	5,499
WT Equip Non-Med North (STL	2	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
WT Equip Non Media Ctr 1 &	2	0	0	0	0	0	0	0	0
WT Equip Non Media Ctr 3 (	2	0	0	0	0	0	0	0	0
WT Equip Non Media Sth (STL	2	0	0	0	0	0	0	0	0
WT Equip Non Media Mer (STL	2	0	0	0	0	0	0	0	0
WT Equip Filter Media	2	(9,153)	(4,231)	(3,294)	(733)	(860)	0	(5)	(29)
Dist Reservoirs & Standpipe	5	0	0	0	0	0	0	0	0
Elevated Tanks & Standpipes	5	0	0	0	0	0	0	0	0
Ground Level Facilities	5	936,457	379,452	285,619	56,562	75,104	0	21,351	118,368
TD Mains Not Classified by	7	3,926,633	1,341,338	1,016,998	206,541	267,011	0	187,667	927,078
TD Mains 4 & Less "	4	19,371	6,303	4,746	939	1,247	0	939	5,195
TD Mains 6 to 8"	4	334,178	108,742	81,874	16,208	21,521	0	16,208	89,627
TD Mains 10 to 16"	3	687,704	295,919	230,449	51,234	60,174	0	7,634	42,294
TD Mains 18 & Grtr "	3	0	0	0	0	0	0	0	0
TD Mains AC 4 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1900-28 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1929-56 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1957-93 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI 12 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains CI 16 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains DI 6-8 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains DI 12 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains DI 16 & >(STL) "	3	0	0	0	0	0	0	0	0
TD Mains Galve 1 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains LJ 20 (STL) "	3	0	0	0	0	0	0	0	0
Fire Mains	8	0	0	0	0	0	0	0	0
Services	10	334,926	258,027	49,234	703	12,426	0	14,536	0
Meters Bronze Case	9	2,785	1,976	570	23	217	0	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	844,710	599,237	172,912	6,842	65,718	0	0	0
Meters Other-Rem Rdr Units	9	0	0	0	0	0	0	0	0
Meter Installations	9	273,204	193,811	55,925	2,213	21,255	0	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	680,097	0	0	0	0	0	0	0
Other P/E Intangible	15	0	0	0	0	0	0	0	680,097
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0
Other P/E TD	7	0	0	0	0	0	0	0	0
Other P/E CPS	15	91,678	61,599	20,527	2,961	5,061	0	1,504	0
Office Furniture & Equip	15	212,856	143,018	47,658	6,875	11,750	0	3,491	28
Comp & Periph Equip	15	352,460	236,818	78,916	11,384	19,456	0	5,780	64
Computer Software	15	142,858	95,986	31,986	4,614	7,886	0	2,343	106
Comp Software Personal	15	2,790	1,875	625	90	154	0	46	43
Data Handling Equipment	15	0	0	0	0	0	0	0	1
Other Office Equipment	15	336	226	75	11	19	0	0	0
Trans Equip Lt Duty Trks	15	12,363	8,307	2,768	399	682	0	203	0
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	4
Trans Equip Autos	15	4,248	2,854	951	137	234	0	70	0
Trans Equip Other	15	0	0	0	0	0	0	0	1
									0

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Stores Equipment	15	895	601	200	29	49	0	15	0
Tools, Shop, Garage Equip	15	213,514	143,460	47,806	6,897	11,786	0	3,502	64
Tools, Shop, Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	30,976	14,317	11,148	2,481	2,912	0	19	99
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	(47,169)	(31,693)	(10,561)	(1,524)	(2,604)	0	(774)	(14)
Comm Equip Non-Telephone	15	19,971	13,419	4,472	645	1,102	0	328	6
Comm Equip Telephone	15	736	495	165	24	41	0	12	0
Misc Equipment	15	133,512	89,707	29,893	4,312	7,370	0	2,190	40
Other Tangible Property	17	0	0	0	0	0	0	0	0
Total Utility Plant in Service		15,272,528	6,773,985	4,310,832	855,378	1,150,609	0	259,998	1,921,727
Other Rate Base Items									
Add:									
Other Utility Plant Adjustments	17	0	0	0	0	0	0	0	0
Cash Working Capital	15	21,000	14,110	4,702	678	1,159	0	344	6
Materials and Supplies	15	177,067	118,985	39,650	5,720	9,775	0	2,904	53
Prepayments	15	16,223	10,900	3,632	524	896	0	266	5
OPEB's Contributed to External Fund	16	0	0	0	0	0	0	0	0
Premature Retirement	17	0	0	0	0	0	0	0	0
Regulatory Deferrals	17	232,156	102,984	65,538	13,001	17,481	0	3,947	29,205
Less:									
Accumulated Deferred ITC (3%)	17	0	0	0	0	0	0	0	0
Deferred Income Taxes	17	(1,322,480)	(586,652)	(373,336)	(74,059)	(99,583)	0	(22,482)	(166,368)
Pensions	16	(311,175)	(192,026)	(78,945)	(13,256)	(19,853)	0	(4,201)	(2,894)
Total Other Rate Base Elements		(1,187,189)	(531,699)	(338,760)	(67,392)	(90,124)	0	(19,222)	(139,992)
Total Original Cost Measure of Value		\$ 14,085,339	\$ 6,242,287	\$ 3,972,072	\$ 787,986	\$ 1,060,484	\$ -	\$ 240,776	\$ 1,781,734

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1999-2005

Year	Average Daily Send out (MGD)	Maximum Daily Use		
		MGD	Ratio to Average	Highest Use Day
(1)	(2)	(3)	(4)	(5)
1999	3.810	6.500	1.71	7/22/1999
2000	4.101	5.690	1.39	7/11/2000
2001	3.739	5.240	1.40	8/21/2001
2002	3.861	5.980	1.55	8/5/2002
2003	4.171	6.990	1.68	8/17/2003
2004	4.042	5.760	1.42	7/22/2004
2005	4.276	6.348	1.48	8/2/2005

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

BASIS FOR ALLOCATING DEMAND RELATED COSTS OF FIRE SERVICE
TO PRIVATE AND PUBLIC FIRE PROTECTION CUSTOMER CLASSIFICATIONS

Description (1)	Restrictive Diameters Squared (2)	Quantity (3)	Relative Demand* (4)=(2)x(3)	Allocation Factor (5)
<u>PRIVATE FIRE PROTECTION</u>				
<u>Fire Lines</u>				
2 -inch	4.00	10	40	
3 -inch	9.00	1	9	
4 -inch	16.00	27	432	
6 -inch	36.00	53	1,908	
8 -inch	64.00	19	1,216	
10 -inch	100.00	5	500	
12 -inch	144.00	0	0	
Private Hydrants	32.75	39	1,277	
Total Private Fire Protection		154	5,382	0.1535
<u>PUBLIC FIRE PROTECTION</u>				
<u>Hydrant</u>	<u>Nozzle Sizes</u>			
6" Valve	2- 2-1/2" & 1- 4.5"	32.75	904	29,606
2 -inch Fire Line		4.00	13	52
4 -inch Fire Line		16.00	1	16
Total Public Fire Protection		918	29,674	0.8465
Total Fire Protection		1,072	35,056	1.0000

JOPLIN DISTRICT

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED JUNE 30, 2006

Customer Classification (1)	Cost of Service		Revenues, Present Rates		Revenues, Proposed Rates		Proposed Increase	
	Amount (Schedule B) (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
Residential	\$ 6,286,720	49.2%	\$ 4,079,112	53.2%	\$ 5,109,295	53.2%	\$ 1,030,183	25.3%
Commercial	2,863,942	22.4%	1,597,510	20.8%	2,000,752	20.8%	403,242	25.2%
Industrial	2,625,729	20.5%	1,370,588	17.8%	1,716,530	17.8%	345,942	25.2%
Public Authority	339,749	2.7%	187,361	2.4%	234,649	2.4%	47,288	25.2%
Sales for Resale	463,650	3.6%	200,198	2.6%	250,726	2.6%	50,528	25.2%
Private Fire Service	198,447	1.6%	244,802	3.2%	306,592	3.2%	61,790	25.2%
Public Fire Service	-	0.0%	\$0	0.0%	\$0	0.0%	-	-
Total Sales	12,778,238	100.0%	7,679,571	100.0%	9,618,544	100.0%	1,938,973	25.2%
Other Revenues	239,184		239,184		239,184		-	0.0%
Total	\$ 13,017,423		\$ 7,918,755		\$ 9,857,728		\$ 1,938,973	24.5%

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
OPERATION AND MAINTENANCE EXPENSES									
SOURCE OF SUPPLY EXPENSES									
Super & Eng Oper SS	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor & Exp Oper SS	2	0	0	0	0	0	0	0	0
Labor & Exp Oper SS	2	19,106	6,787	4,706	6,097	543	909	15	50
Purchased Water	1	0	0	0	0	0	0	0	0
TOTAL SS EXPENSE - OPERATION		19,106	6,787	4,706	6,097	543	909	15	50
Misc Exp Oper SS	2	293,303	104,181	72,241	93,593	8,330	13,961	235	763
Misc Exp Oper SS	2	2,548	905	628	813	72	121	2	7
Rents Oper SS	2	0	0	0	0	0	0	0	0
Super & Eng Maint SS	2	0	0	0	0	0	0	0	0
Struct & Improve Maint SS	2	0	0	0	0	0	0	0	0
Collect & Impound Maint SS	2	0	0	0	0	0	0	0	0
Collect & Impound Maint SS	2	0	0	0	0	0	0	0	0
Lake, River & Oth Maint SS	2	0	0	0	0	0	0	0	0
Lake, River & Oth Maint SS	2	0	0	0	0	0	0	0	0
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0
Infil Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Infil Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Misc Plant Maint SS	2	13,326	4,733	3,282	4,252	378	634	11	35
Misc Plant Maint SS	2	2,307	819	568	736	66	110	2	6
TOTAL SS EXPENSE - MAINTENANCE		311,484	110,639	76,719	99,395	8,846	14,827	249	810
TOTAL SS EXPENSE		330,590	117,426	81,424	105,491	9,389	15,736	264	860
POWER AND PUMPING EXPENSES									
Super & Eng Oper P	6	57,635	20,518	14,207	17,838	1,637	2,738	167	530
Fuel for Power Prod	1	0	0	0	0	0	0	0	0
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Purch Fuel/Power for Pump	1	318,642	98,683	75,773	117,196	8,731	16,410	446	1,402
Labor & Exp Oper Pump	6	262,034	93,284	64,591	81,100	7,442	12,447	760	2,411
Labor & Exp Oper Pump	6	721	257	178	223	20	34	2	7
Expenses Transferred	6	0	0	0	0	0	0	0	0
Misc Exp Oper P	6	4,898	1,744	1,207	1,516	139	233	14	45
Rents Oper P	6	0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSE - OPERATION		643,930	214,486	155,957	217,873	17,969	31,861	1,389	4,395

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Fire Protection Private (9)	Public (10)
Super & Eng Maint P	6	33,301	11,855	8,209	10,307	946	1,582	97	306
Struct & Improve Maint P	6	0	0	0	0	0	0	0	0
Struct & Improve Maint P	6	0	0	0	0	0	0	0	0
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Pump Equip Maint P	6	38,802	13,813	9,565	12,009	1,102	1,843	113	357
Pump Equip Maint P	6	9,718	3,460	2,395	3,008	276	462	28	89
TOTAL PUMPING EXPENSES - MAINTENANCE		81,821	29,128	20,169	25,323	2,324	3,886	237	753
TOTAL PUMPING EXPENSES		725,751	243,614	176,125	243,197	20,293	35,748	1,627	5,147
WATER TREATMENT									
Super & Eng Oper WT	2	24,583	8,732	6,055	7,845	698	1,170	20	64
Chemicals	1	455,848	141,176	108,401	167,661	12,490	23,476	638	2,006
Labor & Exp Oper WT	2	77,288	27,453	19,036	24,662	2,195	3,679	62	201
Labor & Exp Oper WT	2	8,644	3,070	2,129	2,758	245	411	7	22
Misc Exp Oper WT	2	66,403	23,586	16,355	21,189	1,886	3,161	53	173
Misc Exp Oper WT	1	12,626	3,910	3,002	4,644	346	650	18	56
Misc Exp Oper WT	2	18,894	6,711	4,653	6,029	537	899	15	49
Rents Oper WT	2	0	0	0	0	0	0	0	0
TOTAL WT EXPENSE - OPERATION		664,285	214,639	159,631	234,788	18,397	33,447	813	2,570
Super & Eng Maint WT	2	48,755	17,318	12,008	15,558	1,385	2,321	39	127
Struct & Improve Maint WT	2	0	0	0	0	0	0	0	0
Struct & Improve Maint WT	2	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	16,863	5,990	4,153	5,381	479	803	13	44
TOTAL WT EXPENSE - MAINTENANCE		65,618	23,307	16,162	20,939	1,864	3,123	52	171
TOTAL WT EXPENSE		729,903	237,946	175,793	255,727	20,261	36,570	865	2,741
TRANSMISSION AND DISTRIBUTION EXPENSES									
Super & Eng Oper TD	11	16,175	10,449	3,086	869	477	345	264	686
Storage Facility Exp	5	0	0	0	0	0	0	0	0
Storage Facility Exp	5	172	54	36	39	4	6	8	24
TD Lines Exp	7	77,562	29,458	19,817	8,020	2,288	3,599	3,397	10,983
TD Lines Exp	7	17,056	6,478	4,358	1,764	503	791	747	2,415
Meter Expense	9	201,478	152,700	33,425	6,870	6,226	2,257	0	0
Meter Expense	9	5,882	4,458	976	201	182	66	0	0
Customer Install Exp	10	14,170	11,214	1,713	88	125	13	1,017	0
Customer Install Exp	10	0	0	0	0	0	0	0	0
Misc Exp Oper TD	11	8,867	5,728	1,692	476	262	189	145	376

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Misc Exp Oper TD	11	1,182	764	226	63	35	25	19	50
Misc Exp Oper TD	11	21,432	13,845	4,089	1,151	632	457	349	909
Rents Oper TD	11	0	0	0	0	0	0	0	0
TOTAL T & D EXPENSE OPERATION		363,976	235,148	69,418	19,541	10,733	7,747	5,946	15,443
Super & Eng Maint TD	12	0	0	0	0	0	0	0	0
Struct & Improve Maint TD	12	0	0	0	0	0	0	0	0
Struct & Improve Maint TD	12	78	26	15	6	2	3	3	25
Dist Res Stand Maint TD	5	0	0	0	0	0	0	0	0
TD Main Maint TD	7	105,659	40,129	26,996	10,925	3,117	4,903	4,628	14,961
TD Main Maint TD	7	0	0	0	0	0	0	0	0
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Services Maint TD	10	6,292	4,979	761	39	55	6	452	0
Services Maint TD	10	0	0	0	0	0	0	0	0
Meters Maint TD	9	6,836	5,181	1,134	233	211	77	0	0
Meters Maint TD	9	935	709	155	32	29	10	0	0
Hydrants Maint TD	8	33,609	0	0	0	0	0	0	33,609
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Misc Plant Maint TD	12	0	0	0	0	0	0	0	0
Mat and Sup Maint TD	12	25,848	8,597	4,896	1,892	576	843	856	8,189
Misc Maint TD	12	0	0	0	0	0	0	0	0
Amort Def Maint TD	5	86,898	27,425	18,179	19,908	2,094	3,224	3,797	12,270
TOTAL T & D EXPENSE - MAINTENANCE		266,155	87,046	52,135	33,035	6,085	9,064	9,735	69,054
TOTAL T & D EXPENSE		630,131	322,194	121,553	52,576	16,818	16,811	15,681	84,497
CUSTOMER ACCOUNTS									
Supervision CA	13	0	0	0	0	0	0	0	0
Meter Reading Exp CA	14	183,489	160,479	21,248	606	1,101	55	0	0
Meter Reading Exp CA	14	0	0	0	0	0	0	0	0
Meter Reading Exp CA	14	(29)	(26)	(3)	(0)	(0)	(0)	0	0
Cust Rec & Collection CA	13	0	0	0	0	0	0	0	0
Cust Rec & Collection CA	13	95,553	82,252	10,883	306	564	29	1,519	0
Uncollectible Accts	13	145,763	125,473	16,602	466	860	44	2,318	0
Misc Cust Accts Exp CA	13	18,359	15,803	2,091	59	108	6	292	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	11,956	10,291	1,362	38	71	4	190	0
Cust Serv & Info Exp CA	13	(5)	(4)	(1)	(0)	(0)	(0)	(0)	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		455,085	394,269	52,183	1,475	2,703	137	4,319	0
ADMINISTRATIVE AND GENERAL EXPENSES									
Salaries AG	15	271,415	139,534	54,690	48,040	6,243	8,387	2,823	11,698
Other Supplies & Exp AG	15	1,737	893	350	307	40	54	18	75

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Fire Protection Private (9)	Public (10)
Other Supplies & Exp AG	15	60,033	30,863	12,097	10,626	1,381	1,855	624	2,587
Other Supplies & Exp AG	15	45,805	23,548	9,230	8,107	1,054	1,415	476	1,974
Mgmt Fees-Corporate/Shared Service Center	15	928,743	477,467	187,142	164,387	21,361	28,698	9,659	40,029
Mgmt Fees-Call Center	13	34,035	29,298	3,877	109	201	10	541	0
Mgmt Fees-Bellefonte Lab	2	42,836	15,215	10,551	13,669	1,217	2,039	34	111
Mgmt Fees- Financial ITS	15	323,670	166,399	65,220	57,290	7,444	10,001	3,366	13,950
Mgmt Fees- Customer Billings ITS	13	(12)	(10)	(1)	(0)	(0)	(0)	(0)	0
Mgmt Fees-Other ITS	15	4,199	2,159	846	743	97	130	44	181
Outside Services AG	15	30,506	15,683	6,147	5,400	702	943	317	1,315
Outside Services AG	15	180,812	92,956	36,434	32,004	4,159	5,587	1,880	7,793
Property Insurance	15	0	0	0	0	0	0	0	0
Ins Gen Liab Oper AG	15	148,715	76,455	29,966	26,323	3,420	4,595	1,547	6,410
Ins Work Comp AG	16	59,119	30,488	11,972	9,849	1,419	1,821	562	3,009
Ins Other Oper AG	15	56,738	29,169	11,433	10,043	1,305	1,753	590	2,445
Property Insurance	15	5,158	2,651	1,039	913	119	159	54	222
Injuries & Damages	16	220	114	45	37	5	7	2	11
Employee Pension & Benefits	16	418,021	215,573	84,649	69,642	10,032	12,875	3,971	21,277
Employee Pension & Benefits	16	173,379	89,412	35,109	28,885	4,161	5,340	1,647	8,825
Employee Pension & Benefits	16	41,475	21,388	8,399	6,910	995	1,277	394	2,111
Reg Commission Exp	15	13,762	7,075	2,773	2,436	317	425	143	593
Rents AG	15	36,992	19,018	7,454	6,548	851	1,143	385	1,594
Goodwill Advertising Exp	15	575	295	116	102	13	18	6	25
Misc Exp AG	15	187,640	96,466	37,810	33,212	4,316	5,798	1,951	8,087
Research & Development	15	0	0	0	0	0	0	0	0
TOTAL A & G OPERATIONS		3,065,573	1,582,108	617,344	535,581	70,850	94,331	31,035	134,324
General Plant Maint AG	15	0	0	0	0	0	0	0	0
General Plant Maint AG	15	15,535	7,986	3,130	2,750	357	480	162	670
TOTAL A & G EXPENSE - MAINTENANCE		15,535	7,986	3,130	2,750	357	480	162	670
TOTAL A & G EXPENSE		3,081,108	1,590,094	620,474	538,331	71,207	94,811	31,196	134,994
Total Operation & Maintenance Expenses		5,952,568	2,905,543	1,227,553	1,196,796	140,671	199,813	53,953	228,239

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Fire Protection Private (9)	Public (10)
DEPRECIATION EXPENSE									
Struct & Imp SS	2	49,629	17,628	12,224	15,837	1,409	2,362	40	129
Struct & Imp P	6	302,190	107,580	74,490	93,528	8,582	14,354	876	2,780
Struct & Imp WT	2	20,231	7,186	4,983	6,456	575	963	16	53
Struct & Imp TD	7	8,914	3,386	2,278	922	263	414	390	1,262
Struct & Imp Offices	15	360	185	73	64	8	11	4	16
Struct & Imp Leasehold	15	498	256	100	88	11	15	5	21
Struct & Imp Store, Shop, Gar	15	1,628	837	328	288	37	50	17	70
Struct & Imp Misc	15	868	446	175	154	20	27	9	37
Collect & Impounding	1	1,685	522	401	620	46	87	2	7
Lake, River & Other Intakes	2	5,571	1,979	1,372	1,778	158	265	4	14
Wells & Springs	2	78,226	27,786	19,267	24,982	2,222	3,724	63	203
Supply Mains	2	5,523	1,962	1,360	1,762	157	263	4	14
Power Generation Equip Othe	6	1,682	599	415	521	48	80	5	15
Boiler Plant Equipment P	6	19	7	5	6	1	1	0	0
Pump Equip Electric	6	47,035	16,744	11,594	14,557	1,336	2,234	136	433
Pump Equip Diesel	6	1,547	551	381	479	44	73	4	14
Pump Equip Steam	6	81	29	20	25	2	4	0	1
Pump Equip Other	6	2,941	1,047	725	910	84	140	9	27
WT Equip Non-Media	2	47,959	17,035	11,812	15,304	1,362	2,283	38	125
WT Equip Filter Media	2	3,880	1,378	956	1,238	110	185	3	10
Dist Reservoirs & Standpipe	5	54,193	17,103	11,337	12,416	1,306	2,011	2,368	7,652
Elevated Tanks & Standpipes	5	59,599	18,809	12,468	13,654	1,436	2,211	2,604	8,415
Ground Level Facilities	5	33	10	7	8	1	1	1	5
TD Mains Not Classified by	7	60,438	22,954	15,442	6,249	1,783	2,804	2,647	8,558
TD Mains 4 & Less	4	25,357	9,882	6,608	1,402	763	1,187	1,303	4,212
TD Mains 6 to 8"	4	238,148	92,806	62,061	13,170	7,168	11,145	12,241	39,556
TD Mains 10 to 16"	3	147,124	49,757	34,501	44,711	3,972	6,650	1,780	5,753
TD Mains 18 & Grtr	3	12,832	4,340	3,009	3,900	346	580	155	502
Services	10	(89,532)	(70,856)	(10,824)	(555)	(788)	(81)	(6,428)	0
Meters Bronze Case	9	(10,504)	(7,961)	(1,743)	(358)	(325)	(118)	0	0
Meters Plastic Case	9	265	201	44	9	8	3	0	0
Meters Other	9	3,739	2,834	620	127	116	42	0	0
Meters Other-Rem Rdr Units	9	0	0	0	0	0	0	0	0
Meter Installations	9	81,120	61,481	13,458	2,766	2,507	909	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	4,509	0	0	0	0	0	0	0
Utility Plant Acquisition Adjustment	17	0	0	0	0	0	0	0	0
Other P/E WT Res Hand Equip	2	151	54	37	48	4	7	0	0
Other P/E TD	7	0	0	0	0	0	0	0	0
Other P/E CPS	15	0	0	0	0	0	0	0	0
Office Furniture & Equip	15	8,106	4,167	1,633	1,435	186	250	84	349
Comp & Periph Equip	15	78,448	40,330	15,807	13,885	1,804	2,424	816	3,381
Computer Software	15	72,993	37,526	14,708	12,920	1,679	2,255	759	3,146
Comp Software Personal	15	1,419	730	286	251	33	44	15	61

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Fire Protection Private (9)	Public (10)
Data Handling Equipment	15	269	138	54	48	6	8	3	12
Other Office Equipment	15	1,791	921	361	317	41	55	19	77
Trans Equip Lt Duty Trks	15	5,791	2,977	1,167	1,025	133	179	60	250
Trans Equip Hwy Duty Trks	15	1,044	537	210	185	24	32	11	45
Trans Equip Autos	15	3,583	1,842	722	634	82	111	37	154
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	560	288	113	99	13	17	6	24
Tools,Shop,Garage Equip	15	19,039	9,788	3,836	3,370	438	588	198	821
Tools,Shop,Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	4,899	1,740	1,207	1,563	139	233	4	13
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	11,092	5,702	2,235	1,963	255	343	115	478
Comm Equip Non-Telephone	15	2,879	1,480	580	510	66	89	30	124
Comm Equip Telephone	15	76	39	15	13	2	2	1	3
Misc Equipment	15	5,026	2,584	1,013	890	116	155	52	217
Total Depreciation Expense		1,384,954	519,346	333,931	316,151	39,792	61,674	20,510	93,550
Amort-Other UP	18	1,714	743	377	345	44	64	39	102
Taxes Other Than Income									
Utility Reg Assessment Fee	19	57,531	26,067	12,409	11,725	1,438	2,088	892	2,911
Property Taxes	18	404,897	175,483	88,996	81,546	10,365	15,103	9,272	24,132
FUTA	16	1,503	775	304	250	36	46	14	76
FICA	16	116,151	59,899	23,521	19,351	2,788	3,577	1,103	5,912
SUTA	16	847	437	171	141	20	26	8	43
Other Taxes & Licenses	15	29,186	15,005	5,881	5,166	671	902	304	1,258
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
Total Taxes, Other Than Income		610,114	277,665	131,283	118,179	15,319	21,743	11,593	34,333
Income Taxes	18	1,427,238	618,565	313,707	287,446	36,537	53,236	32,684	85,063
Utility Income Available for Return	18	3,640,835	1,577,938	800,256	733,264	93,205	135,803	83,375	216,994
Total Cost of Service		13,017,423	5,899,800	2,807,106	2,662,182	325,568	472,333	202,154	658,281
Less: Other Water Revenues	19	239,184	108,374	51,592	48,746	5,980	8,682	3,707	12,103
Revenue Contribution	19	0	0	0	0	0	0	0	0
Total Other Water Revenues		239,184	108,374	51,592	48,746	5,980	8,682	3,707	12,103
Total Cost of Service Related to Sales of Water		\$ 12,778,238	\$ 5,791,425	\$ 2,755,514	\$ 2,603,436	\$ 319,588	\$ 463,650	\$ 198,447	\$ 646,178
Reallocation of Public Fire	20	0	495,295	108,429	22,293	20,161	0	0	(546,178)
Total		\$ 12,778,238	\$ 6,286,720	\$ 2,863,942	\$ 2,625,729	\$ 339,749	\$ 463,650	\$ 198,447	\$ -

**MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS

FACTOR 1. ALLOCATION OF COSTS WHICH VARY WITH THE AMOUNT OF WATER CONSUMED.

Factors are based on the pro forma test year average daily consumption for each customer classification.

Customer Classification	Average Daily Consumption, Thousand Gallons	Allocation Factor
(1)	(2)	(3)
Residential	3,362	0.3097
Commercial	2,582	0.2378
Industrial	3,994	0.3678
Other Public Authority	298	0.0274
Sales for Resale	559	0.0515
Private Fire Protection	15	0.0014
Public Fire Protection	48	0.0044
Total	10,858	1.0000

FACTOR 2. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM DAY EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the factors for average daily consumption (Factor 1) and the factors derived from maximum day extra capacity demand for each customer classification, as follows:

Customer Classification	Average Daily Consumption		Maximum Day Extra Capacity		Allocation Factor
	Allocation Factor 1	Weighted Factor	Allocation Factor	Weighted Factor	
(1)	(2)	(3)=(2)x 0.5882	(4)	(5)=(4)x 0.4118	(6)=(3)+(5)
Residential	0.3097	0.1822	0.4203	0.1730	0.3552
Commercial	0.2378	0.1399	0.2583	0.1064	0.2463
Industrial	0.3678	0.2163	0.2497	0.1028	0.3191
Other Public Authority	0.0274	0.0161	0.0298	0.0123	0.0284
Sales for Resale	0.0515	0.0303	0.0419	0.0173	0.0476
Private Fire Protection	0.0014	0.0008			0.0008
Public Fire Protection	0.0044	0.0026			0.0026
Total	1.0000	0.5882	1.0000	0.4118	1.0000

The derivation of the maximum day extra capacity factors in column 4 and the basis for the column 3 and 5 weightings are presented on the following page.

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 2. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND
MAXIMUM DAY EXTRA CAPACITY FUNCTIONS, cont.

Customer Classification	Average Daily Consumption, Thousand Gal.	Maximum Day Extra Capacity		
		Factor*	Rate of Flow, Thousand Gal. Per Day	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	3,362	1.0	3,362	0.4203
Commercial	2,582	0.8	2,066	0.2583
Industrial	3,994	0.5	1,997	0.2497
Other Public Authority	298	0.8	238	0.0298
Sales for Resale	559	0.6	335	0.0419
Total	10,795		7,998	1.0000

The weighting of the factors is based on the maximum day ratio of 1.70, based on a review of maximum day ratios experienced during the period 1990 through 2005 (see Schedule D).

	Maximum Day Ratio	Weight
Average Day	1.00	0.5882
Maximum Day Extra Capacity	0.70	0.4118
Total	1.70	1.0000

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 3. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY
AND FIRE PROTECTION FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification	Average Daily Consumption		Maximum Day Extra Capacity		Fire Protection		Allocation Factor
	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	
(1)	(2)	(3)=(2) X 0.5600	(4)	(5)=(4) X 0.3921	(6)	(7)=(6) X 0.0479	(8)=(3)+(5)+(7)
Residential	0.3097	0.1734	0.4203	0.1648			0.3382
Commercial	0.2378	0.1332	0.2583	0.1013			0.2345
Industrial	0.3678	0.2060	0.2497	0.0979			0.3039
Other Public Authority	0.0274	0.0153	0.0298	0.0117			0.0270
Sales for Resale	0.0515	0.0288	0.0419	0.0164			0.0452
Private Fire Protection	0.0014	0.0008			0.2366	0.0113	0.0121
Public Fire Protection	0.0044	0.0025			0.7634	0.0366	0.0391
Total	1.0000	0.5600	1.0000	0.3921	1.0000	0.0479	1.0000

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 3. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY AND FIRE PROTECTION FUNCTIONS, cont.

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum day ratio of 1.70 and the average daily system sendout for 2005 of 12.632 MGD. The system demand for fire protection is 6,000 Gallons per minute for 3 hours.

	<u>Ratio</u>	<u>Rate of Flow, (GPD)</u>	<u>Weight</u>
Average Day	1.00	12,632,000	0.5600
Maximum Day Extra Capacity	<u>0.70</u>	<u>8,842,400</u>	<u>0.3921</u>
Subtotal	<u>1.70</u>	21,474,400	0.9521
Fire Protection		<u>1,080,000</u>	<u>0.0479</u>
Total		<u>22,554,400</u>	<u>1.0000</u>

The public and private fire protection allocation factors in column 6 on the previous page are based on the relative potential demands (see Schedule E).

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification (1)	Average Hourly Consumption			Maximum Hour Extra Capacity			Fire Protection		
	Thousand Gallons (2)	Allocation Factor (3)	Weighted Factor (4)=(3) X 0.3140	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.4711	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.2149	Allocation Factor (9)=(4)+(6)+(8)	
Residential	140.1	0.4412	0.1386	0.5329	0.2511			0.3897	
Commercial	107.6	0.3389	0.1064	0.3274	0.1542			0.2606	
Industrial	31.5	0.0992	0.0311	0.0514	0.0242			0.0553	
Other Public Authority	12.4	0.0391	0.0123	0.0377	0.0178			0.0301	
Sales for Resale	23.3	0.0734	0.0230	0.0506	0.0238			0.0468	
Private Fire Protection	0.6	0.0019	0.0006			0.2366	0.0508	0.0514	
Public Fire Protection	2.0	0.0063	0.0020			0.7634	0.1641	0.1661	
Total	317.5	1.0000	0.3140	1.0000	0.4711	1.0000	0.2149	1.0000	1.0000

The maximum hour extra capacity factors in column 5 are determined on the next page.

**MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

**FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND
MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS, cont.**

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum hour ratio of 2.5 and the average daily system sendout for 2005 of 12.632 MGD. The system demand for fire protection is 6,000 gallons per minute.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	8,772	0.3140
Maximum Hour Extra Capacity	1.50	13,158	0.4711
Subtotal	2.50	21,930	0.7851
Fire Protection		6,000	0.2149
Total		27,930	1.0000

The maximum hour extra capacity factors in column 5 of the previous page are determined as follows:

Customer Classification	Average Hourly Consumption Thousand Gal.	Maximum Hour Extra Capacity		
		Factor*	1,000 Gallons Per Hour	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	140.1	3.5	490.4	0.5329
Commercial	107.6	2.8	301.3	0.3274
Industrial	31.5	1.5	47.3	0.0514
Other Public Authority	12.4	2.8	34.7	0.0377
Sales for Resale	23.3	2.0	46.6	0.0506
Total	314.9		920.3	1.0000

* Ratio of Maximum Hour To Average Hour Minus 1.0.

The public and private fire protection allocation factors in column 7 on the previous page are based on the relative potential demands (see Schedule E).

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES.

Factors are based on the weighting of the average hourly consumption, the maximum hour extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification	Average Hourly Consumption			Maximum Hour Extra Capacity			Fire Protection		Allocation Factor (9)=(4)+(6)+(8)
	Thousand Gallons (2)	Allocation Factor (3)	Weighted Factor (4)=(3) X 0.3268	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.4901	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.1831		
(1)									
Residential	140.1	0.3098	0.1013	0.4369	0.2143				0.3156
Commercial	107.6	0.2378	0.0777	0.2684	0.1315				0.2092
Industrial	166.4	0.3678	0.1202	0.2223	0.1089				0.2291
Other Public Authority	12.4	0.0274	0.0090	0.0309	0.0151				0.0241
Sales for Resale	23.3	0.0515	0.0168	0.0415	0.0203				0.0371
Private Fire Protection	0.6	0.0013	0.0004			0.2366	0.0433		0.0437
Public Fire Protection	2.0	0.0044	0.0014			0.7634	0.1398		0.1412
Total	452.4	1.0000	0.3268	1.0000	0.4901	1.0000	0.1831		1.0000

The weighting of the factors is based on the ratio of the capacity required for a 3 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES, cont.

The weighting of the factors is based on the ratio of the capacity required for a 3 hour demand of fire flow, as related to total storage capacity.

$$\text{Fire Protection Weight} = \frac{6,000 \text{ GPM} \times 60 \text{ Min.} \times 3 \text{ Hrs.}}{5,900,000 \text{ Gallons}} = 0.1831$$

$$\text{General Service Weight} = 1.0000 - 0.1831 = 0.8169$$

The weighting of the average hourly consumption and maximum hour extra demand for general service is based on the maximum hour ratio, as follows:

	Maximum Hour Ratio	Percent	Weight
Average Hour	1.00	40.00	0.3268
Extra Capacity Maximum Hour	1.50	60.00	0.4901
Total	2.50	100.00	0.8169

Customer Classification (1)	Average Hourly Consumption Thousand Gal. (2)	Factor* (3)	Maximum Hour Extra Capacity	
			1,000 Gallons Per Hour (4)=(2)x(3)	Allocation Factor (5)
Residential	140.1	3.5	490.4	0.4369
Commercial	107.6	2.8	301.3	0.2684
Industrial	166.4	1.5	249.6	0.2223
Other Public Authority	12.4	2.8	34.7	0.0309
Sales for Resale	23.3	2.0	46.6	0.0415
Total	449.8		1,122.6	1.0000

* Ratio of Maximum Hour To Average Hour Minus 1.0.

**MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 6. ALLOCATION OF COSTS ASSOCIATED WITH POWER AND PUMPING FACILITIES.

Factors are based on the weighting of the maximum daily consumption, Factor 2, the maximum daily consumption with fire, Factor 3, and the maximum hour consumption, Factor 4, for each customer classification, as follows:

Customer Classification	Maximum Daily Consumption		Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		Allocation Factor
	Allocation Factor 2	Weighted Factor	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
(1)	(2)	(3)=(2)X 0.9365	(4)	(5)=(4)X 0.0291	(6)	(7)=(6)X 0.0344	(8)=(3)+ (5)+(7)
Residential	0.3552	0.3327	0.3382	0.0099	0.3897	0.0134	0.3560
Commercial	0.2463	0.2307	0.2345	0.0068	0.2606	0.0090	0.2465
Industrial	0.3191	0.2988	0.3039	0.0088	0.0553	0.0019	0.3095
Other Public Authority	0.0284	0.0266	0.0270	0.0008	0.0301	0.0010	0.0284
Sales for Resale	0.0476	0.0446	0.0452	0.0013	0.0468	0.0016	0.0475
Private Fire Protection	0.0008	0.0007	0.0121	0.0004	0.0514	0.0018	0.0029
Public Fire Protection	0.0026	0.0024	0.0391	0.0011	0.1661	0.0057	0.0092
Total	<u>1.0000</u>	<u>0.9365</u>	<u>1.0000</u>	<u>0.0291</u>	<u>1.0000</u>	<u>0.0344</u>	<u>1.0000</u>

The weighting of the factors is based on the horsepower of pumps associated with maximum day facilities, maximum day and fire facilities, and maximum hour facilities, as follows:

	<u>Horsepower of Pumps</u>	<u>Weight</u>
Associated with Maximum Day	4,350	0.9365
Associated with Maximum Day and Fire	135	0.0291
Associated with Maximum Hour	<u>160</u>	<u>0.0344</u>
Total	<u>4,645</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 7. ALLOCATION OF COSTS ASSOCIATED WITH TRANSMISSION AND DISTRIBUTION MAINS.

Factors are based on the weighting of the maximum daily consumption with fire, Factor 3, and the maximum hour consumption, Factor 5, for each customer classification, as follows:

Customer Classification	Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		Allocation Factor
	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
(1)	(2)	(3)=(2)X 0.1935	(4)	(5)=(4)X 0.8065	(6)=(3)+(5)
Residential	0.3382	0.0655	0.3897	0.3143	0.3798
Commercial	0.2345	0.0454	0.2606	0.2101	0.2555
Industrial	0.3039	0.0588	0.0553	0.0446	0.1034
Other Public Authority	0.0270	0.0052	0.0301	0.0243	0.0295
Sales for Resale	0.0452	0.0087	0.0468	0.0377	0.0464
Private Fire Protection	0.0121	0.0023	0.0514	0.0415	0.0438
Public Fire Protection	0.0391	0.0076	0.1661	0.1340	0.1416
Total	<u>1.0000</u>	<u>0.1935</u>	<u>1.0000</u>	<u>0.8065</u>	<u>1.0000</u>

The weighting of the factors is based on the total footage of mains, designated as either transmission mains or distribution mains, as follows:

	Total Footage of Mains	Weight
Transmission Mains	417,044	0.1935
Distribution Mains	<u>1,738,356</u>	<u>0.8065</u>
Total	<u>2,155,400</u>	1.0000

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH FIRE HYDRANTS.

Costs are assigned directly to Public Fire Protection.

Customer Classification <u> </u> (1)	Allocation Factor <u> </u> (3)
Public Fire Protection	<u>1.0000</u>
Total	<u><u>1.0000</u></u>

FACTOR 9. ALLOCATION OF COSTS ASSOCIATED WITH METERS.

Factors are based on the relative cost of meters by size and customer classification, as developed on the following page and summarized below.

Customer Classification <u> </u> (1)	5/8" Dollar Equivalents <u> </u> (2)	Allocation Factor <u> </u> (3)
Residential	22,194	0.7579
Commercial	4,858	0.1659
Industrial	998	0.0341
Other Public Authority	904	0.0309
Sales for Resale	329	0.0112
Private Fire	<u>0</u>	<u>0.0000</u>
Total	<u><u>29,283</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size (1)	5/8" Dollar Equivalent (2)	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Total	
		Number of Meters (3)	Weighting (4)=(2)X(3)	Number of Meters (5)	Weighting (6)=(2)X(5)	Number of Meters (7)	Weighting (8)=(2)X(7)	Number of Meters (9)	Weighting (10)=(2)X(9)	Number of Meters (11)	Weighting (12)=(2)X(11)	Number of Meters (13)	Weighting (14)
5/8	1.0	18,246	18,246	1,806	1,806	8	8	36	36	0	0	20,096	20,096
3/4	1.3	0	0	4	5	0	0	0	0	0	0	4	5
1	1.7	2,250	3,825	549	933	14	24	43	73	1	2	2,857	4,857
1-1/2	3.5	3	11	14	49	0	0	2	7	0	0	19	67
2	4.3	26	112	327	1,406	33	142	51	219	1	4	438	1,883
3	19.0	0	0	0	0	0	0	0	0	0	0	0	0
4	29.3	0	0	12	352	16	469	4	117	0	0	32	938
6	48.4	0	0	4	194	5	242	0	0	2	97	11	533
8	112.9	0	0	1	113	1	113	4	452	2	226	8	904
Total		20,525	22,194	2,717	4,858	77	998	140	904	6	329	23,465	29,283

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 10. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES.

Factors are based on the relative cost of services by size and customer classification, as developed on the following page and summarized below.

Customer Classification	3/4" Dollar Equivalents	Allocation Factor
(1)	(2)	(3)
Residential	20,937	0.7914
Commercial	3,200	0.1209
Industrial	165	0.0062
Other Public Authority	233	0.0088
Sales for Resale	25	0.0009
Private Fire Protection	1,899	0.0718
Total	26,459	1.0000

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

Service Size (1)	3/4" Dollar Equivalent (2)	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Private Fire Protection		Total	
		Number of Services (3)	Weighting (4)=(2)X(3)	Number of Services (5)	Weighting (6)=(2)X(5)	Number of Services (7)	Weighting (8)=(2)X(7)	Number of Services (9)	Weighting (10)=(2)X(9)	Number of Services (11)	Weighting (12)=(2)X(11)	Number of Services (13)	Weighting (14)=(2)X(13)	Number of Services (15)	Weighting (16)
3/4	1.00	18,246	18,246	1,810	1,810	8	8	36	36	0	0	0	0	20,100	20,100
1	1.17	2,250	2,633	549	642	14	16	43	50	1	1	0	0	2,857	3,342
1-1/2	1.58	3	5	14	22	0	0	2	3	0	0	0	0	19	30
2	2.04	26	53	327	667	33	67	51	104	1	2	8	16	446	909
3	2.73	0	0	0	0	0	0	0	0	0	0	1	3	1	3
4	2.88	0	0	12	35	16	46	4	12	0	0	49	141	81	234
6	4.24	0	0	4	17	5	21	0	0	2	8	190	806	201	852
8	6.98	0	0	1	7	1	7	4	28	2	14	117	817	125	873
10	9.50	0	0	0	0	0	0	0	0	0	0	7	67	7	67
12	12.16	0	0	0	0	0	0	0	0	0	0	4	49	4	49
Total		20,525	20,937	2,717	3,200	77	165	140	233	6	25	376	1,899	23,841	26,459

**MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 11. ALLOCATION OF TRANSMISSION AND DISTRIBUTION OPERATION SUPERVISION AND ENGINEERING AND MISCELLANEOUS EXPENSES.

Factors are based on transmission and distribution operation expenses other than those being allocated, as follows:

Customer Classification	Transmission & Distribution Operating Expenses	Allocation Factor
(1)	(2)	(3)
Residential	\$ 204,362	0.6460
Commercial	60,325	0.1908
Industrial	16,982	0.0537
Other Public Authority	9,328	0.0295
Sales for Resale	6,732	0.0213
Private Fire Protection	5,169	0.0163
Public Fire Protection	13,422	0.0424
	<u>316,320</u>	<u>1.0000</u>
Total	<u><u>316,320</u></u>	<u><u>1.0000</u></u>

FACTOR 12. ALLOCATION OF TRANSMISSION AND DISTRIBUTION MAINTENANCE SUPERVISION AND ENGINEERING, STRUCTURES AND IMPROVEMENTS, AND OTHER EXPENSES.

Factors are based on transmission and distribution maintenance expenses other than those being allocated, as follows:

Customer Classification	Transmission & Distribution Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Residential	\$ 50,998	0.3326
Commercial	29,046	0.1894
Industrial	11,229	0.0732
Other Public Authority	3,412	0.0223
Sales for Resale	4,995	0.0326
Private Fire Protection	5,080	0.0331
Public Fire Protection	48,571	0.3168
	<u>\$153,331</u>	<u>1.0000</u>
Total	<u><u>\$153,331</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 13. ALLOCATION OF BILLING AND COLLECTING COSTS.

Factors are based on the total number of customers.

Customer Classification	Total Customers	Allocation Factor
(1)	(2)	(3)
Residential	20,525	0.8608
Commercial	2,717	0.1139
Industrial	77	0.0032
Other Public Authority	140	0.0059
Sales for Resale	6	0.0003
Private Fire Protection	380	0.0159
Public Fire Protection	0	0.0000
Total	23,845	1.0000

FACTOR 14. ALLOCATION OF METER READING COSTS.

Factors are based on the number of metered customers.

Customer Classification	Total Metered Customers	Allocation Factor
(1)	(2)	(3)
Residential	20,525	0.8746
Commercial	2,717	0.1158
Industrial	77	0.0033
Other Public Authority	140	0.0060
Sales for Resale	6	0.0003
Total	23,465	1.0000

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 15. ALLOCATION OF ADMINISTRATIVE AND GENERAL EXPENSES AND CASH WORKING CAPITAL.

Factors are based on the allocation of all other operation and maintenance expenses excluding purchased water, power, chemicals and waste disposal.

Customer Classification	Operation & Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Residential	\$1,071,679	0.5141
Commercial	419,903	0.2015
Industrial	368,964	0.1770
Other Public Authority	47,897	0.0230
Sales for Resale	64,466	0.0309
Private Fire Protection	21,654	0.0104
Public Fire Protection	89,782	0.0431
Total	<u>\$2,084,344</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 16. ALLOCATION OF LABOR RELATED TAXES AND BENEFITS.

Factors are based on the allocation of direct labor expense.

Customer Classification	Direct Labor Expense	Allocation Factor
(1)	(2)	(3)
Residential	\$773,362	0.5157
Commercial	303,606	0.2025
Industrial	249,795	0.1666
Other Public Authority	35,995	0.0240
Sales for Resale	46,247	0.0308
Private Fire Protection	14,284	0.0095
Public Fire Protection	76,344	0.0509
Total	<u>\$1,499,633</u>	<u>1.0000</u>

FACTOR 17. ALLOCATION OF ORGANIZATION, FRANCHISES AND CONSENTS,
MISCELLANEOUS INTANGIBLE PLANT AND OTHER RATE BASE ELEMENTS.

Factors are based on the allocation of the original cost less depreciation other than those items being allocated, as follows:

Customer Classification	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
Residential	\$20,119,415	0.4333
Commercial	10,209,078	0.2199
Industrial	9,348,111	0.2013
Other Public Authority	1,188,311	0.0256
Sales for Resale	1,733,002	0.0373
Private Fire Protection	1,064,887	0.0229
Public Fire Protection	2,771,093	0.0597
Total	<u>\$46,433,897</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 18. ALLOCATION OF INCOME TAXES AND INCOME AVAILABLE FOR RETURN:

Factors are based on the allocation of the original cost measure of value rate base as shown on the following pages and summarized below.

Customer Classification <u>(1)</u>	Original Cost Measure of Value <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	\$18,518,767	0.4334
Commercial	9,393,887	0.2198
Industrial	8,606,742	0.2014
Other Public Authority	1,092,981	0.0256
Sales for Resale	1,594,698	0.0373
Private Fire Protection	979,963	0.0229
Public Fire Protection	<u>2,545,765</u>	<u>0.0596</u>
Total	<u><u>\$42,732,803</u></u>	<u><u>1.0000</u></u>

FACTOR 19. ALLOCATION OF REGULATORY COMMISSION EXPENSES, ASSESSMENTS AND OTHER WATER REVENUES.

The factors are based on the allocation of the total cost of service, excluding those items being allocated.

Customer Classification <u>(1)</u>	Total Cost of Service <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	\$5,869,908	0.4531
Commercial	2,794,178	0.2157
Industrial	2,640,942	0.2039
Other Public Authority	324,073	0.0250
Sales for Resale	470,255	0.0363
Private Fire Protection	201,126	0.0155
Public Fire Protection	<u>654,800</u>	<u>0.0505</u>
Total	<u><u>\$12,955,282</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
RATE BASE									
Organization	17	\$ 9,296	\$ 4,028	\$ 2,044	\$ 1,871	\$ 238	\$ 347	\$ 213	\$ 555
Franchises	17	20,740	8,987	4,561	4,175	531	774	475	1,238
Land & Ld Rights SS	2	146,949	52,196	36,194	46,891	4,173	6,995	118	382
Land & Ld Rights P	6	12,561	4,472	3,096	3,888	357	597	36	116
Land & Ld Rights WT	2	11,715	4,161	2,885	3,738	333	558	9	30
Land & Ld Rights TD	7	27,039	10,269	6,908	2,796	798	1,255	1,184	3,829
Land & Land Rights AG	15	717	369	144	127	16	22	7	31
Struct & Imp SS	2	2,040,321	724,722	502,531	651,066	57,945	97,119	1,632	5,305
Struct & Imp P	6	10,281,486	3,660,209	2,534,386	3,182,120	291,994	488,371	29,816	94,590
Struct & Imp Pumps (STL)	6	0	0	0	0	0	0	0	0
Struct & Imp Pump Boosters	6	0	0	0	0	0	0	0	0
Struct & Imp WT	2	924,401	328,347	227,680	294,976	26,253	44,002	740	2,403
Struct & Imp WT Nth Plt (ST)	2	0	0	0	0	0	0	0	0
Struct & Imp WT Ctrl Plt 1	2	0	0	0	0	0	0	0	0
Struct & Imp WT Ctrl Plt 3	2	0	0	0	0	0	0	0	0
Struct & Imp WT Sth Plt (ST)	2	0	0	0	0	0	0	0	0
Struct & Imp WT Meramec (ST)	2	0	0	0	0	0	0	0	0
Struct & Imp TD	7	390,217	148,204	99,700	40,348	11,511	18,106	17,092	55,255
Struct & Imp TD Spec Cross	7	0	0	0	0	0	0	0	0
Struct & Imp Offices	15	26,898	13,828	5,420	4,761	619	831	280	1,159
Struct & Imp Leasehold	15	4,710	2,421	949	834	108	146	49	203
Struct & Imp Leasehold	15	0	0	0	0	0	0	0	0
Struct & Imp Store,Shop,Gar	15	26,035	13,385	5,246	4,608	599	804	271	1,122
Struct & Imp Misc	15	79,006	40,617	15,920	13,984	1,817	2,441	822	3,405
Collect & Impounding	1	27,584	8,543	6,559	10,145	756	1,421	39	121
Lake, River & Other Intakes	2	15,180	5,392	3,739	4,844	431	723	12	39
Wells & Springs	2	3,644,453	1,294,510	897,629	1,162,945	103,502	173,476	2,916	9,476
Supply Mains	2	89,830	31,908	22,125	28,665	2,551	4,276	72	234
Supply Mains Nth Plt (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Ctrl Plt (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Sth Plt (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Meramec Plt (S)	2	0	0	0	0	0	0	0	0
Power Generation Equip Other	6	61,646	21,946	15,196	19,079	1,751	2,928	179	567
Boiler Plant Equipment P	6	348	124	86	108	10	17	1	3
Pump Equip Steam	6	6,907	2,459	1,703	2,138	196	328	20	64
Pump Equip Electric	6	1,385,331	493,178	341,484	428,760	39,343	65,803	4,017	12,745
Pump Equip Elec Pre46 (STL)	6	0	0	0	0	0	0	0	0
Pump Equip Elec Post46 (STL)	6	0	0	0	0	0	0	0	0
Pump Equip Elec Boosters Po	6	0	0	0	0	0	0	0	0
Pump Equip Diesel	6	101,801	36,241	25,094	31,507	2,891	4,836	295	937
Pump Equip Diesel Stratman	6	0	0	0	0	0	0	0	0
Pump Equip Diesel Ctrl Plt	6	0	0	0	0	0	0	0	0
Pump Equip Hydraulic	6	0	0	0	0	0	0	0	0
Pump Equip Other	6	145,715	51,875	35,919	45,099	4,138	6,921	423	1,341

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Public (10)
WT Equip Non-Media	2	1,383,681	491,483	340,801	441,533	39,297	65,863	1,107	3,598
WT Equip Non-Media North (STL)	2	0	0	0	0	0	0	0	0
WT Equip Non-Media Ctrl 1 &	2	0	0	0	0	0	0	0	0
WT Equip Non-Media Ctrl 3 (	2	0	0	0	0	0	0	0	0
WT Equip Non-Media Sth (STL)	2	0	0	0	0	0	0	0	0
WT Equip Non-Media Mer (STL)	2	0	0	0	0	0	0	0	0
WT Equip Filter Media	2	177,764	63,142	43,783	56,725	5,049	8,462	142	462
Dist Reservoirs & Standpipe	5	1,726,527	544,892	361,189	395,547	41,609	64,054	75,449	243,786
Elevated Tanks & Standpipes	5	2,554,817	806,300	534,468	585,309	61,571	94,784	111,646	360,740
Ground Level Facilities	5	1,487	469	311	341	36	55	65	210
TD Mains Not Classified by	7	394,035	149,654	100,676	40,743	11,624	18,283	17,259	55,795
TD Mains 4 & Less "	4	658,531	256,629	171,613	36,417	19,822	30,819	33,848	109,382
TD Mains 6 to 8 "	4	6,177,819	2,407,496	1,609,940	341,633	185,952	289,122	317,540	1,026,136
TD Mains 10 to 16 "	3	3,793,259	1,282,880	889,519	1,152,771	102,418	171,455	45,898	148,316
TD Mains 18 & Grtr "	3	326,902	110,558	76,658	99,345	8,826	14,776	3,956	12,782
TD Mains AC 4 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1900-28 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1929-56 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1957-93 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI 12 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains CI 16 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains DI 6-8 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains DI 12 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains DI 16 & >(STL) "	3	0	0	0	0	0	0	0	0
TD Mains Galve 1 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains LJ 20 (STL) "	3	0	0	0	0	0	0	0	0
Fire Mains	8	0	0	0	0	0	0	0	0
Services	10	5,512,150	4,362,316	666,419	34,175	48,507	4,961	395,772	0
Meters Bronze Case	9	891,467	675,643	147,894	30,399	27,546	9,984	0	0
Meters Plastic Case	9	12,265	9,296	2,035	418	379	137	0	0
Meters Other	9	43,872	33,251	7,278	1,496	1,356	491	0	0
Meters Other-Rem Rdr Units	9	0	0	0	0	0	0	0	0
Meter Installations	9	2,425,765	1,838,487	402,434	82,719	74,956	27,169	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	607,544	0	0	0	0	0	0	607,544
Other P/E Intangible	15	0	0	0	0	0	0	0	0
Other P/E WT Res Hand Equip	2	8,197	2,912	2,019	2,616	233	390	7	21
Other P/E TD	7	(868)	(330)	(222)	(90)	(26)	(40)	(38)	(123)
Other P/E CPS	15	(14,063)	(7,230)	(2,834)	(2,489)	(323)	(435)	(146)	(606)
Office Furniture & Equip	15	71,180	36,594	14,343	12,599	1,637	2,199	740	3,068
Comp & Periph Equip	15	283,126	145,555	57,050	50,113	6,512	8,749	2,945	12,203
Computer Software	15	(370,321)	(190,382)	(74,620)	(65,547)	(8,517)	(11,443)	(3,851)	(15,961)
Comp Software Personal	15	5,374	2,763	1,083	951	124	166	56	232
Data Handling Equipment	15	4,112	2,114	829	728	95	127	43	177
Other Office Equipment	15	19,950	10,256	4,020	3,531	459	616	207	860

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Trans Equip Lt Duty Trks	15	(159,902)	(82,206)	(32,220)	(28,303)	(3,678)	(4,941)	(1,663)	(6,892)
Trans Equip Hvy Duty Trks	15	6,492	3,338	1,308	1,149	149	201	68	280
Trans Equip Autos	15	(13,134)	(6,752)	(2,647)	(2,325)	(302)	(406)	(137)	(566)
Trans Equip Other	15	56,310	28,949	11,346	9,967	1,295	1,740	586	2,427
Stores Equipment	15	(1,921)	(988)	(387)	(340)	(44)	(59)	(20)	(83)
Tools,Shop,Garage Equip	15	262,656	135,032	52,925	46,490	6,041	8,116	2,732	11,320
Tools,Shop,Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	81,907	29,093	20,174	26,137	2,326	3,899	66	213
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	24,182	12,432	4,873	4,280	556	747	251	1,042
Comm Equip Non-Telephone	15	35,643	18,324	7,182	6,309	820	1,101	371	1,536
Comm Equip Telephone	15	(34,386)	(17,678)	(6,929)	(6,086)	(791)	(1,063)	(358)	(1,482)
Misc Equipment	15	30,628	15,746	6,172	5,421	704	946	319	1,320
Other Tangible Property	17	0	0	0	0	0	0	0	0
Total Utility Plant in Service		46,463,933	20,132,429	10,215,683	9,354,157	1,189,080	1,734,122	1,065,575	2,772,886
Other Rate Base Items									
Add:									
Other Utility Plant Adjustments	17	0	0	0	0	0	0	0	0
Cash Working Capital	15	170,000	87,397	34,255	30,090	3,910	5,253	1,768	7,327
Materials and Supplies	15	373,938	192,242	75,349	66,187	8,601	11,555	3,889	16,117
Prepayments	15	35,333	18,165	7,120	6,254	813	1,092	367	1,523
OPEB's Contributed to External Fund	16	216,464	111,630	43,834	36,063	5,195	6,667	2,056	11,018
Premature Retirement	17	0	0	0	0	0	0	0	0
Regulatory Deferrals	17	224,384	97,226	49,342	45,168	5,744	8,370	5,138	13,396
Less:									
Accumulated Amortization	15	(71,296)	(36,653)	(14,366)	(12,619)	(1,640)	(2,203)	(741)	(3,073)
Accumulated Deferred ITC (3%)	17	(9,438)	(4,089)	(2,075)	(1,900)	(242)	(352)	(216)	(563)
Deferred Income Taxes	17	(3,992,787)	(1,730,075)	(878,014)	(803,748)	(102,215)	(148,931)	(91,435)	(238,369)
Pensions	16	(677,728)	(349,504)	(137,240)	(112,909)	(16,265)	(20,874)	(6,438)	(34,496)
Total Other Rate Base Elements		(3,731,130)	(1,613,662)	(821,796)	(747,414)	(96,100)	(139,424)	(85,612)	(227,122)
Total Original Cost Measure of Value		\$ 42,732,803	\$ 18,518,767	\$ 9,393,887	\$ 8,606,742	\$ 1,092,981	\$ 1,594,698	\$ 979,963	\$ 2,545,765

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1990-2005

Year	Average Daily Send out (MGD)	Maximum Daily Use		
		MGD	Ratio to Average	Highest Use Day
(1)	(2)	(3)	(4)	(5)
1990	9.656	14.110	1.46	8/29/1990
1991	9.954	16.140	1.62	7/22/1991
1992	9.610	14.828	1.54	6/30/1992
1993	9.947	12.940	1.30	8/23/1993
1994	10.586	15.120	1.43	7/6/1994
1995	10.895	16.800	1.55	8/30/1995
1996	11.063	15.440	1.40	6/26/1996
1997	10.681	14.900	1.40	7/31/1997
1998	10.902	15.760	1.45	9/4/1998
1999	10.993	18.452	1.68	7/30/1999
2000	11.334	18.747	1.65	8/29/2000
2001	10.862	16.432	1.51	7/20/2001
2002	11.694	18.552	1.59	8/2/2002
2003	11.217	17.360	1.55	8/18/2003
2004	11.673	19.768	1.69	8/23/2004
2005	12.632	19.322	1.53	7/23/2005

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

BASIS FOR ALLOCATING DEMAND RELATED COSTS OF FIRE SERVICE
TO PRIVATE AND PUBLIC FIRE PROTECTION CUSTOMER CLASSIFICATIONS

Description (1)	Restrictive Diameters Squared (2)	Quantity (3)	Relative Demand (4)=(2)x(3)	Allocation Factor (5)
<u>PRIVATE FIRE PROTECTION</u>				
Fire Lines				
2 -inch	4.00	8	32	
3 -inch	9.00	0	0	
4 -inch	16.00	49	784	
6 -inch	36.00	190	6,840	
8 -inch	64.00	117	7,488	
10 -inch	100.00	7	700	
12 -inch	144.00	4	576	
Private Hydrants	32.75	5	164	
Total Private Fire Protection		380	16,584	0.2366
<u>PUBLIC FIRE PROTECTION</u>				
Hydrant	Nozzle Sizes			
6" Valve	2- 2-1/2" & 1- 4.5"	32.75	1,634	53,514
6" Valve	2- 2-1/2" & 1- 4"	28.50	0	0
Total Public Fire Protection		1,634	53,514	0.7634
Total Fire Protection		2,014	70,098	1.0000

MEXICO DISTRICT

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED JUNE 30, 2006

Customer Classification (1)	Cost of Service		Revenues, Present Rates		Revenues, Proposed Rates		Proposed Increase	
	Amount (Schedule B) (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
Residential	\$ 1,975,601	52.1%	\$ 1,223,689	48.9%	\$ 1,532,696	48.9%	\$ 309,007	25.3%
Commercial	510,593	13.5%	330,756	13.2%	414,246	13.2%	83,490	25.2%
Industrial	524,480	13.9%	372,292	14.9%	466,258	14.9%	93,966	25.2%
Public Authority	287,329	7.6%	185,910	7.4%	232,833	7.4%	46,923	25.2%
Sales for Resale	427,864	11.3%	289,296	11.5%	362,308	11.5%	73,012	25.2%
Private Fire Service	58,661	1.6%	102,835	4.1%	128,793	4.1%	25,958	25.2%
Public Fire Service	-	0.0%	\$0	0.0%	\$0	0.0%	-	0.0%
Total Sales	3,784,528	100.0%	2,504,778	100.0%	3,137,134	100.0%	632,356	25.2%
Other Revenues	47,986		47,986		47,986		-	0.0%
Total	\$ 3,832,513		\$ 2,552,764		\$ 3,185,120		\$ 632,356	24.8%

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
OPERATION AND MAINTENANCE EXPENSES									
SOURCE OF SUPPLY EXPENSES									
Super & Eng Oper SS	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor & Exp Oper SS	2	54,437	21,571	8,211	10,342	5,242	8,881	65	174
Labor & Exp Oper SS	2	1,842	729	278	350	177	300	2	6
Purchased Water	1	0	0	0	0	0	0	0	0
TOTAL SS EXPENSE - OPERATION		56,329	22,301	8,489	10,691	5,419	9,182	68	180
Misc Exp Oper SS	2	150,415	59,549	22,668	28,549	14,470	24,518	180	481
Misc Exp Oper SS	2	311	123	47	59	30	51	0	1
Rents Oper SS	2	0	0	0	0	0	0	0	0
Super & Eng Maint SS	2	0	0	0	0	0	0	0	0
Struct & Improve Maint SS	2	0	0	0	0	0	0	0	0
Struct & Improve Maint SS	2	0	0	0	0	0	0	0	0
Collect & Impound Maint SS	2	189	75	28	36	18	31	0	1
Collect & Impound Maint SS	2	0	0	0	0	0	0	0	0
Lake, River & Oth Maint SS	2	0	0	0	0	0	0	0	0
Lake, River & Oth Maint SS	2	0	0	0	0	0	0	0	0
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0
Infil Gail & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Infil Gail & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Supply Mains Maint SS	2	4,600	1,821	693	873	443	750	6	15
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Misc Plant Maint SS	2	2	1	0	0	0	0	0	0
Misc Plant Maint SS	2	22,872	9,055	3,447	4,341	2,200	3,728	27	73
TOTAL SS EXPENSE - MAINTENANCE		178,388	70,624	26,883	33,858	17,161	29,077	214	571
TOTAL SS EXPENSE		234,717	92,924	35,372	44,549	22,580	38,259	282	751
POWER AND PUMPING EXPENSES									
Super & Eng Oper P	6	0	0	0	0	0	0	0	0
Fuel for Power Prod	1	0	0	0	0	0	0	0	0
Labor & Exp Oper Pwr Prod	6	(6)	(2)	(1)	(1)	(1)	(1)	(0)	(0)
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Purch Fuel/Power for Pump	1	61,382	22,380	9,152	12,945	5,844	10,680	104	276
Labor & Exp Oper Pump	6	14	6	2	3	1	2	0	0
Labor & Exp Oper Pump	6	0	0	0	0	0	0	0	0
Expenses Transferred	6	0	0	0	0	0	0	0	0
Misc Exp Oper P	6	197	78	30	37	19	32	0	1
Rents Oper P	6	0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSE - OPERATION		61,588	22,461	9,183	12,984	5,863	10,714	105	277

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Super & Eng Maint P	6	0	0	0	0	0	0	0	0
Struct & Improve Maint P	6	698	277	105	133	67	114	1	2
Struct & Improve Maint P	6	0	0	0	0	0	0	0	0
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Pump Equip Maint P	6	464	184	70	88	45	76	1	1
Pump Equip Maint P	6	1,133	449	171	215	109	185	1	4
TOTAL PUMPING EXPENSES - MAINTENANCE		2,295	909	346	436	221	374	3	7
TOTAL PUMPING EXPENSES		63,883	23,370	9,529	13,420	6,084	11,088	107	284
WATER TREATMENT									
Super & Eng Oper WT	2	0	0	0	0	0	0	0	0
Chemicals	1	64,439	23,494	9,608	13,590	6,135	11,212	110	290
Labor & Exp Oper WT	2	10,139	4,014	1,528	1,924	975	1,653	12	32
Labor & Exp Oper WT	2	6,145	2,433	926	1,166	591	1,002	7	20
Misc Exp Oper WT	2	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Misc Exp Oper WT	1	30,021	10,946	4,476	6,331	2,858	5,224	51	135
Misc Exp Oper WT	2	2,567	1,016	387	487	247	418	3	8
Rents Oper WT	2	0	0	0	0	0	0	0	0
TOTAL WT EXPENSE - OPERATION		113,310	41,903	16,925	23,499	10,806	19,509	183	485
Super & Eng Maint WT	2	0	0	0	0	0	0	0	0
Struct & Improve Maint WT	2	0	0	0	0	0	0	0	0
Struct & Improve Maint WT	2	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	15,246	6,036	2,298	2,894	1,467	2,485	18	49
TOTAL WT EXPENSE - MAINTENANCE		15,246	6,036	2,298	2,894	1,467	2,485	18	49
TOTAL WT EXPENSE		128,556	47,939	19,222	26,393	12,273	21,994	201	534
TRANSMISSION AND DISTRIBUTION EXPENSES									
Super & Eng Oper TD	11	0	0	0	0	0	0	0	0
Storage Facility Exp	5	0	0	0	0	0	0	0	0
Storage Facility Exp	5	501	175	64	68	40	63	23	68
TD Lines Exp	7	70,987	20,217	7,376	7,993	4,685	7,347	5,892	17,477
TD Lines Exp	7	2,362	673	245	266	156	244	196	582
Meter Expense	9	0	0	0	0	0	0	0	0
Meter Expense	9	(5)	(4)	(1)	(0)	(0)	(0)	0	0
Customer Install Exp	10	0	0	0	0	0	0	0	0
Customer Install Exp	10	242	212	22	1	5	0	2	0
Misc Exp Oper TD	11	143	41	15	16	9	15	12	35
Misc Exp Oper TD	11	183	53	19	21	12	19	15	45

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Misc Exp Oper TD	11	5,031	1,444	523	566	332	520	415	1,231
Rents Oper TD	11	220	63	23	25	15	23	18	54
M&S Maint TD Hydrants	8	189	0	0	0	0	0	0	189
TOTAL T & D EXPENSE OPERATION		79,853	22,874	8,286	8,955	5,254	8,231	6,573	19,680
Super & Eng Maint TD	12	0	0	0	0	0	0	0	0
Struct & Improve Maint TD	12	21,625	13,768	1,881	759	683	642	586	3,304
Dist Res Stand Maint TD	5	0	0	0	0	0	0	0	0
TD Main Maint TD	7	0	0	0	0	0	0	0	0
TD Main Maint TD	7	2,383	679	248	288	157	247	198	587
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Services Maint TD	8	0	0	0	0	0	0	0	0
Services Maint TD	10	5,415	4,742	491	28	110	8	35	0
Meters Maint TD	10	0	0	0	0	0	0	0	0
Meters Maint TD	9	71	52	9	5	4	1	0	0
Hydrants Maint TD	9	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	726	0	0	0	0	0	0	726
Misc Plant Maint TD	8	0	0	0	0	0	0	0	0
Mat and Sup Maint TD	12	185	118	16	6	6	5	5	28
Misc Maint TD	12	86,638	55,162	7,537	3,041	2,738	2,573	2,348	13,238
Amort Def Maint TD	12	443	282	39	16	14	13	12	68
TOTAL T & D EXPENSE - MAINTENANCE	5	(110,346)	(38,456)	(13,992)	(15,007)	(8,894)	(13,882)	(5,076)	(15,040)
TOTAL T & D EXPENSE		7,139	36,348	(3,771)	(10,884)	(5,182)	(10,392)	(1,892)	2,911
CUSTOMER ACCOUNTS		86,992	59,222	4,515	(1,929)	73	(2,161)	4,681	22,592
Supervision CA	13	0	0	0	0	0	0	0	0
Meter Reading Exp CA	14	31,105	27,490	2,815	146	616	37	0	0
Meter Reading Exp CA	14	(15)	(13)	(1)	(0)	(0)	(0)	0	0
Meter Reading Exp CA	14	(25)	(22)	(2)	(0)	(1)	(0)	0	0
Cust Rec & Collection CA	13	11,634	10,112	1,035	55	227	14	191	0
Cust Rec & Collection CA	13	20,355	17,693	1,812	96	397	24	334	0
Uncollectible Accts	13	28,630	24,885	2,548	135	558	34	470	0
Misc Cust Accts Exp CA	13	39	34	3	0	1	0	1	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	6,901	5,999	614	32	135	8	113	0
Cust Serv & Info Exp CA	13	(18)	(16)	(2)	(0)	(0)	(0)	(0)	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		98,606	86,162	8,823	463	1,932	118	1,108	0

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
ADMINISTRATIVE AND GENERAL EXPENSES									
Salaries AG	15	69,625	38,524	8,265	7,624	4,282	6,426	933	3,572
Other Supplies & Exp AG	15	3,181	1,760	378	348	196	294	43	163
Other Supplies & Exp AG	15	20,980	11,608	2,490	2,297	1,290	1,936	281	1,076
Other Supplies & Exp AG	15	14,420	7,979	1,712	1,579	887	1,331	193	740
Mgmt Fees-Corporate/Shared Service Center	15	192,655	106,596	22,868	21,096	11,848	17,782	2,582	9,883
Mgmt Fees-Call Center	13	7,060	6,137	628	33	138	8	116	0
Mgmt Fees-Belleville Lab	2	8,886	3,518	1,339	1,687	855	1,448	11	28
Mgmt Fees- Financial ITS	15	67,141	37,149	7,970	7,352	4,129	6,197	900	3,444
Mgmt Fees- Customer Billings ITS	13	(2)	(2)	(0)	(0)	(0)	(0)	(0)	0
Mgmt Fees-Other ITS	15	871	482	103	95	54	80	12	45
Outside Services AG	15	7,513	4,157	892	823	462	693	101	385
Outside Services AG	15	142,016	78,577	16,857	15,551	8,734	13,108	1,903	7,285
Property Insurance	15	0	0	0	0	0	0	0	0
Ins Gen Liab Oper AG	15	30,958	17,129	3,675	3,390	1,904	2,857	415	1,588
Ins Work Comp AG	16	10,934	5,565	1,254	1,148	568	994	305	999
Ins Other Oper AG	15	11,811	6,535	1,402	1,293	726	1,090	158	606
Property Insurance	15	1,292	715	153	141	79	119	17	66
Injuries & Damages	16	53	27	6	6	3	5	1	5
Employee Pension & Benefits	16	94,081	47,887	10,791	9,879	5,748	8,552	2,625	8,599
Employee Pension & Benefits	16	29,966	15,252	3,437	3,146	1,831	2,724	836	2,739
Employee Pension & Benefits	16	6,258	3,186	718	657	382	569	175	572
Reg Commission Exp	15	3,225	1,785	383	353	198	298	43	165
Rents AG	15	6,884	3,809	817	754	423	635	92	353
Goodwill Advertising Exp	15	528	292	63	58	32	49	7	27
Misc Exp AG	15	51,997	28,770	6,172	5,694	3,198	4,799	697	2,667
Research & Development	15	0	0	0	0	0	0	0	0
TOTAL A & G OPERATIONS		782,332	427,436	92,372	85,003	48,069	71,997	12,445	45,010
General Plant Maint AG	15	0	0	0	0	0	0	0	0
General Plant Maint AG	15	3,362	1,860	399	368	207	310	45	172
TOTAL A & G EXPENSE - MAINTENANCE		3,362	1,860	399	368	207	310	45	172
TOTAL A & G EXPENSE		785,693	429,296	92,771	85,371	48,276	72,307	12,490	45,182
Total Operation & Maintenance Expenses		1,398,447	738,913	170,232	168,269	91,217	141,605	18,869	69,344

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Fire Protection Private (9)	Public (10)
DEPRECIATION EXPENSE									
Struct & Imp SS	2	1,576	624	238	299	152	257	2	5
Struct & Imp P	6	2,189	867	330	415	211	357	3	7
Struct & Imp WT	2	92,603	36,662	13,955	17,576	8,908	15,094	111	296
Struct & Imp TD	7	1,476	420	153	166	97	153	123	363
Struct & Imp Offices	15	3,218	1,781	382	352	198	297	43	165
Struct & Imp Store, Shop, Gar	15	1,371	759	163	150	84	127	18	70
Struct & Imp Misc	15	0	0	0	0	0	0	0	0
Collect & Impounding	1	3	1	0	1	0	1	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Wells & Springs	2	18,132	7,178	2,732	3,441	1,744	2,956	22	58
Supply Mains	2	13,933	5,516	2,100	2,644	1,340	2,271	17	45
Power Generation Equip Othe	6	130	51	20	25	13	21	0	0
Pump Equip Electric	6	14,390	5,697	2,169	2,731	1,384	2,346	17	46
Pump Equip Diesel	6	0	0	0	0	0	0	0	0
Pump Equip Other	6	377	149	57	72	36	61	0	1
WT Equip Non-Media	2	52,814	20,909	7,959	10,024	5,081	8,609	63	169
WT Equip Filter Media	2	2,144	849	323	407	206	349	3	7
Dist Reservoirs & Standpipe	5	6,734	2,347	854	916	543	847	310	918
Elevated Tanks & Standpipes	5	861	300	109	117	69	108	40	117
Ground Level Facilities	5	432	151	55	59	35	54	20	59
TD Mains Not Classified by	4	48,170	13,536	4,923	5,279	3,131	4,880	4,138	12,283
TD Mains 4 & Less "	4	2,360	663	241	259	153	239	203	602
TD Mains 6 to 8"	4	11,409	3,206	1,166	1,250	742	1,156	980	2,909
TD Mains 10 to 16"	3	7,740	2,887	1,100	1,385	702	1,189	121	357
TD Mains 18 & Grtr "	3	0	0	0	0	0	0	0	0
Fire Mains	8	434	0	0	0	0	0	0	0
Services	10	27,727	24,283	2,515	144	566	39	180	434
Meters Bronze Case	9	9,004	6,650	1,123	632	469	130	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	2,086	1,541	260	146	109	30	0	0
Meters Other-Rem Rdr Units	9	0	0	0	0	0	0	0	0
Meter Installations	9	18,922	13,976	2,360	1,328	986	272	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	5,687	0	0	0	0	0	0	0
Utility Plant Acquisition Adjustment	17	0	0	0	0	0	0	0	5,687
Other P/E WT Res Hand Equip	2	427	169	64	81	41	70	1	1
Other P/E TD	7	239	68	25	27	16	25	20	59
Other P/E CPS	15	0	0	0	0	0	0	0	0
Office Furniture & Equip	15	1,640	907	195	180	101	151	22	84
Comp & Periph Equip	15	10,121	5,600	1,201	1,108	622	934	136	519
Computer Software	15	22,466	12,430	2,667	2,460	1,382	2,074	301	1,153

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Comp Software Personal	15	206	114	24	23	13	19	3	11
Data Handling Equipment	15	985	545	117	108	61	91	13	51
Other Office Equipment	15	10	6	1	1	1	1	0	1
Trans Equip Lt Duty Trks	15	1,337	740	159	146	82	123	18	69
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0
Trans Equip Autos	15	2,255	1,248	268	247	139	208	30	116
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	832	460	99	91	51	77	11	43
Tools, Shop, Garage Equip	15	3,924	2,171	466	430	241	362	53	201
Tools, Shop, Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	1,001	396	151	190	96	163	1	3
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	502	278	60	55	31	46	7	26
Comm Equip Non-Telephone	15	1,160	642	138	127	71	107	16	60
Comm Equip Telephone	15	190	105	23	21	12	18	3	10
Misc Equipment	15	756	418	90	83	46	70	10	39
Total Depreciation Expense		393,973	177,300	51,032	55,197	29,965	46,381	7,056	27,043
Amort-Other UP	18	464	208	61	67	36	56	8	29
Taxes Other Than Income									
Utility Reg Assessment Fee	19	13,723	6,562	1,751	1,846	1,000	1,552	213	799
Property Taxes	18	150,997	67,707	19,841	21,683	11,732	18,225	2,461	9,347
FUTA	16	395	201	45	41	24	36	11	36
FICA	16	21,373	10,879	2,452	2,244	1,306	1,943	596	1,954
SUTA	16	268	137	31	28	16	24	7	25
Other Taxes & Licenses	15	6,076	3,362	721	665	374	561	81	312
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
Total Taxes, Other Than Income		192,832	88,848	24,841	26,508	14,453	22,341	3,370	12,471
Income Taxes	18	591,672	265,306	77,746	84,964	45,973	71,415	9,644	36,624
Utility Income Available for Return	18	1,255,125	562,798	164,923	180,236	97,523	151,494	20,459	77,692
Total Cost of Service		3,832,513	1,833,372	488,834	515,241	279,167	433,291	59,405	223,203
Less: Other Water Revenues	19	47,986	22,947	6,123	6,454	3,498	5,427	744	2,793
Revenue Contribution	19	0	0	0	0	0	0	0	0
Total Other Water Revenues		47,986	22,947	6,123	6,454	3,498	5,427	744	2,793
Total Cost of Service Related to Sales of Water		\$ 3,784,528	\$ 1,810,426	\$ 482,711	\$ 508,787	\$ 275,669	\$ 427,864	\$ 58,661	\$ 220,410
Reallocation of Public Fire	20	0	165,175	27,882	15,693	11,660	0	0	(220,410)
Total		\$ 3,784,528	\$ 1,975,601	\$ 510,593	\$ 524,480	\$ 287,329	\$ 427,864	\$ 58,661	\$ -

**MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS

FACTOR 1. ALLOCATION OF COSTS WHICH VARY WITH THE AMOUNT OF WATER CONSUMED.

Factors are based on the pro forma test year average daily consumption for each customer classification.

Customer Classification	Average Daily Consumption, Thousand Gallons	Allocation Factor
(1)	(2)	(3)
Residential	643	0.3646
Commercial	263	0.1491
Industrial	372	0.2109
Other Public Authority	168	0.0952
Sales for Resale	307	0.1740
Private Fire Protection	3	0.0017
Public Fire Protection	8	0.0045
Total	1,764	1.0000

FACTOR 2. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM DAY EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the factors for average daily consumption (Factor 1) and the factors derived from maximum day extra capacity demand for each customer classification, as follows:

Customer Classification	Average Daily Consumption		Maximum Day Extra Capacity		Allocation Factor
	Allocation Factor 1	Weighted Factor	Allocation Factor	Weighted Factor	
(1)	(2)	(3)=(2)x 0.7143	(4)	(5)=(4)x 0.2857	(6)=(3)+(5)
Residential	0.3646	0.2605	0.4738	0.1354	0.3959
Commercial	0.1491	0.1065	0.1548	0.0442	0.1507
Industrial	0.2109	0.1506	0.1371	0.0392	0.1898
Other Public Authority	0.0952	0.0680	0.0987	0.0282	0.0962
Sales for Resale	0.1740	0.1243	0.1356	0.0387	0.1630
Private Fire Protection	0.0017	0.0012			0.0012
Public Fire Protection	0.0045	0.0032			0.0032
Total	1.0000	0.7143	1.0000	0.2857	1.0000

The derivation of the maximum day extra capacity factors in column 4 and the basis for the column 3 and 5 weightings are presented on the following page.

**MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 2. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND
MAXIMUM DAY EXTRA CAPACITY FUNCTIONS, cont.

Customer Classification	Average Daily Consumption, Thousand Gal.	Maximum Day Extra Capacity		
		Factor*	Rate of Flow, Thousand Gal. Per Day	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	643	1.0	643	0.4738
Commercial	263	0.8	210	0.1548
Industrial	372	0.5	186	0.1371
Other Public Authority	168	0.8	134	0.0987
Sales for Resale	307	0.6	184	0.1356
Total	<u>1,753</u>		<u>1,357</u>	<u>1.0000</u>

The weighting of the factors is based on the maximum day ratio of 1.40, based on a review of maximum day ratios experienced during the period 1990 through 2005 (see Schedule D).

	Maximum Day Ratio	Weight
Average Day	1.00	0.7143
Maximum Day Extra Capacity	<u>0.40</u>	<u>0.2857</u>
Total	<u>1.40</u>	<u>1.0000</u>

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 3. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY
AND FIRE PROTECTION FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification (1)	Average Daily Consumption		Maximum Day Extra Capacity		Fire Protection		Allocation Factor (8)=(3)+(5)+(7)
	Allocation Factor (2)	Weighted Factor (3)=(2) X 0.6731	Allocation Factor (4)	Weighted Factor (5)=(4) X 0.2693	Allocation Factor (6)	Weighted Factor (7)=(6) X 0.0576	
Residential	0.3646	0.2454	0.4738	0.1276			0.3730
Commercial	0.1491	0.1004	0.1548	0.0417			0.1421
Industrial	0.2109	0.1420	0.1371	0.0369			0.1789
Other Public Authority	0.0952	0.0641	0.0987	0.0266			0.0907
Sales for Resale	0.1740	0.1171	0.1356	0.0365			0.1536
Private Fire Protection	0.0017	0.0011			0.2520	0.0145	0.0156
Public Fire Protection	0.0045	0.0030			0.7480	0.0431	0.0461
Total	1.0000	0.6731	1.0000	0.2693	1.0000	0.0576	1.0000

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 3. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY AND FIRE PROTECTION FUNCTIONS, cont.

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum day ratio of 1.40 and the average daily system sendout for 2005 of 2.105 MGD. The system demand for fire protection is 1,500 Gallons per minute for 2 hours.

	<u>Ratio</u>	<u>Rate of Flow, (GPD)</u>	<u>Weight</u>
Average Day	1.00	2,105,000	0.6731
Maximum Day Extra Capacity	<u>0.40</u>	<u>842,000</u>	<u>0.2693</u>
Subtotal	<u>1.40</u>	2,947,000	0.9424
Fire Protection		<u>180,000</u>	<u>0.0576</u>
Total		<u>3,127,000</u>	<u>1.0000</u>

The public and private fire protection allocation factors in column 6 on the previous page are based on the relative potential demands (see Schedule E).

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification (1)	Average Hourly Consumption		Maximum Hour Extra Capacity		Fire Protection		Allocation Factor (9)=(4)+(6)+(8)
	Thousand Gallons (2)	Allocation Factor (3)	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.3305	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.3390	
Residential	26.8	0.3646	0.4857	0.1204			0.2810
Commercial	11.0	0.1497	0.1595	0.0527			0.1022
Industrial	15.5	0.2109	0.1207	0.0399			0.1096
Other Public Authority	7.0	0.0952	0.1015	0.0335			0.0650
Sales for Resale	12.8	0.1741	0.1326	0.0438			0.1013
Private Fire Protection	0.1	0.0014			0.2520	0.0854	0.0859
Public Fire Protection	0.3	0.0041			0.7480	0.2536	0.2550
Total	73.5	1.0000	1.0000	0.3305	1.0000	0.3390	1.0000

The maximum hour extra capacity factors in column 5 are determined on the next page.

**MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

**FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND
MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS, cont.**

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum hour ratio of 2.0 and the average daily system sendout for 2005 of 2.105 MGD. The system demand for fire protection is 1,500 gallons per minute.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	1,462	0.3305
Maximum Hour Extra Capacity	1.00	1,462	0.3305
Subtotal	<u>2.00</u>	2,924	0.6610
Fire Protection		1,500	0.3390
Total		<u>4,424</u>	<u>1.0000</u>

The maximum hour extra capacity factors in column 5 of the previous page are determined as follows:

Customer Classification	Average Hourly Consumption Thousand Gal.	Maximum Hour Extra Capacity		
		Factor*	1,000 Gallons Per Hour	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	26.8	3.5	93.8	0.4857
Commercial	11.0	2.8	30.8	0.1595
Industrial	15.5	1.5	23.3	0.1207
Other Public Authority	7.0	2.8	19.6	0.1015
Sales for Resale	12.8	2.0	25.6	0.1326
Total	<u>73.1</u>		<u>193.1</u>	<u>1.0000</u>

* Ratio of Maximum Hour To Average Hour Minus 1.0.

The public and private fire protection allocation factors in column 7 on the previous page are based on the relative potential demands (see Schedule E).

**MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES.

Factors are based on the weighting of the average hourly consumption, the maximum hour extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification (1)	Average Hourly Consumption		Maximum Hour Extra Capacity		Fire Protection	
	Thousand Gallons (2)	Allocation Factor (3)	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.4100	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.1800
						Allocation Factor (9)=(4)+(6)+(8)
Residential	26.8	0.3646	0.1494	0.1991		0.3485
Commercial	11.0	0.1497	0.0614	0.0654		0.1268
Industrial	15.5	0.2109	0.0865	0.0495		0.1360
Other Public Authority	7.0	0.0952	0.0390	0.0416		0.0806
Sales for Resale	12.8	0.1741	0.0714	0.0544		0.1258
Private Fire Protection	0.1	0.0014	0.0006		0.2520	0.0460
Public Fire Protection	0.3	0.0041	0.0017		0.7480	0.1363
Total	73.5	1.0000	1.0000	0.4100	1.0000	0.1800
						1.0000

The weighting of the factors is based on the ratio of the capacity required for a 2 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES, cont.

The weighting of the factors is based on the ratio of the capacity required for a 2 hour demand of fire flow, as related to total storage capacity.

$$\text{Fire Protection Weight} = \frac{1,500 \text{ GPM} \times 60 \text{ Min.} \times 2 \text{ Hrs.}}{1,000,000 \text{ Gallons}} = 0.1800$$

$$\text{General Service Weight} = 1.0000 - 0.1800 = 0.8200$$

The weighting of the average hourly consumption and maximum hour extra demand for general service is based on the maximum hour ratio, as follows:

	<u>Maximum Hour Ratio</u>	<u>Percent</u>	<u>Weight</u>
Average Hour	1.00	50.00	0.4100
Extra Capacity Maximum Hour	<u>1.00</u>	<u>50.00</u>	<u>0.4100</u>
Total	<u><u>2.00</u></u>	<u><u>100.00</u></u>	<u><u>0.8200</u></u>

**MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 6. ALLOCATION OF COSTS ASSOCIATED WITH POWER AND PUMPING FACILITIES.

Factors are based on the weighting of the maximum daily consumption, Factor 2, the maximum daily consumption with fire, Factor 3, and the maximum hour consumption, Factor 4, for each customer classification, as follows:

Customer Classification	Maximum Daily Consumption		Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		Allocation Factor
	Allocation Factor 2	Weighted Factor	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
(1)	(2)	(3)=(2)X 1.0000	(4)	(5)=(4)X 0.0000	(6)	(7)=(6)X 0.0000	(8)=(3)+ (5)+(7)
Residential	0.3959	0.3959	0.3730	0.0000	0.2810	0.0000	0.3959
Commercial	0.1507	0.1507	0.1421	0.0000	0.1022	0.0000	0.1507
Industrial	0.1898	0.1898	0.1789	0.0000	0.1096	0.0000	0.1898
Other Public Authority	0.0962	0.0962	0.0907	0.0000	0.0650	0.0000	0.0962
Sales for Resale	0.1630	0.1630	0.1536	0.0000	0.1013	0.0000	0.1630
Private Fire Protection	0.0012	0.0012	0.0156	0.0000	0.0859	0.0000	0.0012
Public Fire Protection	0.0032	0.0032	0.0461	0.0000	0.2550	0.0000	0.0032
Total	1.0000	1.0000	1.0000	0.0000	1.0000	0.0000	1.0000

The weighting of the factors is based on the horsepower of pumps associated with maximum day facilities, maximum day and fire facilities, and maximum hour facilities, as follows:

	Horsepower of Pumps	Weight
Associated with Maximum Day	1,415	1.0000
Associated with Maximum Day and Fire	0	0.0000
Associated with Maximum Hour	0	0.0000
Total	1,415	1.0000

**MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 7. ALLOCATION OF COSTS ASSOCIATED WITH TRANSMISSION AND DISTRIBUTION MAINS.

Factors are based on the weighting of the maximum daily consumption with fire, Factor 3, and the maximum hour consumption, Factor 5, for each customer classification, as follows:

Customer Classification	Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		Allocation Factor
	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
(1)	(2)	(3)=(2)X 0.0424	(4)	(5)=(4)X 0.9576	(6)=(3)+(5)
Residential	0.3730	0.0158	0.2810	0.2690	0.2848
Commercial	0.1421	0.0060	0.1022	0.0979	0.1039
Industrial	0.1789	0.0076	0.1096	0.1050	0.1126
Other Public Authority	0.0907	0.0038	0.0650	0.0622	0.0660
Sales for Resale	0.1536	0.0065	0.1013	0.0970	0.1035
Private Fire Protection	0.0156	0.0007	0.0859	0.0823	0.0830
Public Fire Protection	0.0461	0.0020	0.2550	0.2442	0.2462
Total	<u>1.0000</u>	<u>0.0424</u>	<u>1.0000</u>	<u>0.9576</u>	<u>1.0000</u>

The weighting of the factors is based on the total footage of mains, designated as either transmission mains or distribution mains, as follows:

	Total Footage of Mains	Weight
Transmission Mains	19,696	0.0424
Distribution Mains	<u>444,684</u>	<u>0.9576</u>
Total	<u>464,380</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH FIRE HYDRANTS.

Costs are assigned directly to Public Fire Protection.

Customer Classification <u>(1)</u>	Allocation Factor <u>(3)</u>
Public Fire Protection	1.0000
Total	<u>1.0000</u>

FACTOR 9. ALLOCATION OF COSTS ASSOCIATED WITH METERS.

Factors are based on the relative cost of meters by size and customer classification, as developed on the following page and summarized below.

Customer Classification <u>(1)</u>	5/8" Dollar Equivalents <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	4,306	0.7386
Commercial	727	0.1247
Industrial	409	0.0702
Other Public Authority	304	0.0521
Sales for Resale	84	0.0144
Private Fire	0	0.0000
Total	<u>5,830</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size (1)	5/8" Dollar Equivalent (2)	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Total	
		Number of Meters (3)	Weighting (4)=(2)X(3)	Number of Meters (5)	Weighting (6)=(2)X(5)	Number of Meters (7)	Weighting (8)=(2)X(7)	Number of Meters (9)	Weighting (10)=(2)X(9)	Number of Meters (11)	Weighting (12)=(2)X(11)	Number of Meters (13)	Weighting (14)
5/8	1.0	4,268	4,268	309	309	1	1	34	34	0	0	4,612	4,612
3/4	1.3	2	3	5	7	0	0	2	3	0	0	9	13
1	1.7	15	26	77	131	5	9	19	32	0	0	116	198
1-1/2	3.5	0	0	0	0	0	0	1	4	0	0	1	4
2	4.3	2	9	45	194	5	22	36	155	4	17	92	397
3	19.0	0	0	2	38	5	95	4	76	1	19	12	228
4	29.3	0	0	0	0	3	88	0	0	0	0	3	88
6	48.4	0	0	1	48	4	194	0	0	1	48	6	290
8	112.9	0	0	0	0	0	0	0	0	0	0	0	0
Total		4,287	4,306	439	727	23	409	96	304	6	84	4,851	5,830

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 10. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES.

Factors are based on the relative cost of services by size and customer classification, as developed on the following page and summarized below.

Customer Classification <u>(1)</u>	3/4" Dollar Equivalents <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	56,422	0.8758
Commercial	5,843	0.0907
Industrial	337	0.0052
Other Public Authority	1,311	0.0204
Sales for Resale	88	0.0014
Private Fire Protection	<u>420</u>	<u>0.0065</u>
Total	<u><u>64,421</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

Service Size	3/4" Dollar Equivalent (2)	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Private Fire Protection		Total	
(1)		Number of Services (3)	Weighting (4)=(2)X(3)	Number of Services (5)	Weighting (6)=(2)X(5)	Number of Services (7)	Weighting (8)=(2)X(7)	Number of Services (9)	Weighting (10)=(2)X(9)	Number of Services (11)	Weighting (12)=(2)X(11)	Number of Services (13)	Weighting (14)=(2)X(13)	Number of Services (15)	Weighting (16)
3/4	1.00	4,270	4,270	314	314	1	1	36	36	0	0	0	0	4,621	4,621
1	1.17	15	18	77	90	5	6	19	22	0	0	0	0	116	136
1-1/2	1.58	0	0	0	0	0	0	1	2	0	0	0	0	1	2
2	2.04	2	4	45	92	5	10	36	73	4	8	3	6	95	193
3	2.73	0	0	2	5	5	14	4	11	1	3	1	3	13	36
4	2.88	0	0	0	0	3	9	0	0	0	0	12	35	15	44
6	4.24	0	0	1	4	4	17	0	0	1	4	24	102	30	127
8	6.98	0	0	0	0	0	0	0	0	0	0	16	112	16	112
10	9.50	0	0	0	0	0	0	0	0	0	0	17	162	17	162
12	12.16	4,287	52,130	439	5,338	23	280	96	1,167	6	73	0	0	4,851	58,988
Total		8,574	56,422	878	5,843	46	337	192	1,311	12	88	73	420	9,775	64,421

**MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 11. ALLOCATION OF TRANSMISSION AND DISTRIBUTION OPERATION SUPERVISION AND ENGINEERING AND MISCELLANEOUS EXPENSES.

Factors are based on transmission and distribution operation expenses other than those being allocated, as follows:

Customer Classification	Transmission & Distribution Operating Expenses	Allocation Factor
(1)	(2)	(3)
Residential	\$ 21,273	0.2871
Commercial	7,706	0.1040
Industrial	8,328	0.1124
Other Public Authority	4,886	0.0660
Sales for Resale	7,655	0.1033
Private Fire Protection	6,113	0.0825
Public Fire Protection	18,127	0.2447
Total	<u>74,087</u>	<u>1.0000</u>

FACTOR 12. ALLOCATION OF TRANSMISSION AND DISTRIBUTION MAINTENANCE SUPERVISION AND ENGINEERING, STRUCTURES AND IMPROVEMENTS, AND OTHER EXPENSES.

Factors are based on transmission and distribution maintenance expenses other than those being allocated, as follows:

Customer Classification	Transmission & Distribution Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Residential	\$ 5,474	0.6367
Commercial	748	0.0870
Industrial	301	0.0351
Other Public Authority	271	0.0316
Sales for Resale	255	0.0297
Private Fire Protection	233	0.0271
Public Fire Protection	1,313	0.1528
Total	<u>\$8,595</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 13. ALLOCATION OF BILLING AND COLLECTING COSTS.

Factors are based on the total number of customers.

Customer Classification	Total Customers	Allocation Factor
(1)	(2)	(3)
Residential	4,287	0.8692
Commercial	439	0.0890
Industrial	23	0.0047
Other Public Authority	96	0.0195
Sales for Resale	6	0.0012
Private Fire Protection	81	0.0164
Public Fire Protection	0	0.0000
Total	4,932	1.0000

FACTOR 14. ALLOCATION OF METER READING COSTS.

Factors are based on the number of metered customers.

Customer Classification	Total Metered Customers	Allocation Factor
(1)	(2)	(3)
Residential	4,287	0.8838
Commercial	439	0.0905
Industrial	23	0.0047
Other Public Authority	96	0.0198
Sales for Resale	6	0.0012
Total	4,851	1.0000

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 15. ALLOCATION OF ADMINISTRATIVE AND GENERAL EXPENSES AND CASH
WORKING CAPITAL.

Factors are based on the allocation of all other operation and maintenance expenses excluding purchased water, power, chemicals and waste disposal.

Customer Classification	Operation & Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Residential	\$252,797	0.5533
Commercial	54,224	0.1187
Industrial	50,030	0.1095
Other Public Authority	28,105	0.0615
Sales for Resale	42,181	0.0923
Private Fire Protection	6,114	0.0134
Public Fire Protection	23,460	0.0513
Total	<u>\$456,912</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 16. ALLOCATION OF LABOR RELATED TAXES AND BENEFITS.

Factors are based on the allocation of direct labor expense.

Customer Classification (1)	Direct Labor Expense (2)	Allocation Factor (3)
Residential	\$141,149	0.5090
Commercial	31,822	0.1147
Industrial	29,121	0.1050
Other Public Authority	16,953	0.0611
Sales for Resale	25,221	0.0909
Private Fire Protection	7,733	0.0279
Public Fire Protection	25,353	0.0914
Total	<u>\$277,353</u>	<u>1.0000</u>

FACTOR 17. ALLOCATION OF ORGANIZATION, FRANCHISES AND CONSENTS,
MISCELLANEOUS INTANGIBLE PLANT AND OTHER RATE BASE ELEMENTS.

Factors are based on the allocation of the original cost less depreciation other than those items being allocated, as follows:

Customer Classification (1)	Original Cost Less Depreciation (2)	Allocation Factor (3)
Residential	\$7,109,945	0.4485
Commercial	2,082,230	0.1314
Industrial	2,273,947	0.1434
Other Public Authority	1,229,817	0.0776
Sales for Resale	1,911,033	0.1206
Private Fire Protection	260,266	0.0164
Public Fire Protection	985,028	0.0621
Total	<u>\$15,852,267</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 18. ALLOCATION OF INCOME TAXES AND INCOME AVAILABLE FOR RETURN.

Factors are based on the allocation of the original cost measure of value rate base as shown on the following pages and summarized below.

Customer Classification	Original Cost Measure of Value	Allocation Factor
(1)	(2)	(3)
Residential	\$6,604,155	0.4484
Commercial	1,936,244	0.1314
Industrial	2,116,055	0.1436
Other Public Authority	1,144,020	0.0777
Sales for Resale	1,778,001	0.1207
Private Fire Protection	240,703	0.0163
Public Fire Protection	912,335	0.0619
Total	<u>\$14,731,514</u>	<u>1.0000</u>

FACTOR 19. ALLOCATION OF REGULATORY COMMISSION EXPENSES, ASSESSMENTS AND OTHER WATER REVENUES.

The factors are based on the allocation of the total cost of service, excluding those items being allocated.

Customer Classification	Total Cost of Service	Allocation Factor
(1)	(2)	(3)
Residential	\$1,826,007	0.4782
Commercial	487,074	0.1276
Industrial	513,512	0.1345
Other Public Authority	278,207	0.0729
Sales for Resale	431,845	0.1131
Private Fire Protection	59,152	0.0155
Public Fire Protection	222,247	0.0582
Total	<u>\$3,818,044</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
RATE BASE									
Organization	17	\$ 1,935	\$ 868	\$ 254	\$ 277	\$ 150	\$ 233	\$ 32	\$ 120
Franchises	17	0	0	0	0	0	0	0	0
Land & Ld Rights SS	2	25,516	10,102	3,845	4,843	2,455	4,159	31	82
Land & Ld Rights P	6	58,808	23,282	8,862	11,162	5,657	9,586	71	188
Land & Ld Rights WT	2	13,920	5,511	2,098	2,642	1,339	2,269	17	45
Land & Ld Rights TD	7	13,336	3,798	1,386	1,502	880	1,380	1,107	3,283
Land & Land Rights AG	15	2,057	1,138	244	225	127	190	28	106
Struct & Imp SS	2	40,480	16,026	6,100	7,683	3,894	6,598	49	130
Struct & Imp P	6	48,545	19,219	7,316	9,214	4,670	7,913	58	155
Struct & Imp Pumps (STL)	6	0	0	0	0	0	0	0	0
Struct & Imp Pump Boosters	6	0	0	0	0	0	0	0	0
Struct & Imp WT	2	4,625,223	1,831,126	697,021	877,867	444,946	753,911	5,550	14,801
Struct & Imp WT Nth Pit (ST	2	0	0	0	0	0	0	0	0
Struct & Imp WT Ctrl Pit 1	2	0	0	0	0	0	0	0	0
Struct & Imp WT Ctrl Pit 3	2	0	0	0	0	0	0	0	0
Struct & Imp WT Sth Pit (ST	2	0	0	0	0	0	0	0	0
Struct & Imp WT Meramec (ST	2	0	0	0	0	0	0	0	0
Struct & Imp TD	7	60,590	17,256	6,295	6,822	3,999	6,271	5,029	14,917
Struct & Imp TD Spec Cross	7	0	0	0	0	0	0	0	0
Struct & Imp Offices	15	94,868	52,490	11,261	10,388	5,834	8,756	1,271	4,867
Struct & Imp Leasehold	15	0	0	0	0	0	0	0	0
Struct & Imp Store,Shop,Gar	15	21,918	12,127	2,602	2,400	1,348	2,023	294	1,124
Struct & Imp Misc	15	0	0	0	0	0	0	0	0
Collect & Impounding	1	42	15	6	9	4	7	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Wells & Springs	2	639,344	253,116	96,349	121,347	61,505	104,213	767	2,046
Supply Mains	2	698,681	276,608	105,291	132,610	67,213	113,885	838	2,236
Supply Mains Nth Pit (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Ctrl Pit (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Sth Pit (STL)	2	0	0	0	0	0	0	0	0
Power Generation Equip Othe	6	5,188	2,054	782	985	499	846	6	17
Boiler Plant Equipment P	6	0	0	0	0	0	0	0	0
Pump Equip Steam	6	0	0	0	0	0	0	0	0
Pump Equip Electric	6	839,198	332,238	126,467	159,280	80,731	136,789	1,007	2,685
Pump Equip Elec Pre46 (STL)	6	0	0	0	0	0	0	0	0
Pump Equip Elec Post46 (STL	6	0	0	0	0	0	0	0	0
Pump Equip Elec Boosters Po	6	0	0	0	0	0	0	0	0
Pump Equip Diesel	6	0	0	0	0	0	0	0	0
Pump Equip Diesel Stratman\	6	0	0	0	0	0	0	0	0
Pump Equip Diesel Ctrl Pit	6	0	0	0	0	0	0	0	0
Pump Equip Hydraulic	6	0	0	0	0	0	0	0	0
Pump Equip Other	6	30,431	12,048	4,586	5,776	2,927	4,960	37	97
WT Equip Non-Media	2	2,095,398	829,568	315,776	397,707	201,577	341,550	2,514	6,705

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
WT Equip Non-Med North (STL)	2	0	0	0	0	0	0	0	0
WT Equip Non Media Cntl 1 &	2	0	0	0	0	0	0	0	0
WT Equip Non Media Cntl 3 (	2	0	0	0	0	0	0	0	0
WT Equip Non Media Sth (STL)	2	0	0	0	0	0	0	0	0
WT Equip Non Media Mer (STL)	2	0	0	0	0	0	0	0	0
WT Equip Filter Media	2	0	0	0	0	0	0	0	0
Dist Reservoirs & Standpipe	2	101,662	40,248	15,320	19,295	9,780	16,571	122	325
Elevated Tanks & Standpipes	5	193,898	67,573	24,586	26,370	15,628	24,392	8,919	26,428
Ground Level Facilities	5	36,411	12,689	4,617	4,952	2,935	4,580	1,675	4,963
TD Mains Not Classified by	7	18,866	6,512	2,369	2,541	1,506	2,351	860	2,547
TD Mains 4 & Less "	4	1,783,599	507,969	185,316	200,833	117,718	184,602	148,039	439,122
TD Mains 6 to 8"	4	127,194	35,742	12,999	13,940	8,268	12,885	10,926	32,434
TD Mains 10 to 16"	4	607,414	170,683	62,078	66,573	39,482	61,531	52,177	154,891
TD Mains 18 & Grtr "	3	382,215	142,566	54,313	68,378	34,667	58,708	5,963	17,620
TD Mains AC 4 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1900-28 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1929-56 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI <10 1957-93 (S"	4	0	0	0	0	0	0	0	0
TD Mains CI 12 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains CI 16 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains DI 6-8 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains DI 12 (STL) "	3	0	0	0	0	0	0	0	0
TD Mains DI 16 & >(STL)	3	0	0	0	0	0	0	0	0
TD Mains Galve 1 (STL) "	4	0	0	0	0	0	0	0	0
TD Mains LJ 20 (STL) "	3	0	0	0	0	0	0	0	0
Fire Mains	8	22,833	0	0	0	0	0	0	0
Services	10	1,625,772	1,423,851	147,458	8,454	33,166	2,276	10,568	22,833
Meters Bronze Case	9	530,393	391,748	66,140	37,234	27,633	7,638	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	2,484	1,835	310	174	129	36	0	0
Meters Other-Rem Rdr Units	9	0	0	0	0	0	0	0	0
Meter Installations	9	699,846	516,906	87,271	49,129	36,462	10,078	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	221,860	0	0	0	0	0	0	0
Other P/E Intangible	15	1,730	957	205	189	106	160	23	89
Other P/E WT Res Hand Equip	2	23,163	9,170	3,491	4,396	2,228	3,776	28	74
Other P/E TD	7	5,604	1,596	582	631	370	580	465	1,380
Other P/E CPS	15	14,771	8,173	1,753	1,617	908	1,363	198	758
Office Furniture & Equip	15	32,756	18,124	3,888	3,587	2,014	3,023	439	1,680
Comp & Periph Equip	15	34,658	19,176	4,114	3,795	2,131	3,199	464	1,778
Computer Software	15	(52,262)	(28,917)	(6,203)	(5,723)	(3,214)	(4,824)	(700)	(2,681)
Comp Software Personal	15	60	33	7	7	4	6	1	3
Data Handling Equipment	15	12,505	6,919	1,484	1,369	769	1,154	168	642
Other Office Equipment	15	(296)	(158)	(34)	(31)	(18)	(26)	(4)	(15)
Trans Equip Lt Duty Trks	15	(841)	(465)	(100)	(92)	(52)	(78)	(11)	(43)
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2006, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Trans Equip Autos	15	(4,493)	(2,486)	(533)	(492)	(276)	(415)	(60)	(230)
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	8,567	4,740	1,017	938	527	791	115	439
Tools,Shop, Garage Equip	15	72,511	40,176	8,619	7,951	4,466	6,702	973	3,725
Tools,Shop, Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	19,127	7,572	2,882	3,630	1,840	3,118	23	61
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	(2,935)	(1,624)	(348)	(321)	(181)	(271)	(39)	(151)
Comm Equip Non-Telephone	15	28,590	15,819	3,394	3,131	1,758	2,639	383	1,467
Comm Equip Telephone	15	(14,033)	(7,764)	(1,666)	(1,537)	(863)	(1,295)	(188)	(720)
Misc Equipment	15	5,166	2,858	613	566	318	477	69	265
Other Tangible Property	17	0	0	0	0	0	0	0	0
Total Utility Plant in Service		15,854,202	7,110,813	2,082,485	2,274,224	1,229,967	1,911,267	260,298	985,148
Other Rate Base Items									
Add:									
Other Utility Plant Adjustments	17	0	0	0	0	0	0	0	0
Cash Working Capital	15	0	0	0	0	0	0	0	0
Materials and Supplies	15	18,263	10,105	2,168	2,000	1,123	1,686	245	937
Prepayments	15	7,355	4,070	873	805	452	679	99	377
OPEB's Contributed to External Fund	16	44,928	22,868	5,153	4,717	2,745	4,084	1,253	4,106
Premature Retirement	17	0	0	0	0	0	0	0	0
Regulatory Deferrals	17	49,446	22,177	6,497	7,091	3,837	5,963	811	3,071
Less:									
Accumulated Deferred ITC (3%)	17	0	0	0	0	0	0	0	0
Deferred Income Taxes	17	(1,101,597)	(494,066)	(144,750)	(157,969)	(85,484)	(132,853)	(18,066)	(68,409)
Pensions	16	(141,083)	(71,811)	(16,182)	(14,814)	(8,620)	(12,824)	(3,936)	(12,895)
Total Other Rate Base Elements		(1,122,688)	(506,658)	(146,241)	(158,170)	(85,946)	(133,265)	(19,595)	(72,813)
Total Original Cost Measure of Value		\$ 14,731,514	\$ 6,604,155	\$ 1,936,244	\$ 2,116,055	\$ 1,144,020	\$ 1,778,001	\$ 240,703	\$ 912,335

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1990-2005

Year	Average Daily Send out (MGD)	Maximum Daily Use		
		MGD	Ratio to Average	Highest Use Day
(1)	(2)	(3)	(4)	(5)
1990	1.859	3.044	1.64	7/15/1990
1991	2.008	2.738	1.36	3/29/1991
1992	2.044	3.182	1.56	7/2/1992
1993	1.989	2.553	1.28	8/20/1993
1994	1.964	2.525	1.29	8/22/1994
1995	2.282	2.917	1.28	8/28/1995
1996	2.186	3.047	1.39	7/18/1996
1997	2.223	2.886	1.30	7/17/1997
1998	2.240	2.868	1.28	5/19/1998
1999	2.223	3.010	1.35	7/28/1999
2000	2.199	2.770	1.26	8/17/2000
2001	2.322	2.955	1.27	8/1/2001
2002	2.245	2.953	1.32	8/5/2002
2003	2.254	2.937	1.30	8/28/2003
2004	2.116	2.745	1.30	8/18/2004
2005	2.105	2.912	1.38	11/7/2005

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

BASIS FOR ALLOCATING DEMAND RELATED COSTS OF FIRE SERVICE
TO PRIVATE AND PUBLIC FIRE PROTECTION CUSTOMER CLASSIFICATIONS

Description (1)	Restrictive Diameters Squared (2)	Quantity (3)	Relative Demand* (4)=(2)x(3)	Allocation Factor (5)
<u>PRIVATE FIRE PROTECTION</u>				
Fire Lines				
2 -inch	4.00	3	12	
3 -inch	9.00	0	0	
4 -inch	16.00	12	192	
6 -inch	36.00	24	864	
8 -inch	64.00	16	1,024	
10 -inch	100.00	17	1,700	
12 -inch	144.00	2	288	
Private Hydrants	24.75	7	173	
Total Private Fire Protection		81	4,253	0.2520
<u>PUBLIC FIRE PROTECTION</u>				
Hydrant	Nozzle Sizes			
6" Valve	2- 2-1/2" & 1- 3.5"	24.75	510	12,623
6" Valve	2- 2-1/2" & 1- 4"	28.50	0	0
Total Public Fire Protection		510	12,623	0.7480
Total Fire Protection		591	16,876	1.0000

