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July 5, 2000

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED²
JUL 05 2000
Missouri Public
Service Commission

**RE: Case No. WR-2000-281 -- In the Matter of Missouri-American Water Company's
Tariff Sheets Designed to Implement General Rate Increases for Water and Sewer Service
Provided to Customers in the Missouri Service Area of the Company**

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of replacement pages for Staff Accounting Schedules, Exhibit 109.

As the Staff informed the Commission during the evidentiary hearing, prior to offering Exhibit 109 (see page 2147 of the transcript, lines 13-24), the pre-marked Exhibit 109 contained information that was different than the Company agreed to stipulate to. It is therefore necessary to provide replacement pages for the pages of the pre-marked Exhibit 109 that are affected by the change.

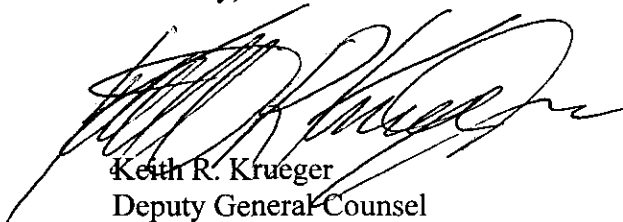
The pages to be replaced are the following: Accounting Schedules 1, 2, 9, 10 and 11 for the "Total Water Company," which were bound behind the "Total Water" tab of Exhibit 109, and Accounting Schedules 1, 2, 8, 9, 10 and 11 for "St. Joseph," which were bound behind the "St. Joseph" tab of Exhibit 109. The enclosed pages supersede the correspondingly designated pages of Exhibit 109 as filed, which should now be discarded. There are no other changes to Exhibit 109.

This filing has been mailed or hand-delivered this date to all counsel of record.

Mr. Dale Hardy Roberts
July 5, 2000
Page 2

Thank you for your attention to this matter.

Cordially,

A handwritten signature in black ink, appearing to read "Keith R. Krueger", written over the typed name and title.

Keith R. Krueger
Deputy General Counsel
(573) 751-4140
(573) 751-9285 (Fax)

Enclosure
cc: Counsel of Record

**Service List for
Case No. WR-2000-281, et al.
July 5, 2000**

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Missouri-American Water Company

Case No. WR-2000-281

Test Year Ending September 30, 1999 Updated Through December 31, 1999

Revenue Requirement

Total Water Company

Line	(A)		9.50%	10.13%	10.75%
			Equity Return (B)	Equity Return (C)	Equity Return (D)
1	Net Original Cost Rate Base	(From Accounting Schedule 2)	\$ 157,167,572	\$ 157,167,572	\$ 157,167,572
2	Rate of Return		7.97%	8.23%	8.49%
3	Net Operating Income Requirement		\$ 12,526,255	\$ 12,934,891	\$ 13,343,527
4	Net Operating Income Available	(From Accounting Schedule 9)	6,499,583	6,499,583	6,499,583
5	Additional Net Operating Income Requirement		\$ 6,026,672	\$ 6,435,308	\$ 6,843,944
6	Income Tax Requirement:	(From Accounting Schedule 11)			
7	Required Current Income Tax		\$ 4,284,195	\$ 4,538,807	\$ 4,793,418
8	Test Year Current Income Tax		529,114	529,114	529,114
9	Additional Current Income Tax Requirement		\$ 3,755,081	\$ 4,009,693	\$ 4,264,304
10	Gross Revenue Requirement Before Affect of Phase-in		\$ 9,781,753	\$ 10,445,001	\$ 11,108,248
11	Allowances:				
12	Impact of Phase-in		\$ (7,855,080)	\$ (7,855,080)	\$ (7,855,080)
13	Uncollectibles		8,386	12,556	16,726
14	Gross Revenue Requirement		\$ 1,935,060	\$ 2,602,478	\$ 3,269,895

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Missouri-American Water Company

Case No. WR-2000-281

Test Year Ending September 30, 1999 Updated Through December 31, 1999

Rate Base

Total Water Company

Line	Description (A)	Amount (B)
1	Plant in Service (From Accounting Schedule 3)	\$ 223,040,271
	Less:	
2	Accumulated Depreciation Reserve (From Accounting Schedule 5)	25,537,100
3	Accumulated Amortization Reserve:	
4	Direct Assigned	71,296
5	Corporate Distribution	0
6	Net Plant in Service	\$ 197,431,876
7	Add:	
8	Cash Working Capital (From Accounting Schedule 8)	\$ (75,905)
9	Materials and Supplies: Direct Assigned	429,465
10	Corporate Distribution	0
11	Prepayments: Direct Assigned	0
12	Corporate Distribution	152,905
13	Deferred OPEB Asset: Direct Assigned	0
14	Corporate Distribution	1,146,740
15	Total Additions to Net Plant in Service	\$ 1,653,205
16	Deduct:	
17	Interest Offset @ 0.00% (From Accounting Schedule 8)	\$ 856,385
18	Federal Income Tax Offset @ 0.00% (From Accounting Schedule 8)	217,117
19	State Income Tax Offset @ 0.00% (From Accounting Schedule 8)	37,178
20	Contributions In Aid: Direct Assigned	23,628,590
21	Corporate Distribution	0
22	Customer Advances Direct Assigned	6,164,610
23	Corporate Distribution	179,917
24	Deferred Income Taxes Pre-merger Missouri-Cities	1,823,905
25	Corporate Distribution	7,630,317
26	Pre-71 ITC Direct Assigned	62,531
27	Corporate Distribution	0
28	Pension Liability Direct Assigned	0
29	Corporate Distribution	1,316,959
30	Total Deductions from Net Plant in Service	\$ 41,917,509
31	Total Rate Base	\$ 157,167,572

Missouri-American Water Company

Case No. WR-2000-281

Test Year Ending September 30, 1999 Updated Through December 31, 1999

Income Statement

Total Water Company

Line	Description (A)	Year Ended 9/30/99 Direct Charges (B)	Year Ended 9/30/99 Corporate Distribution (C)	Year Ended 9/30/99 Total (B)+(C) (D)	Adjustments		As Adjusted (G)
					Amount Acctg Sch 10 (E)	No Acctg Sch 10 (F)	
1	Operating Revenues:						
2	Residential	\$ 19,091,924	\$ 0	\$ 19,091,924	\$ 381,841	S-1	\$ 19,473,765
3	Commercial	5,377,088	0	5,377,088	(70,550)	S-2	5,306,538
4	Industrial	2,365,655	0	2,365,655	5,767	S-3	2,371,422
5	Private Fire	473,886	0	473,886	0	S-4	473,886
6	Public Authorities	1,018,228	0	1,018,228	(16,550)	S-5	1,001,678
7	Sales for Resale	1,227,014	0	1,227,014	(578)	S-6	1,226,435
8	Other	616,502	3,566	620,068	0	S-7	620,068
9	Total Revenues	\$ 30,170,296	\$ 3,566	\$ 30,173,862	\$ 299,930		\$ 30,473,792
10	Operating Expenses:						
11	Operation & Maintenance:						
12	Source of Supply	\$ 1,449,995	\$ 939	\$ 1,450,934	\$ 45,133	S-8	\$ 1,496,066
13	Pumping	1,735,580	11	1,735,591	42,774	S-9	1,778,364
14	Water Treatment	1,074,485	212,690	1,287,175	330,453	S-10	1,617,628
15	Transmission & Distribution	2,368,613	16,446	2,385,060	311,306	S-11	2,696,365
16	Customer Accounts	1,373,049	495,201	1,868,250	34,582	S-12	1,902,832
17	Administrative & General	962,486	4,981,093	5,943,579	(194,426)	S-13	5,749,153
18	Total O & M Expense	\$ 8,964,209	\$ 5,706,379	\$ 14,670,588	\$ 569,821		\$ 15,240,409
19	Other Operating Expenses:						
20	Depreciation	\$ 3,307,907	\$ (200,631)	\$ 3,107,275	\$ 2,034,429	S-14	\$ 5,141,704
21	Amortization	21,274	611	21,885	55,651	S-15	77,537
22	Taxes Other Than Income	1,618,749	630,181	2,248,930	97,238	S-16	2,346,168
23	Total Other Operation Expense	\$ 4,947,930	\$ 430,161	\$ 5,378,091	\$ 2,187,318		\$ 7,565,409
24	Total Operating Expenses	\$ 13,912,138	\$ 6,136,540	\$ 20,048,679	\$ 2,757,139		\$ 22,805,818
25	Net Income Before Income Taxes	\$ 16,258,158	\$ (6,132,974)	\$ 10,125,183	\$ (2,457,209)		\$ 7,667,974
26	Income Taxes:						
27	Current Income Tax	\$ 0	\$ 2,277,138	\$ 2,277,138	\$ (1,748,024)	S-17	\$ 529,114
28	Deferred Income Tax:						
29	Deferred Income Tax Expense	0	1,386,530	1,386,530	(712,191)	S-18	674,339
30	ITC Amortization	(35,062)	0	(35,062)	0	S-19	(35,062)
31		\$ (35,062)	\$ 3,663,668	\$ 3,628,606	\$ (2,460,215)		\$ 1,168,392
32	Net Operating Income	\$ 16,293,220	\$ (9,796,642)	\$ 6,496,577	\$ 3,005		\$ 6,499,583

Missouri-American Water Company

Case No. WR-2000-281

Test Year Ending September 30, 1999 Updated Through December 31, 1999

Adjustments to Income Statement

Total Water Company

Adj. No.	Description	Adjustment Amounts		Total Adjustment
		Direct	Corp.	
Residential Revenue S-1				
1	To normalize and annualize revenue. (Griggs)	\$ 381,841	\$	\$ 381,841
Commercial Revenue S-2				
1	To normalize and annualize revenue. (Griggs)	\$ (70,550)	\$	\$ (70,550)
Industrial Revenue S-3				
1	To adjust revenue. (Griggs)	\$ 5,767	\$	\$ 5,767
Private Fire Revenue S-4				
1	To annualize revenue. (Griggs)	\$ 0	\$	\$ 0
Public Authority Revenue S-5				
1	To annualize revenue. (Griggs)	\$ (16,550)	\$	\$ (16,550)
Sales for Resale S-6				
1	To annualize revenue. (Griggs)	\$ (578)	\$	\$ (578)
Other Revenue S-7				
1	To annualize revenue. (Griggs)	\$ 0	\$	\$ 0
Source of Supply S-8				
1	To annualize payroll. (Gruner)	\$ (125)	\$ (66)	\$ 45,133
2	To annualize the cost of purchased water. (Griggs)	45,324		
Pumping S-9				
1	To annualize payroll. (Gruner)	\$ 20,395	\$ 0	\$ 42,774
2	To annualize electric pumping expense. (Griggs)	22,379		
Water Treatment S-10				
1	To annualize payroll. (Gruner)	\$ 26,630	\$ (8,551)	\$ 330,453
2	To annualize chemical costs. (Griggs)	108,470		
3	To include cost of waste treatment at new St. Joseph treatment plant. (Gibbs)	203,904		
Transmission & Distribution S-11				
1	To annualize payroll. (Gruner)	\$ 48,387	\$ (2,034)	\$ 311,306

Missouri-American Water Company

Case No. WR-2000-281

Test Year Ending September 30, 1999 Updated Through December 31, 1999

Adjustments to Income Statement

Total Water Company

Adj. No.	Description	Adjustment Amounts		Total Adjustment
		Direct	Corp.	
2	To adjust deferred maintenance. (Griggs)	264,953		
Customer Accounts S-12 \$ 34,582				
1	To annualize payroll. (Gruner)	\$ 1,882	\$ (41,101)	
2	To normalize the level of uncollectible expense. (Griggs)	(2,971)		
3	To adjust postage. (Griggs)	3,036		
4	To eliminate specific advertising expense. (Gruner)	0	(54)	
5	To eliminate cost of bill inserts. (Gruner)		(7,323)	
6	To reflect cost of Monthly billing in St. Joseph. (Gibbs)	81,113		
Administrative & General S-13 \$ (194,426)				
1	To annualize payroll. (Gruner)	\$ (848)	\$ (161,533)	
2	To annualize 401K expense. (Gruner)	0	(84)	
3	To annualize ESOP expense. (Gruner)	0	(12,220)	
4	To annualize group health insurance expense. (Gruner)	0	66,485	
5	To annualize OPEB expense. (Rackers)	0	(19,552)	
6	To adjust incentive pay. (Gruner)	0	(66,013)	
7	To annualize pension expense. (Rackers)	0	(4,327)	
8	To annualize non-group insurance. (Gruner)	0	117,102	
9	To eliminate specific advertising expense. (Gruner)	0	(5,692)	
10	To eliminate specific dues and donations. (Gruner)	(10,764)	(12,733)	
11	To eliminate specific miscellaneous expense. (Gruner)	(2,765)	(597)	
12	To normalize rate case expense. (Griggs)	0	30,589	
13	To eliminate dues to NAWC. (Gruner)	0	(4,866)	

Missouri-American Water Company

Case No. WR-2000-281

Test Year Ending September 30, 1999 Updated Through December 31, 1999

Adjustments to Income Statement

Total Water Company

Adj. No.	Description	Adjustment Amounts		Total Adjustment
		Direct	Corp.	
14	To adjust relocation expense. (Gibbs)	0	2,963	
15	To amortize OPEB gains. (Rackers)		(87,568)	
16	To amortize pension gains. (Rackers)		(22,003)	
Depreciation		S-14		\$ 2,034,429
1	To adjust depreciation expense to reflect the annual level of depreciation expense using Staff's proposed rates. (Gibbs)	\$ 2,488,464	\$	
2	To reflect depreciation on contributions in aid of construction included in plant in service. (Gibbs)	(449,397)		
3	To reflect capitalization of depreciation on transportation equipment. (Gibbs)	(4,638)		
Amortization		S-15		\$ 55,651
1	To eliminate amortization of a capital lease. (Gibbs)	\$ (21,274)	\$ 0	
2	To reflect a 5 year amortization of Comprehensive Planning Study. (Gibbs)	0	56,875	
3	To reflect an amortization related to the St. Joseph treatment plant. (Gibbs)	0	0	
4	To reflect a 5 year amortization of Environmental Audit. (Gibbs)		10,709	
5	To reflect a 5 year amortization of Management Study. (Gibbs)		9,341	
Taxes Other Than Income Tax		S-16		\$ 97,238
1	To annualize FICA based on annualized payroll. (Gruner)	\$ 0	\$ (39,623)	
2	To adjust Federal unemployment. (Gruner)	0	(625)	
3	To adjust State unemployment. (Gruner)	0	(8)	
4	To adjust real estate and personal property taxes. (Gibbs)	144,787	0	
5	To adjust total water PSC Assessment. (Griggs)	0	(7,293)	

Missouri-American Water Company

Case No. WR-2000-281

Test Year Ending September 30, 1999 Updated Through December 31, 1999

Adjustments to Income Statement

Total Water Company

Adj. No.	Description	Adjustment Amounts		Total Adjustment
		Direct	Corp.	
Current Income Tax		S-17		\$ (1,748,024)
1	To adjust current income taxes to reflect the Staff adjusted level of taxable income. Gibbs)	\$ (1,748,024)	\$	
Deferred Income Tax Expense		S-18		\$ (712,191)
1	To adjust deferred income tax expense. (Gibbs)	\$ (712,191)	\$	
ITC Amortization		S-19		\$ 0
1	To adjust the level of ITC amortization. (Gibbs)	\$ 0	\$	

Missouri-American Water Company

Case No. WR-2000-281

Test Year Ending September 30 As Trued-up Through April 30, 2000

Revenue Requirement

St. Joseph

Line	(A)		9.50%	10.13%	10.75%
			Equity Return (B)	Equity Return (C)	Equity Return (D)
1	Net Original Cost Rate Base	(From Accounting Schedule 2)	\$ 84,259,978	\$ 84,259,978	\$ 84,259,978
2	Rate of Return		7.97%	8.23%	8.49%
3	Net Operating Income Requirement		\$ 6,715,520	\$ 6,934,596	\$ 7,153,672
4	Net Operating Income Available	(From Accounting Schedule 9)	2,057,343	2,057,343	2,057,343
5	Additional Net Operating Income Requirement		\$ 4,658,177	\$ 4,877,253	\$ 5,096,329
6	Income Tax Requirement:	(From Accounting Schedule 11)			
7	Required Current Income Tax		\$ 2,305,135	\$ 2,441,636	\$ 2,578,137
8	Test Year Current Income Tax		(597,267)	(597,267)	(597,267)
9	Additional Current Income Tax Requirement		\$ 2,902,402	\$ 3,038,903	\$ 3,175,404
10	Gross Revenue Requirement Before Affect of Phase-in		\$ 7,560,579	\$ 7,916,156	\$ 8,271,733
11	Allowances:				
12	Impact of Phase-in		\$ (6,028,550)	\$ (6,028,550)	\$ (6,028,550)
13	Uncollectibles		9,885	12,179	14,473
14	Gross Revenue Requirement		\$ 1,541,914	\$ 1,899,785	\$ 2,257,656

Missouri-American Water Company

Case No. WR-2000-281

Test Year Ending September 30 As Trued-up Through April 30, 2000

Rate Base

St. Joseph

Line	Description (A)	Amount (B)
1	Plant in Service (From Accounting Schedule 3)	\$ 94,123,609
	Less:	
2	Accumulated Depreciation Reserve (From Accounting Schedule 5)	3,331,209
3	Accumulated Amortization Reserve:	
4	Direct Assigned	
5	Corporate Distribution	0
6	Net Plant in Service	\$ 90,792,401
7	Add:	
8	Cash Working Capital (From Accounting Schedule 8)	\$ 147,749
9	Materials and Supplies: Direct Assigned	163,241
10	Corporate Distribution	0
11	Prepayments: Direct Assigned	0
12	Corporate Distribution	61,643
13	Deferred OPEB Asset: Direct Assigned	0
14	Corporate Distribution	462,307
15	Total Additions to Net Plant in Service	\$ 834,940
16	Deduct:	
17	Interest Offset @ 0.15% (From Accounting Schedule 8)	\$ 464,667
18	Federal Income Tax Offset @ 0.06% (From Accounting Schedule 8)	120,453
19	State Income Tax Offset @ 0.07% (From Accounting Schedule 8)	20,575
20	Contributions In Aid: Direct Assigned	2,288,494
21	Corporate Distribution	0
22	Customer Advances: Direct Assigned	739,685
23	Corporate Distribution	58,868
24	Deferred Income Taxes: Direct Assigned	0
25	Corporate Distribution	3,099,932
26	Pre-71 ITC: Direct Assigned	43,759
27	Corporate Distribution	0
28	Pension Liability: Direct Assigned	0
29	Corporate Distribution	530,930
30	Total Deductions from Net Plant in Service	\$ 7,367,363
31	Total Rate Base	\$ 84,259,978

Missouri-American Water Company

Case No. WR-2000-281

Test Year Ending September 30 As Trued-up Through April 30, 2000

Cash Working Capital

St. Joseph

Line	Description (A)	Test Year Expenses (B)	Revenue Lag (C)	Expense Lag (D)	Net CWC Lag (C) - (D) (E)	Factor (E)/(B) (F)	Cash Working Capital Requirement (B) x (F) (G)
1	Operation & Maintenance Expense						
2	Base Payroll	\$ 1,249,967	38.18	10.23	27.95	0.0766	\$ 95,730
3	Tax Withholding	407,375	38.18	17.39	20.79	0.0570	23,208
4	Fuel & Power	570,512	38.18	37.22	0.96	0.0026	1,501
5	Chemicals	296,210	38.18	38.18	0.00	0.0000	0
6	Purchased Water	0	38.18	53.15	(14.97)	(0.0410)	0
7	Service Company Charges	644,716	38.18	(4.13)	42.31	0.1159	74,734
8	Group Insurance	277,276	38.18	(8.54)	46.72	0.1280	35,491
9	OPEB's	158,868	38.18	(0.04)	38.22	0.1047	16,635
10	Pensions	57,252	38.18	38.18	0.00	0.0000	0
11	ESOP	15,679	38.18	38.18	0.00	0.0000	0
12	Insurance Other Than Group	156,106	38.18	38.18	0.00	0.0000	0
13	Uncollectibles	63,358	38.18	38.18	0.00	0.0000	0
14	Rents	4,349	38.18	24.37	13.81	0.0378	165
15	401K	23,840	38.18	48.80	(10.62)	(0.0291)	(694)
16	Material & Supplies	38,278	38.18	38.18	0.00	0.0000	0
17	Cash Vouchers	1,470,164	38.18	20.67	17.51	0.0480	70,528
18	Total Operation & Maintenance Expense	\$ 5,433,950					\$ 317,298
19	Taxes						
20	FICA - Employer Portion	\$ 123,939	38.18	13.44	24.74	0.0678	\$ 8,401
21	Federal Unemployment	2,345	38.18	62.05	(23.87)	(0.0654)	(153)
22	State Unemployment	(0)	38.18	62.05	(23.87)	(0.0654)	0
23	Property Tax	306,313	38.18	182.50	(144.32)	(0.3954)	(121,115)
24	Gross Receipts Tax	251,932	19.07	75.49	(56.42)	(0.1546)	(38,942)
25	Corporate Franchise	0	38.18	38.18	0.00	0.0000	0
26	Sales Tax	165,947	19.07	38.90	(19.83)	(0.0543)	(9,016)
27	Missouri Primacy Fees	36,787	19.07	105.63	(86.56)	(0.2372)	(8,724)
28	PSC Assessment	60,906	38.18	38.18	0.00	0.0000	0
29	Total Operating Taxes	\$ 948,169					\$ (169,549)
30	Total Cash Working Capital Before Income Tax and Interest Offsets						\$ 147,749
31	Federal Income Tax Offset	\$ 1,992,092	38.18	60.25	(22.07)	(0.0605)	\$ (120,453)
32	State Income Tax Offset	\$ 313,043	38.18	62.17	(23.99)	(0.0657)	\$ (20,575)
33	Interest Expense Offset	\$ 3,201,879	38.18	91.15	(52.97)	(0.1451)	\$ (464,667)

Missouri-American Water Company

Case No. WR-2000-281

Test Year Ending September 30 As Trued-up Through April 30, 2000

Income Statement

St. Joseph

Line	Description (A)	Year Ended 9/30/99 Direct Charges (B)		Year Ended 9/30/99 Corporate Distribution (C)		Year Ended 9/30/99 Total (B)+(C) (D)		Adjustments Amount Acctg Sch 10 (E)		No. Acctg Sch 10 (F)	As Adjusted (G)
1	Operating Revenues:										
2	Residential	\$	5,395,855	\$	0	\$	5,395,855	\$	230,239	S-1	\$ 5,626,094
3	Commercial		1,870,341		0		1,870,341		(8,153)	S-2	1,862,188
4	Industrial		1,226,024		0		1,226,024		(4,196)	S-3	1,221,829
5	Private Fire		177,322		0		177,322		0	S-4	177,322
6	Public Authorities		283,960		0		283,960		(10,730)	S-5	273,230
7	Sales for Resale		643,950		0		643,950		(3,565)	S-6	640,385
8	Other		187,473		1,167		188,639		0	S-7	188,639
9	Total Revenues	\$	9,784,926	\$	1,167	\$	9,786,093	\$	203,594		\$ 9,989,687
10	Operating Expenses:										
11	Operation & Maintenance:										
12	Source of Supply	\$	228	\$	307	\$	536	\$	(22)	S-8	\$ 514
13	Pumping		707,671		4		707,675		44,036	S-9	751,711
14	Water Treatment		465,978		69,591		535,569		354,215	S-10	889,785
15	Transmission & Distribution		853,258		5,987		859,245		223,164	S-11	1,082,409
16	Customer Accounts		322,128		162,027		484,155		81,236	S-12	565,391
17	Administrative & General		205,247		2,008,120		2,213,367		(69,227)	S-13	2,144,141
18	Total O & M Expense	\$	2,554,511	\$	2,246,037	\$	4,800,548	\$	633,402		\$ 5,433,950
19	Other Operating Expenses:										
20	Depreciation	\$	826,216	\$	(80,884)	\$	745,331	\$	1,761,035	S-14	\$ 2,506,366
21	Amortization		0		246		246		31,012	S-15	31,259
22	Taxes Other Than Income		309,666		243,044		552,710		(29,571)	S-16	523,139
23	Total Other Operation Expense	\$	1,135,882	\$	162,406	\$	1,298,288	\$	1,762,476		\$ 3,060,764
24	Total Operating Expenses	\$	3,690,393	\$	2,408,443	\$	6,098,836	\$	2,395,878		\$ 8,494,714
25	Net Income Before Income Taxes	\$	6,094,533	\$	(2,407,276)	\$	3,687,257	\$	(2,192,284)		\$ 1,494,973
26	Income Taxes:										
27	Current Income Tax	\$	0	\$	(3,728,576)	\$	(3,728,576)	\$	3,131,309	S-17	\$ (597,267)
28	Deferred Income Tax:										
29	Deferred Income Tax Expense		0		118,401		118,401		(60,817)	S-18	57,584
30	ITC Amortization		(22,687)		0		(22,687)		0	S-19	(22,687)
31		\$	(22,687)	\$	(3,610,175)	\$	(3,632,862)	\$	3,070,493		\$ (562,370)
32	Net Operating Income	\$	6,117,220	\$	1,202,899	\$	7,320,119	\$	(5,262,776)		\$ 2,057,343

Missouri-American Water Company

Case No. WR-2000-281

Test Year Ending September 30 As Trued-up Through April 30, 2000

Adjustments to Income Statement

St. Joseph

Adj. No.	Description	Adjustment Amounts		Total Adjustment
		Direct	Corp.	
Residential Revenue S-1 \$ 230,239				
1	To normalize and annualize revenue. (Griggs)	\$ 230,239	\$	
Commercial Revenue S-2 \$ (8,153)				
1	To normalize and annualize revenue. (Griggs)	\$ (8,153)	\$	
Industrial Revenue S-3 \$ (4,196)				
1	To adjust revenue. (Griggs)	\$ (4,196)	\$	
Private Fire Revenue S-4 \$ 0				
1	To annualize revenue. (Griggs)	\$ 0	\$	
Public Authority Revenue S-5 \$ (10,730)				
1	To annualize revenue. (Griggs)	\$ (10,730)	\$	
Sales for Resale S-6 \$ (3,565)				
1	To annualize revenue. (Griggs)	\$ (3,565)	\$	
Other Revenue S-7 \$ 0				
1	To annualize revenue. (Griggs)	\$ 0	\$	
Source of Supply S-8 \$ (22)				
1	To annualize payroll. (Gruner)	\$ 0	\$ (22)	
2	To annualize the cost of purchased water. (Griggs)	0		
Pumping S-9 \$ 44,036				
1	To annualize payroll. (Gruner)	\$ 24,716	\$ 0	
2	To annualize electric pumping expense. (Griggs)	19,320		
Water Treatment S-10 \$ 354,215				
1	To annualize payroll. (Gruner)	\$ 29,856	\$ (2,798)	
2	To annualize chemical costs. (Griggs)	123,253		
3	To include cost of waste treatment at new St. Joseph treatment plant. (Gibbs)	203,904		
Transmission & Distribution S-11 \$ 223,164				
1	To annualize payroll. (Gruner)	\$ 78,588	\$ (741)	

Missouri-American Water Company

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Test Year Ending September 30 As Trued-up Through April 30, 2000

Adjustments to Income Statement

St. Joseph

Adj. No.	Description	Adjustment Amounts		Total Adjustment
		Direct	Corp.	
2	To adjust deferred maintenance. (Griggs)	145,316		
Customer Accounts S-12 \$ 81,236				
1	To annualize payroll. (Gruner)	\$ 17,686	\$ (13,448)	
2	To normalize the level of uncollectible expense. (Griggs)	(1,371)		
3	To adjust postage. (Griggs)	225		
4	To eliminate specific advertising expense. (Gruner)	0	(18)	
5	To eliminate cost of bill inserts. (Gruner)		(2,952)	
6	To reflect cost of Monthly billing in St. Joseph. (Gibbs)	81,113		
Administrative & General S-13 \$ (69,227)				
1	To annualize payroll. (Gruner)	\$ 8,962	\$ (65,122)	
2	To annualize 401K expense. (Gruner)	0	(34)	
3	To annualize ESOP expense. (Gruner)	0	(4,926)	
4	To annualize group health insurance expense. (Gruner)	0	26,803	
5	To annualize OPEB expense. (Rackers)	0	(7,882)	
6	To adjust incentive pay. (Gruner)	0	(26,613)	
7	To annualize pension expense. (Rackers)	0	(1,744)	
8	To annualize non-group insurance. (Gruner)	0	47,209	
9	To eliminate specific advertising expense. (Gruner)	0	(1,862)	
10	To eliminate specific dues and donations. (Gruner)	(5,635)	(5,133)	
11	To eliminate specific miscellaneous expense. (Gruner)	(400)	(241)	
12	To normalize rate case expense. (Griggs)	0	12,332	
13	To eliminate dues to NAWC. (Gruner)	0	(1,962)	

Missouri-American Water Company

Case No. WR-2000-281

Test Year Ending September 30 As Trued-up Through April 30, 2000

Adjustments to Income Statement

St. Joseph

Adj. No.	Description	Adjustment Amounts		Total Adjustment
		Direct	Corp.	
14	To adjust relocation expense. (Gibbs)	0	1,195	
15	To amortize OPEB gains. (Rackers)		(35,303)	
16	To amortize pension gains. (Rackers)		(8,871)	
Depreciation		S-14		\$ 1,761,035
1	To adjust depreciation expense to reflect the annual level of depreciation expense using Staff's proposed rates. (Gibbs)	\$ 1,802,761	\$	
2	To reflect depreciation on contributions in aid of construction included in plant in service. (Gibbs)	(39,603)		
3	To reflect capitalization of depreciation on transportation equipment. (Gibbs)	(2,123)		
Amortization		S-15		\$ 31,012
1	To eliminate amortization of a capital lease. (Gibbs)	\$ 0	\$ 0	
2	To reflect a 5 year amortization of Comprehensive Planning Study. (Gibbs)	0	22,929	
3	To reflect an amortization related to the St. Joseph treatment plant. (Gibbs)	0	0	
4	To reflect a 5 year amortization of Environmental Audit. (Gibbs)		4,317	
5	To reflect a 5 year amortization of Management Study. (Gibbs)		3,766	
Taxes Other Than Income Tax		S-16		\$ (29,571)
1	To annualize FICA based on annualized payroll. (Gruner)	\$ 0	\$ (15,974)	
2	To adjust Federal unemployment. (Gruner)	0	(252)	
3	To adjust State unemployment. (Gruner)	0	(3)	
4	To adjust real estate and personal property taxes. (Gibbs)	(10,402)	0	
5	To adjust total water PSC Assessment. (Griggs)	0	(2,940)	

Missouri-American Water Company

Case No. WR-2000-281

Test Year Ending September 30 As Trued-up Through April 30, 2000

Adjustments to Income Statement

St. Joseph

Adj No.	Description	Adjustment Amounts		Total Adjustment
		Direct	Corp.	
Current Income Tax S-17				\$ 3,131,309
1	To adjust current income taxes to reflect the Staff adjusted level of taxable income. Gibbs)	\$ 3,131,309	\$	
Deferred Income Tax Expense S-18				\$ (60,817)
1	To adjust deferred income tax expense. (Gibbs)	\$ (60,817)	\$	
ITC Amortization S-19				\$ 0
1	To adjust the level of ITC amortization. (Gibbs)	\$ 0	\$	

Missouri-American Water Company

Case No. WR-2000-281

Test Year Ending September 30 As Trued-up Through April 30, 2000

Income Tax Calculation

St. Joseph

Line	Description (A)	Test Year (B)	7.97% Return (C)	8.23% Return (D)	8.49% Return (E)
1	Net Operating Income (Acct. Sch. 1)	\$ 2,057,343	\$ 6,715,520	\$ 6,934,596	\$ 7,153,672
2	Add:				
3	Current Income Tax	(597,267)	2,305,135	2,441,636	2,578,137
4	Deferred Income Taxes				
5	Deferred Income Tax Expense	57,584	57,584	57,584	57,584
6	ITC Amortization	(22,687)	(22,687)	(22,687)	(22,687)
7	Net Income Before Income Tax	\$ 1,494,973	\$ 9,055,552	\$ 9,411,129	\$ 9,766,706
8	Additions to Net Income Before Income Tax:				
9	Book Depreciation	\$ 2,506,366	\$ 2,506,366	\$ 2,506,366	\$ 2,506,366
10	Contributions In Aid of Construction	91,375	91,375	91,375	91,375
11	Miscellaneous Non-deductible Expenses	9,340	9,340	9,340	9,340
12	Total Additions	\$ 2,607,081	\$ 2,607,081	\$ 2,607,081	\$ 2,607,081
13	Subtractions to Net Income Before Income Tax:				
14	Interest Expense @ 3.80%	\$ 3,201,879	\$ 3,201,879	\$ 3,201,879	\$ 3,201,879
15	Tax Straight Line Depreciation	2,305,501	2,305,501	2,305,501	2,305,501
16	Excess Tax Depreciation	150,004	150,004	150,004	150,004
17	Cost of Removal	515	515	515	515
18	Total Subtractions	\$ 5,657,899	\$ 5,657,899	\$ 5,657,899	\$ 5,657,899
19	Net Taxable Income	\$ (1,555,844)	\$ 6,004,735	\$ 6,360,312	\$ 6,715,889
20	Provision for Federal Income Tax				
21	Net Taxable Income	\$ (1,555,844)	\$ 6,004,735	\$ 6,360,312	\$ 6,715,889
22	Deduct Missouri Income Tax @ 100.00%	(81,110)	313,043	331,580	350,117
23	Federal Taxable Income	\$ (1,474,734)	\$ 5,691,692	\$ 6,028,732	\$ 6,365,772
24	Federal Income Tax @ 35.00%	\$ (516,157)	\$ 1,992,092	\$ 2,110,056	\$ 2,228,020
25	Provision for Missouri Income Tax				
26	Net Taxable Income	\$ (1,555,844)	\$ 6,004,735	\$ 6,360,312	\$ 6,715,889
27	Deduct Federal Income Tax @ 50.00%	(258,079)	996,046	1,055,028	1,114,010
28	Missouri Taxable Income	\$ (1,297,766)	\$ 5,008,689	\$ 5,305,284	\$ 5,601,879
29	Missouri Income Tax @ 6.25%	\$ (81,110)	\$ 313,043	\$ 331,580	\$ 350,117
30	Summary of Provision For Income Tax				
31	Federal Income Tax	\$ (516,157)	\$ 1,992,092	\$ 2,110,056	\$ 2,228,020
32	State Income Tax	(81,110)	313,043	331,580	350,117
33	Total Current Income Tax	\$ (597,267)	\$ 2,305,135	\$ 2,441,636	\$ 2,578,137