

REVISED

Appendix B

Missouri-American Water Company
ISRS Revenue Requirements Calculation - Revised Per Company Comments to Staff Report
St. Louis District Using Rate of Return from Last St. Louis County Rate Case

Line #	ISRS Activity:	Total for ISRS-1 Filing
1	<u>Water Utility Plant Projects--Replacement Mains, and Associated Valves and Hydrants (RM) RSMo 393.1000 (8a):</u>	
2	<u>Task Orders Placed in Service (TOPS):</u>	
3	STLC-Replacement Mains and Associated Valves and Hydrants	\$ 20,723,376
4	Deferred Taxes	(1,633,436)
5	Accumulated Depreciation - Retirements	(1,553,910)
6	Accumulated Depreciation - Depreciation Expense	(664,466)
7		
8	Total Net 393.1000 (8a)	16,871,564
9		
10	<u>Water Utility Plant Projects--Main Cleanings and Relinings (RM) RSMo 393.1000 (8b):</u>	
11	<u>Task Orders Placed in Service (TOPS):</u>	
12	STLC-Main Cleanings and Relinings	0
13	Deferred Taxes	0
14	Accumulated Depreciation	0
15		
16	Total Net 393.1000 (8a)	0
17		
18	<u>Water Utility Plant Projects--Facilities Relocations (FR) RSMo 393.1000 (8c):</u>	
19	<u>Task Orders Placed in Service (TOPS):</u>	
20	STLC-Relocated Facilities	8,324,597
21	Deferred Taxes	(727,525)
22	Reimbursements	(1,962,266)
23	Accumulated Depreciation - Retirements	(624,207)
24	Accumulated Depreciation - Depreciation Expense	(127,711)
25		
26	Total Net 393.1000 (8c)	4,882,889
27		
28	Accumulated Depreciation - Retirements	2,178,117
29	Accumulated Depreciation - Net Cost of Removal	1,036,534
30	Total Accum Depr Associated with ISRS	3,214,651
31		
32	Total ISRS Rate Base	24,969,104
33	Overall Rate Of Return per Last Order (STLC)	8.59%
34	UOI Required	2,144,846
35	Income Tax Conversion Factor	1.623080
36	Revenue Req. Before Interest Deductability	3,481,257
37		
38	Total ISRS Rate Base	24,969,104
39	Embedded Cost of Debt per Last Order (STLC)	3.440%
40	Interest Expense Deduction	858,937
41	Combined Federal and State Income Tax Rate	38.388626%
42	Income Tax Redcuton due to Interest	329,734
43	Tax Conversion Factor	1.623080
44	Revenue Req Impact - Interest Deductability	535,185
45		
46	Total Revenue Requirement on Capital	2,946,072
47	Depreciation Expense	564,043
48	Property Taxes	303,100
49		
50	Total ISRS Revenues	\$ 3,813,215
51		
52	Allocation of Revenue by Class	
53	Mains less than or equal to 12"	Rate A & Oth \$ 3,131,603
54	Mains greater than 12"	Rate A & Oth 556,952
55		Total Rate A & Oth 3,688,555
56		Rate J & D 85,208
57		Rate B 39,459
58		
59	Grand Total	\$ 3,813,222

Exhibit No. 6
Case No(s) WA-2004-016
Date 11-2-03 **Rptr** TR