MEXICO DISTRICT

II-1

PART II. COST OF SERVICE BY CUSTOMER CLASSIFICATION

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2002

Customer Classification	Cost of Service Amount (Schedule B)	Cost of Service Percent	Revenues, Present Rates Amount	Revenues, Present Rates Percent	Revenues, Proposed Rates Amount	Revenues, Proposed Rates Percent	Proposed Increase Amount	Proposed Increase Percent Increase
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Residential	$ 1,488,590	49.2%	$ 1,229,456	48.7%	$ 1,446,608	47.8%	$ 217,152	17.7%
Commercial	389,745	12.9%	341,637	13.5%	413,805	13.7%	72,168	21.1%
Industrial	381,688	12.6%	362,333	14.3%	382,007	12.6%	19,674	5.4%
Public Authority	217,600	7.2%	193,065	7.6%	218,573	7.2%	25,508	13.2%
Sales for Resale	323,321	10.7%	322,987	12.8%	323,359	10.7%	372	0.1%
Private Fire Service	61,116	2.0%	77,531	3.1%	77,531	2.6%	-	0.0%
Public Fire Service	164,657	5.4%	-	0.0%	164,657	5.4%	164,657	0.0%
Total Sales	3,026,717	100.0%	2,527,009	100.0%	3,026,541	100.0%	499,532	19.8%
Other Revenues	34,810		34,810		34,810		-	0.0%
Total	$ 3,061,527		$ 2,561,819		$ 3,061,351		$ 499,532	19.5%

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
OPERATION AND MAINTENANCE EXPENSES									
SOURCE OF SUPPLY EXPENSES									
Super & Eng Oper SS	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Labor & Exp Oper SS	2	41,903	17,147	6,357	7,719	4,010	6,671	0	0
Labor & Exp Oper SS	2	658	269	100	121	63	105	0	0
Purchased Water	1	0	0	0	0	0	0	0	0
TOTAL SS EXPENSE - OPERATION		42,561	17,416	6,457	7,840	4,073	6,776	0	0
Misc Exp Oper SS	2	55,279	22,620	8,386	10,182	5,290	8,800	0	0
Misc Exp Oper SS	2	1,014	415	154	187	97	161	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	28	11	4	5	3	4	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
Infilt 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
Misc Plant Maint SS	2	0	0	0	0	0	0	0	0
Misc Plant Maint SS	2	2,960	1,211	449	545	283	471	0	0
TOTAL SS EXPENSE - MAINTENANCE		59,281	24,258	8,993	10,920	5,673	9,438	0	0
TOTAL SS EXPENSE		101,842	41,674	15,449	18,759	9,746	16,213	0	0
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	1,194	489	181	220	114	190	0	0
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Purch Fuel/Power for Pump	1	109,960	41,653	16,560	22,553	10,457	18,737	0	0
Labor & Exp Oper Pump	6	0	0	0	0	0	0	0	0
Labor & Exp Oper Pump	6	51	21	8	9	5	8	0	0
Expenses Transferred	6	0	0	0	0	0	0	0	0
Misc Exp Oper P	6	324	133	49	60	31	52	0	0
Rents Oper P	6	0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSE - OPERATION		111,529	42,295	16,798	22,842	10,607	18,987	0	0

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(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		111,529	42,295	16,798	22,842	10,607	18,987	0	0
WATER TREATMENT									
Super & Eng Oper WT	2	0	0	0	0	0	0	0	0
Chemicals	1	64,399	24,394	9,698	13,208	6,124	10,974	0	0
Labor & Exp Oper WT	2	13,411	5,488	2,034	2,470	1,283	2,135	0	0
Labor & Exp Oper WT	2	344	141	52	63	33	55	0	0
Misc Exp Oper WT	2	0	0	0	0	0	0	0	0
Misc Exp Oper WT	1	34,500	13,069	5,196	7,076	3,281	5,879	0	0
Misc Exp Oper WT	2	14,263	5,836	2,164	2,627	1,365	2,271	0	0
Rents Oper WT	2	12	5	2	2	1	2	0	0
TOTAL WT EXPENSE - OPERATION		126,929	48,933	19,146	25,447	12,088	21,315	0	0
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	11,506	4,708	1,745	2,119	1,101	1,832	0	0
TOTAL WT EXPENSE - MAINTENANCE		11,506	4,708	1,745	2,119	1,101	1,832	0	0
TOTAL WT EXPENSE		138,435	53,641	20,892	27,567	13,189	23,147	0	0
TRANSMISSION AND DISTRIBUTION EXPENSES									
Super & Eng Oper TD	11	346	115	37	36	22	33	22	80
Storage Facilty Exp	5	0	0	0	0	0	0	0	0
Storage Facilty Exp	5	1,314	473	166	173	105	161	48	188
TD Lines Exp	7	80,137	24,057	8,487	8,887	5,361	8,238	5,113	19,994
TD Lines Exp	7	5,606	1,683	594	622	375	576	358	1,399
Meter Expense	9	189	141	23	13	10	2	0	0
Meter Expense	9	152	113	19	10	8	1	0	0
Customer Install Exp	10	5,674	4,539	562	56	154	14	349	0
Customer Install Exp	10	0	0	0	0	0	0	0	0
Misc Exp Oper TD	11	3,030	1,010	321	318	196	293	191	703
Misc Exp Oper TD	11	250	83	26	26	16	24	16	58

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Misc Exp Oper TD	11	2,347	782	248	246	152	227	148	544
Rents Oper TD	11	130	43	14	14	8	13	8	30
TOTAL T & D EXPENSE OPERATION		99,175	33,039	10,497	10,401	6,409	9,581	6,252	22,997
Super & Eng Maint TD	12	535	418	52	5	14	1	32	12
Struct & Improve Maint TD	12	1,777	1,388	172	17	47	4	107	41
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	0	0	0	0	0	0	0	0
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
Services Maint TD	10	4,547	3,637	451	45	124	11	280	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	108	0	0	0	0	0	0	108
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Misc Plant Maint TD	12	894	698	87	9	24	2	54	21
Mat and Sup Maint TD	12	107,636	84,096	10,419	1,044	2,863	248	6,469	2,497
Misc Maint TD	12	24	19	2	0	1	0	1	1
Amort Def Maint TD	5	22,494	8,093	2,848	2,956	1,800	2,749	823	3,226
TOTAL T & D EXPENSE - MAINTENANCE		138,015	98,350	14,030	4,076	4,872	3,015	7,766	5,906
TOTAL T & D EXPENSE		237,190	131,389	24,527	14,477	11,281	12,596	14,018	28,902
CUSTOMER ACCOUNTS									
Supervision CA	13	473	410	45	2	9	1	6	0
Meter Reading Exp CA	14	31,187	27,363	3,022	140	624	37	0	0
Meter Reading Exp CA	14	493	433	48	2	10	1	0	0
Meter Reading Exp CA	14	0	0	0	0	0	0	0	0
Cust Rec & Collection CA	13	11,938	10,342	1,142	54	235	14	150	0
Cust Rec & Collection CA	13	12,805	11,093	1,225	58	252	15	161	0
Uncollectible Accts	13	32,698	28,326	3,129	147	644	39	412	0
Misc Cust Accts Exp CA	13	1,026	889	98	5	20	1	13	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	4,205	3,643	402	19	83	5	53	0
Cust Serv & Info Exp CA	13	390	338	37	2	8	0	5	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		95,215	82,836	9,150	428	1,885	114	801	0

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
ADMINISTRATIVE AND GENERAL EXPENSES									
Salaries AG	15	148,322	85,092	17,280	12,860	8,380	11,065	4,628	9,018
Other Supplies & Exp AG	15	1,221	700	142	106	69	91	38	74
Other Supplies & Exp AG	15	34,084	19,554	3,971	2,955	1,926	2,543	1,063	2,072
Other Supplies & Exp AG	15	20,157	11,564	2,348	1,748	1,139	1,504	629	1,226
Mgmt Fees-Coporate/Shared Service Center	15	53,249	30,549	6,204	4,617	3,009	3,972	1,661	3,238
Mgmt Fees-Call Center	13	43,917	38,045	4,203	198	865	53	553	0
Mgmt Fees-Belleville Lab	2	7,959	3,257	1,207	1,466	762	1,267	0	0
Mgmt Fees- Financial ITS	15	4,629	2,656	539	401	262	345	144	281
Mgmt Fees- Customer Billings ITS	13	26,135	22,641	2,501	118	515	31	329	0
Mgmt Fees-Other ITS	15	293	168	34	25	17	22	9	18
Outside Services AG	15	22,333	12,812	2,602	1,936	1,262	1,666	697	1,358
Outside Services AG	15	125	72	15	11	7	9	4	8
Property Insurance	15	0	0	0	0	0	0	0	0
Ins Gen Liab Oper AG	15	25,509	14,634	2,972	2,212	1,441	1,903	796	1,551
Ins Work Comp AG	16	7,784	4,113	906	738	463	644	246	673
Ins Other Oper AG	15	11,980	6,873	1,396	1,039	677	894	374	728
Property Insurance	15	0	0	0	0	0	0	0	0
Injuries & Damages	16	177	94	21	17	11	15	6	15
Employee Pension & Benefits	16	92,326	48,785	10,747	8,753	5,493	7,645	2,918	7,986
Employee Pension & Benefits	16	53,523	28,282	6,230	5,074	3,185	4,432	1,691	4,630
Employee Pension & Benefits	16	10,785	5,699	1,255	1,022	642	893	341	933
Reg Commision Exp	15	3,002	1,722	350	260	170	224	94	183
Rents AG	15	17,363	9,961	2,023	1,505	981	1,295	542	1,056
Goodwill Advertising Exp	15	799	458	93	69	45	60	25	49
Misc Exp AG	15	10,639	6,104	1,239	922	601	794	332	647
Research & Development	15	0	0	0	0	0	0	0	0
TOTAL A & G OPERATIONS		596,310	353,835	68,277	48,051	31,919	41,366	17,119	35,743
General Plant Maint AG	15	0	0	0	0	0	0	0	0
General Plant Maint AG	15	2,414	1,385	281	209	136	180	75	147
TOTAL A & G EXPENSE - MAINTENANCE		2,414	1,385	281	209	136	180	75	147
TOTAL A & G EXPENSE		598,724	355,220	68,558	48,260	32,056	41,546	17,195	35,889
Total Operation & Maintenance Expenses		1,282,935	707,055	155,374	132,334	78,764	112,603	32,013	64,792

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
DEPRECIATION EXPENSE									
Struct & Imp SS	2	1,459	597	221	269	140	232	0	0
Struct & Imp P	6	1,851	757	281	341	177	295	0	0
Struct & Imp WT	2	62,043	25,388	9,412	11,428	5,938	9,877	0	0
Struct & Imp TD	7	2,330	699	247	258	156	240	149	581
Struct & Imp Offices	15	3,118	1,789	363	270	176	233	97	190
Struct & Imp Store,Shop,Gar	15	634	364	74	55	36	47	20	39
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	14,835	6,070	2,250	2,733	1,420	2,362	0	0
Supply Mains	2	12,091	4,948	1,834	2,227	1,157	1,925	0	0
Power Generation Equip Othe	6	0	0	0	0	0	0	0	0
Pump Equip Electric	6	23,960	9,804	3,635	4,413	2,293	3,814	0	0
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	84,013	34,378	12,745	15,475	8,040	13,375	0	0
Dist Reservoirs & Standpipe	5	6,613	2,379	837	869	529	808	242	948
Elevated Tanks & Standpipes	5	437	157	55	57	35	53	16	63
Ground Level Facilities	5	280	101	35	37	22	34	10	40
TD Mains Not Classified by	4	37,956	11,246	3,955	4,103	2,501	3,822	2,509	9,819
TD Mains 4 & Less "	4	1,003	297	105	108	66	101	66	259
TD Mains 6 to 8" "	4	(3,011)	(892)	(314)	(325)	(198)	(303)	(199)	(779)
TD Mains 10 to 16" "	3	3,806	1,474	546	663	344	573	42	164
TD Mains 18 & Grtr "	3	0	0	0	0	0	0	0	0
Fire Mains	8	421	0	0	0	0	0	0	421
Services	10	26,926	21,538	2,668	267	732	65	1,656	0
Meters Bronze Case	9	3,281	2,445	404	220	180	31	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	9,358	6,974	1,153	628	514	90	0	0
Meters Other-Rem Rdr Unts	9	0	0	0	0	0	0	0	0
Meter Installations	9	33,861	25,233	4,172	2,272	1,859	325	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	3,939	0	0	0	0	0	0	3,939
Utility Plant Acquisition Adjustment	17	298	132	40	43	24	36	5	18
Other P/E WT Res Hand Equip	2	702	287	106	129	67	112	0	0
Other P/E TD	7	321	96	34	36	21	33	20	80
Other P/E CPS	15	0	0	0	0	0	0	0	0
Office Furniture & Equip	15	1,175	674	137	102	66	88	37	71
Comp & Periph Equip	15	1,882	1,080	219	163	106	140	59	114
Computer Software	15	1,192	684	139	103	67	89	37	72

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Comp Software Personal	15	295	169	34	26	17	22	9	18
Data Handling Equipment	15	0	0	0	0	0	0	0	0
Other Office Equipment	15	14	8	2	1	1	1	0	1
Trans Equip Lt Duty Trks	15	2,740	1,572	319	238	155	204	85	167
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0
Trans Equip Autos	15	3,277	1,880	382	284	185	244	102	199
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	450	258	52	39	25	34	14	27
Tools,Shop,Garage Equip	15	2,210	1,268	257	192	125	165	69	134
Tools,Shop,Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	1,679	687	255	309	161	267	0	0
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	406	233	47	35	23	30	13	25
Comm Equip Non-Telephone	15	789	453	92	68	45	59	25	48
Comm Equip Telephone	15	0	0	0	0	0	0	0	0
Misc Equipment	15	303	174	35	26	17	23	9	18
Total Depreciation Expense		348,940	165,404	46,831	48,164	27,223	39,547	5,093	16,678
Amort-Other UP	18	0	0	0	0	0	0	0	0
Taxes Other Than Income									
Utility Reg Assessment Fee	19	11,217	5,515	1,445	1,414	807	1,199	227	610
Property Taxes	18	134,136	59,610	18,014	19,262	10,691	16,378	2,307	7,874
FUTA	16	479	253	56	45	29	40	15	41
FICA	16	25,762	13,613	2,999	2,442	1,533	2,133	814	2,228
SUTA	16	4	2	0	0	0	0	0	0
Other Taxes & Licenses	15	2,917	1,673	340	253	165	218	91	177
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
Total Taxes, Other Than Income		174,515	80,667	22,854	23,417	13,224	19,968	3,454	10,932
Income Taxes	18	363,724	161,639	48,848	52,231	28,989	44,411	6,256	21,351
Utility Income Available for Return	18	1,001,414	445,028	134,490	143,803	79,813	122,273	17,224	58,783
Total Cost of Service		3,171,528	1,559,793	408,397	399,949	228,012	338,801	64,041	172,535
Less: Other Water Revenues	19	(34,810)	(17,116)	(4,484)	(4,390)	(2,503)	(3,721)	(703)	(1,894)
Revenue Contribution	19	(110,001)	(54,087)	(14,168)	(13,871)	(7,909)	(11,759)	(2,222)	(5,984)
Total Other Water Revenues		(144,811)	(71,204)	(18,652)	(18,261)	(10,412)	(15,480)	(2,925)	(7,878)
Total Cost of Service Related to Sales of Water		$ 3,026,717	$ 1,488,590	$ 389,745	$ 381,688	$ 217,600	$ 323,321	$ 61,116	$ 164,657

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	689	0.3788
Commercial	274	0.1506
Industrial	373	0.2051
Other Public Authority	173	0.0951
Sales for Resale	310	0.1704
Private Fire Protection	0	0.0000
Public Fire Protection	0	0.0000
Total	1,819	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:

	Average Daily Consumption		Maximum Day Extra Capacity		
Customer Classification	Allocation Factor 1	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)x 0.7143	(4)	(5)=(4)x 0.2857	(6)=(3)+(5)
Residential	0.3788	0.2706	0.4855	0.1386	0.4092
Commercial	0.1506	0.1076	0.1543	0.0441	0.1517
Industrial	0.2051	0.1465	0.1318	0.0377	0.1842
Other Public Authority	0.0951	0.0679	0.0973	0.0278	0.0957
Sales for Resale	0.1704	0.1217	0.1311	0.0375	0.1592
Private Fire Protection	0.0000	0.0000			0.0000
Public Fire Protection	0.0000	0.0000			0.0000
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	689	1.0	689	0.4855
Commercial	274	0.8	219	0.1543
Industrial	373	0.5	187	0.1318
Other Public Authority	173	0.8	138	0.0973
Sales for Resale	310	0.6	186	0.1311
Total	1,819		1,419	1.0000

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 2002 (see Schedule D).

	Maximum Day Ratio	Weight
Average Day	1.00	0.7143
Maximum Day Extra Capacity	0.40	0.2857
Total	1.40	1.0000

* 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.

	Average Daily Consumption		Maximum Day Extra Capacity		Fire Protection		
Customer Classification	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2) X 0.6756	(4)	(5)=(4) X 0.2703	(6)	(7)=(6) X 0.0542	(8)=(3)+(5)+(7)
Residential	0.3788	0.2560	0.4855	0.1312			0.3872
Commercial	0.1506	0.1017	0.1543	0.0417			0.1434
Industrial	0.2051	0.1386	0.1318	0.0356			0.1742
Other Public Authority	0.0951	0.0642	0.0973	0.0263			0.0905
Sales for Resale	0.1704	0.1151	0.1311	0.0354			0.1505
Private Fire Protection	0.0000	0.0000			0.2035	0.0110	0.0110
Public Fire Protection	0.0000	0.0000			0.7965	0.0432	0.0432
Total	1.0000	0.6756	1.0000	0.2702	1.0000	0.0542	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 2002 of 2.245 MGD. The system demand for fire protection is 1,500 Gallons per minute for 2 hours.

	Ratio	Rate of Flow, (GPD)	Weight
Average Day	1.00	2,245,000	0.6756
Maximum Day Extra Capacity	0.40	898,000	0.2703
Subtotal	1.40	3,143,000	0.9459
Fire Protection		180,000	0.0542
Total		3,323,000	1.0001

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.

	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		
Customer Classification	Thousand Gallons	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3) X 0.3376	(5)	(6)=(5) X 0.3376	(7)	(8)=(7) X 0.3248	(9)=(4)+(6)+(8)
Residential	28.7	0.3791	0.1281	0.4983	0.1682			0.2963
Commercial	11.4	0.1506	0.0508	0.1582	0.0534			0.1042
Industrial	15.5	0.2048	0.0691	0.1155	0.0390			0.1081
Other Public Authority	7.2	0.0951	0.0321	0.1001	0.0338			0.0659
Sales for Resale	12.9	0.1704	0.0575	0.1279	0.0432			0.1007
Private Fire Protection	0.0	0.0000	0.0000			0.2035	0.0661	0.0661
Public Fire Protection	0.0	0.0000	0.0000			0.7965	0.2587	0.2587
Total	75.7	1.0000	0.3376	1.0000	0.3376	1.0000	0.3248	1.0000

The maximum hour extra capacity factors in column 5 are determined as follows:

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 2002 of 2.245 MGD. The system demand for fire protection is 1,500 gallons per minute.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	1,559	0.3376
Maximum Hour Extra Capacity	1.00	1,559	0.3376
Subtotal	2.00	3,118	0.6752
Fire Protection		1,500	0.3248
Total		4,618	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	28.7	3.5	100.5	0.4983
Commercial	11.4	2.8	31.9	0.1582
Industrial	15.5	1.5	23.3	0.1155
Other Public Authority	7.2	2.8	20.2	0.1001
Sales for Resale	12.9	2.0	25.8	0.1279
Total	75.7		201.7	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
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.

	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		
Customer Classification	Thousand Gallons	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3) X 0.4100	(5)	(6)=(5) X 0.4100	(7)	(8)=(7) X 0.1800	(9)=(4)+(6)+(8)
Residential	28.7	0.3792	0.1555	0.4983	0.2043			0.3598
Commercial	11.4	0.1506	0.0617	0.1582	0.0649			0.1266
Industrial	15.5	0.2048	0.0840	0.1155	0.0474			0.1314
Other Public Authority	7.2	0.0951	0.0390	0.1001	0.0410			0.0800
Sales for Resale	12.9	0.1703	0.0698	0.1279	0.0524			0.1222
Private Fire Protection	0.0	0.0000	0.0000			0.2035	0.0366	0.0366
Public Fire Protection	0.0	0.0000	0.0000			0.7965	0.1434	0.1434
Total	75.7	1.0000	0.4100	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.

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

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

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

	Maximum Hour Ratio	Percent	Weight
Average Hour	1.00	50.00	0.4100
Extra Capacity Maximum Hour	1.00	50.00	0.4100
Total	2.00	100.00	0.8200

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:

	Maximum Daily Consumption		Maximum Daily Consumption		Maximum Hourly Consumption		
Customer Classification	Allocation Factor 2	Weighted Factor	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	Allocation 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	0.4092	0.4092	0.3872	0.0000	0.2963	0.0000	0.4092
Commercial	0.1517	0.1517	0.1434	0.0000	0.1042	0.0000	0.1517
Industrial	0.1842	0.1842	0.1742	0.0000	0.1081	0.0000	0.1842
Other Public Authority	0.0957	0.0957	0.0905	0.0000	0.0659	0.0000	0.0957
Sales for Resale	0.1592	0.1592	0.1505	0.0000	0.1007	0.0000	0.1592
Private Fire Protection	0.0000	0.0000	0.0110	0.0000	0.0661	0.0000	0.0000
Public Fire Protection	0.0000	0.0000	0.0432	0.0000	0.2587	0.0000	0.0000
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	1,185	1.0000
Associated with Maximum Day and Fire	0	0.0000
Associated with Maximum Hour	0	0.0000
Total	1,185	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:

	Maximum Daily Consumption		Maximum Hourly Consumption		
Customer Classification	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)X 0.0425	(4)	(5)=(4)X 0.9575	(6)=(3)+(5)
Residential	0.3872	0.0165	0.2963	0.2837	0.3002
Commercial	0.1434	0.0061	0.1042	0.0998	0.1059
Industrial	0.1742	0.0074	0.1081	0.1035	0.1109
Other Public Authority	0.0905	0.0038	0.0659	0.0631	0.0669
Sales for Resale	0.1505	0.0064	0.1007	0.0964	0.1028
Private Fire Protection	0.0110	0.0005	0.0661	0.0633	0.0638
Public Fire Protection	0.0432	0.0018	0.2587	0.2477	0.2495
Total	1.0000	0.0425	1.0000	0.9575	1.0000

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	19,677	0.0425
Distribution Mains	442,904	0.9575
Total	462,581	1.0000

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	Allocation Factor
(1)	(3)
Public Fire Protection	1.0000
Total	1.0000

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	5/8" Dollar Equivalents	Allocation Factor
(1)	(2)	(3)
Residential	4,277	0.7452
Commercial	707	0.1232
Industrial	385	0.0671
Other Public Authority	315	0.0549
Sales for Resale	55	0.0096
Private Fire	0	0.0000
Total	5,739	1.0000

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

	5/8"	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Total	
Meter Size	Dollar Equivalent	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting
(1)	(2)	(3)	(4)=(2)X(3)	(5)	(6)=(2)X(5)	(7)	(8)=(2)X(7)	(9)	(10)=(2)X(9)	(11)	(12)=(2)X(11)	(13)	(14)
5/8	1.0	4,250	4,250	345	345	1	1	35	35	0	0	4,631	4,631
3/4	1.3	1	1	7	9	0	0	2	3	0	0	10	13
1	1.7	13	22	78	133	5	9	19	32	0	0	115	196
1-1/2	3.5	0	0	1	4	0	0	0	0	0	0	1	4
2	4.3	1	4	39	168	6	26	37	159	4	17	87	374
3	19.0	0	0	0	0	2	38	3	57	2	38	7	133
4	29.3	0	0	0	0	4	117	1	29	0	0	5	146
6	48.4	0	0	1	48	4	194	0	0	0	0	5	242
8	112.9	0	0	0	0	0	0	0	0	0	0	0	0
Total		4,265	4,277	471	707	22	385	97	315	6	55	4,861	5,739

MISSOURI-AMERICAN WATER COMPANY
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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	4,268	0.7999
Commercial	529	0.0991
Industrial	53	0.0099
Other Public Authority	145	0.0272
Sales for Resale	13	0.0024
Private Fire Protection	328	0.0615
Total	5,336	1.0000

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

Service Size	3/4" Dollar Equivalent	Residential Number of Services	Residential Weighting	Commercial Number of Services	Commercial Weighting	Industrial Number of Services	Industrial Weighting	Other Public Authority Number of Services	Other Public Authority Weighting	Sales for Resale Number of Services	Sales for Resale Weighting	Private Fire Protection Number of Services	Private Fire Protection Weighting	Total Number of Services	Total Weighting
(1)	(2)	(3)	(4)=(2)X(3)	(5)	(6)=(2)X(5)	(7)	(8)=(2)X(7)	(9)	(10)=(2)X(9)	(11)	(12)=(2)X(11)	(13)	(14)=(2)X(11)	(15)	(16)
3/4	1.00	4,251	4,251	352	352	1	1	37	37	0	0	0	0	4,641	4,641
1	1.17	13	15	78	91	5	6	19	22	0	0	0	0	115	134
1-1/2	1.58	0	0	1	2	0	0	0	0	0	0	0	0	1	2
2	2.04	1	2	39	80	6	12	37	75	4	8	1	2	88	179
3	2.73	0	0	0	0	2	5	3	8	2	5	1	3	8	21
4	2.88	0	0	0	0	4	12	1	3	0	0	10	29	15	44
6	4.24	0	0	1	4	4	17	0	0	0	0	19	81	24	102
8	6.98	0	0	0	0	0	0	0	0	0	0	11	77	11	77
10	9.50	0	0	0	0	0	0	0	0	0	0	13	124	13	124
12	12.16	0	0	0	0	0	0	0	0	0	0	1	12	1	12
Total		4,265	4,268	471	529	22	53	97	145	6	13	56	328	4,917	5,336

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	$ 31,006	0.3332
Commercial	9,851	0.1058
Industrial	9,761	0.1049
Other Public Authority	6,014	0.0646
Sales for Resale	8,992	0.0966
Private Fire Protection	5,867	0.0630
Public Fire Protection	21,581	0.2319
Total	93,072	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	$ 3,637	0.7813
Commercial	451	0.0968
Industrial	45	0.0097
Other Public Authority	124	0.0266
Sales for Resale	11	0.0023
Private Fire Protection	280	0.0601
Public Fire Protection	108	0.0232
Total	$4,655	1.0000

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	4,265	0.8663
Commercial	471	0.0957
Industrial	22	0.0045
Other Public Authority	97	0.0197
Sales for Resale	6	0.0012
Private Fire Protection	62	0.0126
Public Fire Protection	0	0.0000
Total	4,923	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	4,265	0.8774
Commercial	471	0.0969
Industrial	22	0.0045
Other Public Authority	97	0.0200
Sales for Resale	6	0.0012
Total	4,861	1.0000

MISSOURI-AMERICAN WATER COMPANY
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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	Operation & Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Residential	$272,719	0.5737
Commercial	55,362	0.1165
Industrial	41,236	0.0867
Other Public Authority	26,846	0.0565
Sales for Resale	35,467	0.0746
Private Fire Protection	14,818	0.0312
Public Fire Protection	28,902	0.0608
Total	$475,352	1.0000

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	Direct Labor Expense	Allocation Factor
(1)	(2)	(3)
Residential	$183,223	0.5284
Commercial	40,350	0.1164
Industrial	32,855	0.0948
Other Public Authority	20,629	0.0595
Sales for Resale	28,712	0.0828
Private Fire Protection	10,944	0.0316
Public Fire Protection	29,977	0.0865
Total	$346,691	1.0000

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	$5,661,311	0.4445
Commercial	1,710,201	0.1343
Industrial	1,828,373	0.1435
Other Public Authority	1,015,000	0.0797
Sales for Resale	1,554,302	0.1220
Private Fire Protection	219,212	0.0172
Public Fire Protection	749,121	0.0588
Total	$12,737,520	1.0000

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 (1)	Original Cost Measure of Value (2)	Allocation Factor (3)
Residential	$5,361,804	0.4444
Commercial	1,620,336	0.1343
Industrial	1,732,812	0.1436
Other Public Authority	961,808	0.0797
Sales for Resale	1,472,970	0.1221
Private Fire Protection	207,298	0.0172
Public Fire Protection	708,201	0.0587
Total	$12,065,229	1.0000

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 (1)	Total Cost of Service (2)	Allocation Factor (3)
Residential	$1,552,555	0.4917
Commercial	406,602	0.1288
Industrial	398,274	0.1261
Other Public Authority	227,036	0.0719
Sales for Resale	337,378	0.1069
Private Fire Protection	63,721	0.0202
Public Fire Protection	171,742	0.0544
Total	$3,157,309	1.0000

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
RATE BASE									
Organization	17	$ 5,608	$ 2,493	$ 753	$ 805	$ 447	$ 684	$ 96	$ 330
Franchises	17	0	0	0	0	0	0	0	0
Land & Ld Rights SS	2	25,516	10,441	3,871	4,700	2,442	4,062	0	0
Land & Ld Rights P	6	58,808	24,064	8,921	10,832	5,628	9,362	0	0
Land & Ld Rights WT	2	13,920	5,696	2,112	2,564	1,332	2,216	0	0
Land & Ld Rights TD	7	13,336	4,003	1,412	1,479	892	1,371	851	3,327
Land & Land Rights AG	15	2,057	1,180	240	178	116	153	64	125
Struct & Imp SS	2	64,915	26,563	9,848	11,957	6,212	10,334	0	0
Struct & Imp P	6	66,363	27,156	10,067	12,224	6,351	10,565	0	0
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	3,005,384	1,229,803	455,917	553,592	287,615	478,457	0	0
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	66,413	19,937	7,033	7,365	4,443	6,827	4,237	16,570
Struct & Imp TD Spec Cross	7	0	0	0	0	0	0	0	0
Struct & Imp Offices	15	99,087	56,846	11,544	8,591	5,598	7,392	3,092	6,024
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	24,076	13,812	2,805	2,087	1,360	1,796	751	1,464
Struct & Imp Misc	15	0	0	0	0	0	0	0	0
Collect & Impounding	1	49	19	7	10	5	8	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Wells & Springs	2	701,554	287,076	106,426	129,226	67,139	111,687	0	0
Supply Mains	2	751,603	307,556	114,018	138,445	71,928	119,655	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	831,944	340,431	126,206	153,244	79,617	132,445	0	0
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

MISSOURI-AMERICAN WATER COMPANY

MEXICO DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
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	26,278	10,753	3,986	4,840	2,515	4,183	0	0
WT Equip Non-Media	2	2,244,225	918,337	340,449	413,386	214,772	357,281	0	0
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	47,417	19,403	7,193	8,734	4,538	7,549	0	0
Dist Reservoirs & Standpipe	5	212,150	76,332	26,858	27,877	16,972	25,925	7,765	30,422
Elevated Tanks & Standpipes	5	19,572	7,042	2,478	2,572	1,566	2,392	716	2,807
Ground Level Facilities	5	15,200	5,469	1,924	1;997	1,216	1,857	556	2,180
TD Mains Not Classified by	7	1,836,160	551,215	194,449	203,630	122,839	188,757	117,147	458,122
TD Mains 4 & Less "	4	71,163	21,086	7,415	7,693	4,690	7,166	4,704	18,410
TD Mains 6 to 8" "	4	(67,523)	(20,007)	(7,036)	(7,299)	(4,450)	(6,800)	(4,463)	(17,468)
TD Mains 10 to 16" "	3	269,991	104,541	38,717	47,032	24,434	40,634	2,970	11,664
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	24,246	0	0	0	0	0	0	24,246
Services	10	1,227,957	982,243	121,691	12,157	33,400	2,947	75,519	0
Meters Bronze Case	9	53,383	39,781	6,577	3,582	2,931	512	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	13,279	9,896	1,636	891	729	127	0	0
Meters Other-Rem Rdr Unts	9	0	0	0	0	0	0	0	0
Meter Installations	9	631,133	470,320	77,756	42,349	34,649	6,059	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	180,154	0	0	0	0	0	0	180,154
Other P/E Intangible	15	0	0	0	0	0	0	0	0
Other P/E WT Res Hand Equip	2	23,221	9,502	3,523	4,277	2,222	3,697	0	0

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Other P/E TD	7	5,918	1,777	627	656	396	608	378	1,477
Other P/E CPS	15	(13,546)	(7,771)	(1,578)	(1,174)	(765)	(1,011)	(423)	(824)
Office Furniture & Equip	15	92,462	53,045	10,772	8,016	5,224	6,898	2,885	5,622
Comp & Periph Equip	15	(5,697)	(3,268)	(664)	(494)	(322)	(425)	(178)	(346)
Computer Software	15	(8,319)	(4,773)	(969)	(721)	(470)	(621)	(260)	(506)
Comp Software Personal	15	(1,602)	(919)	(187)	(139)	(91)	(120)	(50)	(97)
Data Handling Equipment	15	10,139	5,817	1,181	879	573	756	316	616
Other Office Equipment	15	(188)	(108)	(22)	(16)	(11)	(14)	(6)	(11)
Trans Equip Lt Duty Trks	15	36,673	21,039	4,272	3,180	2,072	2,736	1,144	2,230
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0
Trans Equip Autos	15	14,556	8,351	1,696	1,262	822	1,086	454	885
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	9,433	5,412	1,099	818	533	704	294	574
Tools,Shop,Garage Equip	15	22,706	13,026	2,645	1,969	1,283	1,694	708	1,381
Tools,Shop,Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	20,714	8,476	3,142	3,816	1,982	3,298	0	0
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	(239)	(137)	(28)	(21)	(14)	(18)	(7)	(15)
Comm Equip Non-Telephone	15	13,365	7,668	1,557	1,159	755	997	417	813
Comm Equip Telephone	15	(14,169)	(8,129)	(1,651)	(1,228)	(801)	(1,057)	(442)	(861)
Misc Equipment	15	2,283	1,310	266	198	129	170	71	139
Other Tangible Property	17	0	0	0	0	0	0	0	0
Total Utility Plant in Service		12,743,128	5,663,804	1,710,954	1,829,177	1,015,447	1,554,986	219,308	749,451
Other Rate Base Items									
Add:									
Other Utility Plant Adjustments	17	11,695	5,198	1,571	1,678	932	1,427	201	688
Cash Working Capital	15	0	0	0	0	0	0	0	0
Materials and Supplies	15	23,004	13,197	2,680	1,994	1,300	1,716	718	1,399
Prepayments	15	5,703	3,272	664	494	322	425	178	347
OPEB's Contributed to External Fund	16	51,372	27,145	5,980	4,870	3,057	4,254	1,623	4,444
Premature Retirement	17	0	0	0	0	0	0	0	0
Regulatory Deferrals	17	65,937	29,309	8,855	9,462	5,255	8,044	1,134	3,877
Less:									
Accumulated Deferred ITC (3%)	17	0	0	0	0	0	0	0	0
Deferred Income Taxes	17	(732,000)	(325,374)	(98,308)	(105,042)	(58,340)	(89,304)	(12,590)	(43,042)
Pensions	16	(103,610)	(54,748)	(12,060)	(9,822)	(6,165)	(8,579)	(3,274)	(8,962)
Total Other Rate Base Elements		(677,899)	(302,000)	(90,618)	(96,365)	(53,639)	(82,017)	(12,010)	(41,250)
Total Original Cost Measure of Value		$ 12,065,229	$ 5,361,804	$ 1,620,336	$ 1,732,812	$ 961,808	$ 1,472,970	$ 207,298	$ 708,201

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1990 - 2002

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	2.189	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

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

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

Description		Restrictive Diameters Squared	Quantity	Relative Demand*	Allocation Factor
(1)		(2)	(3)	(4)=(2)x(3)	(5)
PRIVATE FIRE PROTECTION					
Fire Lines					
2 -inch		4.00	1	4	
3 -inch		9.00	0	0	
4 -inch		16.00	10	160	
6 -inch		36.00	19	684	
8 -inch		64.00	11	704	
10 -inch		100.00	13	1,300	
12 -inch		144.00	1	144	
Private Hydrants		24.75	7	173	
Total Private Fire Protection			62	3,169	0.2035
PUBLIC FIRE PROTECTION					
Hydrant	Nozzle Sizes				
6" Valve	2- 2-1/2" & 1- 3.5"	24.75	501	12,400	
6" Valve	2- 2-1/2" & 1- 4"	28.50	0	0	
Total Public Fire Prorection			501	12,400	0.7965
Total Fire Protection			563	15,569	1.0000

PARKVILLE WATER DISTRICT

II-1 PART II. COST OF SERVICE BY CUSTOMER CLASSIFICATION

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER DISTRICT

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2002

Customer Classification	Cost of Service Amount (Schedule B)	Cost of Service Percent	Revenues, Present Rates Amount	Revenues, Present Rates Percent	Revenues, Proposed Rates Amount	Revenues, Proposed Rates Percent	Proposed Increase Amount	Proposed Increase Percent Increase
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Residential	$ 2,253,021	69.8%	$ 2,033,535	70.5%	$ 2,199,908	68.2%	$ 166,373	8.2%
Commercial	429,748	13.3%	448,359	15.6%	455,119	14.1%	6,760	1.5%
Industrial	14,962	0.5%	14,783	0.5%	15,690	0.5%	907	6.1%
Public Authority	85,144	2.6%	96,101	3.3%	85,241	2.6%	(10,860)	-11.3%
Sales for Resale	203,248	6.3%	230,613	8.0%	203,705	6.3%	(26,908)	-11.7%
Private Fire Service	34,318	1.1%	60,771	2.1%	60,771	1.9%	-	0.0%
Public Fire Service	205,367	6.4%	-	0.0%	205,367	6.4%	205,367	0.0%
Total Sales	3,225,808	100.0%	2,884,162	100.0%	3,225,801	100.0%	341,639	11.8%
Other Revenues	30,314		30,314		30,314		-	0.0%
Total	$ 3,256,122		$ 2,914,476		$ 3,256,115		$ 341,639	11.7%

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
OPERATION AND MAINTENANCE EXPENSES									
SOURCE OF SUPPLY EXPENSES									
Super & Eng Oper SS	2	$ 12,341	$ 9,006	$ 1,867	$ 64	$ 365	$ 1,005	$ 6	$ 27
Labor & Exp Oper SS	2	2,223	1,622	336	12	66	181	1	5
Labor & Exp Oper SS	2	1,519	1,109	230	8	45	124	1	3
Purchased Water	1	102,995	66,967	19,239	803	3,770	11,608	103	505
TOTAL SS EXPENSE - OPERATION		119,078	78,705	21,673	887	4,246	12,917	111	540
Misc Exp Oper SS	2	0	0	0	0	0	0	0	0
Misc Exp Oper SS	2	1,000	730	151	5	30	81	1	2
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	28	20	4	0	1	2	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	1,016	741	154	5	30	83	1	2
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0
Infilt 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
Misc Plant Maint SS	2	272	199	41	1	8	22	0	1
Misc Plant Maint SS	2	4,761	3,475	720	25	141	388	2	10
TOTAL SS EXPENSE - MAINTENANCE		7,077	5,165	1,071	37	209	576	4	16
TOTAL SS EXPENSE		126,155	83,870	22,744	924	4,455	13,493	115	556
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	970	687	142	5	28	77	5	27
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Purch Fuel/Power for Pump	1	94,928	61,722	17,733	740	3,474	10,698	95	465
Labor & Exp Oper Pump	6	0	0	0	0	0	0	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	16	11	2	0	0	1	0	0
Rents Oper P	6	0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSE - OPERATION		95,914	62,420	17,877	745	3,503	10,776	100	492

MISSOURI-AMERICAN WATER COMPANY

PARKVILLE WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(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	2,421	1,714	355	12	70	191	11	67
TOTAL PUMPING EXPENSES - MAINTENANCE		2,421	1,714	355	12	70	191	11	67
TOTAL PUMPING EXPENSES		98,335	64,135	18,233	758	3,572	10,968	111	559
WATER TREATMENT									
Super & Eng Oper WT	2	12,226	8,923	1,850	64	362	995	6	27
Chemicals	1	81,779	53,173	15,276	638	2,993	9,216	82	401
Labor & Exp Oper WT	2	36,304	26,495	5,493	189	1,075	2,955	18	80
Labor & Exp Oper WT	2	8	6	1	0	0	1	0	0
Misc Exp Oper WT	2	4,714	3,440	713	25	140	384	2	10
Misc Exp Oper WT	1	0	0	0	0	0	0	0	0
Misc Exp Oper WT	2	7,411	5,409	1,121	39	219	603	4	16
Rents Oper WT	2	12	9	2	0	0	1	0	0
TOTAL WT EXPENSE - OPERATION		142,454	97,453	24,456	953	4,789	14,155	112	534
Super & Eng Maint WT	2	5,298	3,866	802	28	157	431	3	12
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	8,886	6,485	1,344	46	263	723	4	20
WT Equip Maint WT	2	6,319	4,612	956	33	187	514	3	14
TOTAL WT EXPENSE - MAINTENANCE		20,503	14,963	3,102	107	607	1,669	10	45
TOTAL WT EXPENSE		162,957	112,416	27,559	1,060	5,396	15,824	122	579
TRANSMISSION AND DISTRIBUTION EXPENSES									
Super & Eng Oper TD	11	12,699	6,973	1,624	51	321	761	423	2,546
Storage Facilty Exp	5	442	277	69	2	13	34	7	40
Storage Facilty Exp	5	0	0	0	0	0	0	0	0
TD Lines Exp	7	16,413	8,655	2,078	66	405	1,036	594	3,580
TD Lines Exp	7	6,489	3,422	822	26	160	409	235	1,415
Meter Expense	9	1,001	813	138	5	32	14	0	0
Meter Expense	9	762	619	105	3	24	11	0	0
Customer Install Exp	10	1	1	0	0	0	0	0	0
Customer Install Exp	10	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Misc Exp Oper TD	11	17,975	9,870	2,299	72	455	1,077	599	3,604
Misc Exp Oper TD	11	36,933	20,280	4,724	148	934	2,212	1,230	7,405
Misc Exp Oper TD	11	10,140	5,568	1,297	41	257	607	338	2,033
Rents Oper TD	11	1,690	928	216	7	43	101	56	339
TOTAL T & D EXPENSE OPERATION		104,545	57,405	13,371	419	2,644	6,262	3,481	20,962
Super & Eng Maint TD	12	435	250	49	2	10	22	16	87
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	5,574	2,939	706	22	138	352	202	1,216
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
Services Maint TD	10	1,324	1,145	98	4	22	3	53	0
Services Maint TD	10	(36)	(31)	(3)	(0)	(1)	(0)	(1)	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	88	0	0	0	0	0	0	0
Hydrants Maint TD	8	107	0	0	0	0	0	0	88
Misc Plant Maint TD	12	302	173	34	1	7	15	11	107
Mat and Sup Maint TD	12	56,100	32,218	6,367	208	1,262	2,816	2,014	60
Misc Maint TD	12	1,058	608	120	4	24	53	38	11,214
Amort Def Maint TD	5	31,353	19,665	4,885	150	947	2,392	473	211
TOTAL T & D EXPENSE - MAINTENANCE		96,305	56,967	12,257	391	2,408	5,653	2,805	2,841
									15,824
TOTAL T & D EXPENSE		200,850	114,372	25,628	810	5,053	11,915	6,286	36,787
CUSTOMER ACCOUNTS									
Supervision CA	13	385	350	24	1	5	0	5	0
Meter Reading Exp CA	14	22,750	20,948	1,449	55	280	18	0	0
Meter Reading Exp CA	14	405	373	26	1	5	0	0	0
Meter Reading Exp CA	14	2,725	2,509	174	7	34	2	0	0
Cust Rec & Collection CA	13	36,768	33,393	2,313	85	445	29	504	0
Cust Rec & Collection CA	13	12,107	10,996	762	28	146	10	166	0
Uncollectible Accts	13	12,864	11,683	809	30	156	10	176	0
Misc Cust Accts Exp CA	13	869	789	55	2	11	1	12	0
Misc Cust Accts Exp CA	13	277	252	17	1	3	0	4	0
Misc Cust Accts Exp CA	13	9,632	8,748	606	22	117	8	132	0
Cust Serv & Info Exp CA	13	37	34	2	0	0	0	1	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		98,819	90,074	6,236	230	1,201	79	999	0

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
ADMINISTRATIVE AND GENERAL EXPENSES									
Salaries AG	15	92,165	64,027	10,894	359	2,138	4,691	1,659	8,396
Other Supplies & Exp AG	15	1,450	1,007	171	6	34	74	26	132
Other Supplies & Exp AG	15	33,490	23,266	3,959	131	777	1,705	603	3,051
Other Supplies & Exp AG	15	14,037	9,752	1,659	55	326	714	253	1,279
Mgmt Fees-Coporate/Shared Service Center	15	54,702	38,001	6,466	213	1,269	2,784	985	4,983
Mgmt Fees-Call Center	13	45,115	40,973	2,838	104	546	36	618	0
Mgmt Fees-Belleville Lab	2	8,176	5,967	1,237	43	242	666	4	18
Mgmt Fees- Financial ITS	15	4,755	3,303	562	19	110	242	86	433
Mgmt Fees- Customer Billings ITS	13	26,847	24,382	1,689	62	325	21	368	0
Mgmt Fees-Other ITS	15	302	210	36	1	7	15	5	28
Outside Services AG	15	20,022	13,909	2,367	78	465	1,019	360	1,824
Outside Services AG	15	6,444	4,477	762	25	150	328	116	587
Property Insurance	15	0	0	0	0	0	0	0	0
Ins Gen Liab Oper AG	15	11,906	8,271	1,407	46	276	606	214	1,085
Ins Work Comp AG	16	6,564	4,743	770	26	151	330	94	450
Ins Other Oper AG	15	9,492	6,594	1,122	37	220	483	171	865
Property Insurance	15	0	0	0	0	0	0	0	0
Injuries & Damages	16	182	132	21	1	4	9	3	12
Employee Pension & Benefits	16	65,789	47,539	7,717	257	1,513	3,309	941	4,513
Employee Pension & Benefits	16	47,032	33,985	5,517	183	1,082	2,366	673	3,226
Employee Pension & Benefits	16	19,999	14,451	2,346	78	460	1,006	286	1,372
Reg Commision Exp	15	3,085	2,143	365	12	72	157	56	281
Rents AG	15	17,243	11,979	2,038	67	400	878	310	1,571
Goodwill Advertising Exp	15	447	311	53	2	10	23	8	41
Misc Exp AG	15	2,185	1,518	258	9	51	111	39	199
Research & Development	15	0	0	0	0	0	0	0	0
TOTAL A & G OPERATIONS		491,430	360,941	54,253	1,812	10,627	21,574	7,877	34,346
General Plant Maint AG	15	0	0	0	0	0	0	0	0
General Plant Maint AG	15	4,908	3,410	580	19	114	250	88	447
TOTAL A & G EXPENSE - MAINTENANCE		4,908	3,410	580	19	114	250	88	447
TOTAL A & G EXPENSE		496,338	364,351	54,833	1,831	10,741	21,824	7,965	34,794
Total Operation & Maintenance Expenses		1,183,455	829,218	155,232	5,613	30,418	74,103	15,598	73,274

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
DEPRECIATION EXPENSE									
Struct & Imp SS	2	450	328	68	2	13	37	0	1
Struct & Imp P	6	1,034	732	152	5	30	82	5	28
Struct & Imp WT	2	11,845	8,644	1,792	62	351	964	6	26
Struct & Imp TD	7	3,453	1,821	437	14	85	218	125	753
Struct & Imp Offices	15	1,720	1,195	203	7	40	88	31	157
Struct & Imp Store,Shop,Gar	15	550	382	65	2	13	28	10	50
Struct & Imp Misc	15	5,680	3,946	671	22	132	289	102	517
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Wells & Springs	2	2,929	2,138	443	15	87	238	1	6
Supply Mains	2	22,229	16,223	3,363	116	658	1,809	11	49
Power Generation Equip Othe	6	0	0	0	0	0	0	0	0
Pump Equip Electric	6	26,988	19,110	3,962	138	777	2,132	127	742
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	76,941	56,152	11,641	400	2,277	6,263	38	169
WT Equip Filter Media	2	2,498	1,823	378	13	74	203	1	5
Dist Reservoirs & Standpipe	5	23,330	14,633	3,635	112	705	1,780	352	2,114
Elevated Tanks & Standpipes	5	0	0	0	0	0	0	0	0
Ground Level Facilities	5	420	263	65	2	13	32	6	38
TD Mains Not Classified by	7	48,924	25,798	6,194	196	1,208	3,087	1,771	10,670
TD Mains 4 & Less "	4	2,957	1,469	365	11	71	179	123	739
TD Mains 6 to 8" "	4	(8,866)	(4,405)	(1,094)	(34)	(213)	(536)	(368)	(2,217)
TD Mains 10 to 16" "	3	36,370	25,357	5,259	185	1,033	2,830	244	1,462
TD Mains 18 & Grtr "	3	0	0	0	0	0	0	0	0
Fire Mains	8	867	0	0	0	0	0	0	867
Services	10	28,414	24,581	2,097	82	463	57	1,134	0
Meters Bronze Case	9	9,958	8,088	1,370	45	314	141	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	6,034	4,901	830	27	190	86	0	0
Meters Other-Rem Rdr Unts	9	0	0	0	0	0	0	0	0
Meter Installations	9	33,113	26,894	4,556	149	1,043	470	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	6,224	0	0	0	0	0	0	6,224
Utility Plant Acquisition Adjustment	17	306	213	41	1	8	20	3	20
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0
Other P/E TD	11	171	94	22	1	4	10	6	34
Other P/E CPS	15	0	0	0	0	0	0	0	0
Office Furniture & Equip	15	1,336	928	158	5	31	68	24	122
Comp & Periph Equip	15	1,909	1,326	226	7	44	97	34	174

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Computer Software	15	2,565	1,782	303	10	60	131	46	234
Comp Software Personal	15	302	210	36	1	7	15	5	28
Data Handling Equipment	15	0	0	0	0	0	0	0	0
Other Office Equipment	15	15	10	2	0	0	1	0	1
Trans Equip Lt Duty Trks	15	2,564	1,781	303	10	59	131	46	234
Trans Equip Hvy Duty Trks	15	9,229	6,411	1,091	36	214	470	166	841
Trans Equip Autos	15	3,125	2,171	369	12	73	159	56	285
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	180	125	21	1	4	9	3	16
Tools,Shop,Garage Equip	15	2,402	1,669	284	9	56	122	43	219
Tools,Shop,Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	6,840	4,992	1,035	36	202	557	3	15
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	19	13	2	0	0	1	0	2
Comm Equip Non-Telephone	15	2,450	1,702	290	10	57	125	44	223
Comm Equip Telephone	15	0	0	0	0	0	0	0	0
Misc Equipment	15	4,345	3,018	514	17	101	221	78	396
Other Tangible Property	15	0	0	0	0	0	0	0	0
Total Depreciation Expense		381,820	266,519	51,150	1,728	10,285	22,613	4,280	25,245
Amort-Other UP	18	0	0	0	0	0	0	0	0
Taxes Other Than Income									
Utility Reg Assessment Fee	19	12,761	8,915	1,700	59	337	804	135	812
Property Taxes	18	463,473	322,902	62,430	2,132	12,421	29,801	4,032	29,755
FUTA	16	408	295	48	2	9	21	6	28
FICA	16	20,791	15,024	2,439	81	478	1,046	297	1,426
SUTA	16	349	252	41	1	8	18	5	24
Other Taxes & Licenses	15	3,567	2,478	422	14	83	182	64	325
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
Total Taxes, Other Than Income		501,349	349,865	67,079	2,289	13,336	31,871	4,540	32,370
Income Taxes	18	334,862	233,298	45,106	1,540	8,974	21,532	2,913	21,498
Utility Income Available for Return	18	921,471	641,989	124,122	4,239	24,695	59,251	8,017	59,158
Total Cost of Service		3,322,957	2,320,889	442,688	15,409	87,708	209,368	35,348	211,545
Less: Other Water Revenues	19	(30,314)	(21,177)	(4,038)	(139)	(800)	(1,910)	(321)	(1,928)
Revenue Contribution	19	(66,835)	(46,691)	(8,902)	(307)	(1,764)	(4,211)	(708)	(4,251)
Total Other Water Revenues		(97,149)	(67,868)	(12,940)	(447)	(2,565)	(6,120)	(1,030)	(6,179)
Total Cost of Service Related to Sales of Water		$ 3,225,808	$ 2,253,021	$ 429,748	$ 14,962	$ 85,144	$ 203,248	$ 34,318	$ 205,367

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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	1,333	0.6502
Commercial	383	0.1868
Industrial	16	0.0078
Other Public Authority	75	0.0366
Sales for Resale	231	0.1127
Private Fire Protection	2	0.0010
Public Fire Protection	10	0.0049
Total	2,050	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:

	Average Daily Consumption		Maximum Day Extra Capacity		
Customer Classification	Allocation Factor 1	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)x 0.4545	(4)	(5)=(4)x 0.5455	(6)=(3)+(5)
Residential	0.6502	0.2956	0.7958	0.4342	0.7298
Commercial	0.1868	0.0849	0.1218	0.0664	0.1513
Industrial	0.0078	0.0035	0.0032	0.0017	0.0052
Other Public Authority	0.0366	0.0166	0.0239	0.0130	0.0296
Sales for Resale	0.1127	0.0512	0.0553	0.0302	0.0814
Private Fire Protection	0.0010	0.0005			0.0005
Public Fire Protection	0.0049	0.0022			0.0022
Total	1.0000	0.4545	1.0000	0.5455	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
PARKVILLE WATER 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	1,333	1.5	2,000	0.7958
Commercial	383	0.8	306	0.1218
Industrial	16	0.5	8	0.0032
Other Public Authority	75	0.8	60	0.0239
Sales for Resale	231	0.6	139	0.0553
Total	2,038		2,513	1.0000

The weighting of the factors is based on the maximum day ratio of 2.20, based on a review of maximum day ratios experienced during the period 1990 through 2002 (see Schedule D).

	Maximum Day Ratio	Weight
Average Day	1.00	0.4545
Maximum Day Extra Capacity	1.20	0.5455
Total	2.20	1.0000

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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.

	Average Daily Consumption		Maximum Day Extra Capacity		Fire Protection		
Customer Classification	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2) X 0.4344	(4)	(5)=(4) X 0.5212	(6)	(7)=(6) X 0.0444	(8)=(3)+(5)+(7)
Residential	0.6502	0.2824	0.7958	0.4148			0.6972
Commercial	0.1868	0.0811	0.1218	0.0635			0.1446
Industrial	0.0078	0.0034	0.0032	0.0017			0.0051
Other Public Authority	0.0366	0.0159	0.0239	0.0125			0.0284
Sales for Resale	0.1127	0.0490	0.0553	0.0288			0.0778
Private Fire Protection	0.0010	0.0004			0.1419	0.0063	0.0067
Public Fire Protection	0.0049	0.0021			0.8581	0.0381	0.0402
Total	1.0000	0.4343	1.0000	0.5213	1.0000	0.0444	1.0000

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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 2.20 and the average daily system sendout for 2002 of 2.349 MGD. The system demand for fire protection is 2,000 Gallons per minute for 2 hours.

	Ratio	Rate of Flow, (GPD)	Weight
Average Day	1.00	2,349,000	0.4344
Maximum Day Extra Capacity	1.20	2,818,800	0.5212
Subtotal	2.20	5,167,800	0.9556
Fire Protection		240,000	0.0444
Total		5,407,800	1.0000

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
PARKVILLE WATER 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.

	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		
Customer Classification	Thousand Gallons	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3) X 0.2366	(5)	(6)=(5) X 0.4733	(7)	(8)=(7) X 0.2901	(9)=(4)+(6)+(8)
Residential	55.5	0.6498	0.1538	0.7247	0.3430			0.4968
Commercial	16.0	0.1874	0.0443	0.1671	0.0791			0.1234
Industrial	0.7	0.0082	0.0019	0.0041	0.0019			0.0038
Other Public Authority	3.1	0.0363	0.0086	0.0325	0.0154			0.0240
Sales for Resale	9.6	0.1124	0.0266	0.0716	0.0339			0.0605
Private Fire Protection	0.1	0.0012	0.0003			0.1419	0.0412	0.0415
Public Fire Protection	0.4	0.0047	0.0011			0.8581	0.2489	0.2500
Total	85.4	1.0000	0.2366	1.0000	0.4733	1.0000	0.2901	1.0000

The maximum hour extra capacity factors in column 5 are determined as follows:

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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 3.0 and the average daily system sendout for 2002 of 2.349 MGD. The system demand for fire protection is 2,000 gallons per minute.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	1,631	0.2366
Maximum Hour Extra Capacity	2.00	3,262	0.4733
Subtotal	3.00	4,893	0.7099
Fire Protection		2,000	0.2901
Total		6,893	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	55.5	3.5	194.3	0.7247
Commercial	16.0	2.8	44.8	0.1671
Industrial	0.7	1.5	1.1	0.0041
Other Public Authority	3.1	2.8	8.7	0.0325
Sales for Resale	9.6	2.0	19.2	0.0716
Total	84.9		268.1	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
PARKVILLE WATER 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.

	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		
Customer Classification	Thousand Gallons	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3) X 0.2987	(5)	(6)=(5) X 0.5974	(7)	(8)=(7) X 0.1039	(9)=(4)+(6)+(8)
Residential	55.5	0.6499	0.1942	0.7247	0.4330			0.6272
Commercial	16.0	0.1874	0.0560	0.1671	0.0998			0.1558
Industrial	0.7	0.0082	0.0024	0.0041	0.0024			0.0048
Other Public Authority	3.1	0.0363	0.0108	0.0325	0.0194			0.0302
Sales for Resale	9.6	0.1123	0.0335	0.0716	0.0428			0.0763
Private Fire Protection	0.1	0.0012	0.0004			0.1419	0.0147	0.0151
Public Fire Protection	0.4	0.0047	0.0014			0.8581	0.0892	0.0906
Total	85.4	1.0000	0.2987	1.0000	0.5974	1.0000	0.1039	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
PARKVILLE WATER 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.

$$\text{Fire Protection Weight} = \frac{\text{2,000 GPM X 60 Min. X 2 Hrs.}}{\text{2,310,000 Gallons}} = 0.1039$$

$$\text{General Service Weight} = 1.0000 - 0.1039 = 0.8961$$

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	33.33	0.2987
Extra Capacity Maximum Hour	2.00	66.67	0.5974
Total	3.00	100.00	0.8961

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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:

	Maximum Daily Consumption		Maximum Daily Consumption		Maximum Hourly Consumption		
Customer Classification	Allocation Factor 2	Weighted Factor	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)X 0.3333	(4)	(5)=(4)X 0.6667	(6)	(7)=(6)X 0.0000	(8)=(3)+ (5)+(7)
Residential	0.7298	0.2433	0.6972	0.4648	0.4968	0.0000	0.7081
Commercial	0.1513	0.0504	0.1446	0.0964	0.1234	0.0000	0.1468
Industrial	0.0052	0.0017	0.0051	0.0034	0.0038	0.0000	0.0051
Other Public Authority	0.0296	0.0099	0.0284	0.0189	0.0240	0.0000	0.0288
Sales for Resale	0.0814	0.0271	0.0778	0.0519	0.0605	0.0000	0.0790
Private Fire Protection	0.0005	0.0002	0.0067	0.0045	0.0415	0.0000	0.0047
Public Fire Protection	0.0022	0.0007	0.0402	0.0268	0.2500	0.0000	0.0275
Total	1.0000	0.3333	1.0000	0.6667	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	165	0.3333
Associated with Maximum Day and Fire	330	0.6667
Associated with Maximum Hour	0	0.0000
Total	495	1.0000

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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 Allocation Factor 3	Maximum Daily Consumption Weighted Factor	Maximum Hourly Consumption Allocation Factor 4	Maximum Hourly Consumption Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)X 0.1520	(4)	(5)=(4)X 0.8480	(6)=(3)+(5)
Residential	0.6972	0.1060	0.4968	0.4213	0.5273
Commercial	0.1446	0.0220	0.1234	0.1046	0.1266
Industrial	0.0051	0.0008	0.0038	0.0032	0.0040
Other Public Authority	0.0284	0.0043	0.0240	0.0204	0.0247
Sales for Resale	0.0778	0.0118	0.0605	0.0513	0.0631
Private Fire Protection	0.0067	0.0010	0.0415	0.0352	0.0362
Public Fire Protection	0.0402	0.0061	0.2500	0.2120	0.2181
Total	1.0000	0.1520	1.0000	0.8480	1.0000

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	73,249	0.1520
Distribution Mains	408,720	0.8480
Total	481,969	1.0000

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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	Allocation Factor
(1)	(3)
Public Fire Protection	1.0000
Total	1.0000

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	5/8" Dollar Equivalents	Allocation Factor
(1)	(2)	(3)
Residential	4,918	0.8122
Commercial	833	0.1376
Industrial	27	0.0045
Other Public Authority	191	0.0315
Sales for Resale	86	0.0142
Private Fire	0	0.0000
Total	6,055	1.0000

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size	5/8" Dollar Equivalent	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Total	
		Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting
(1)	(2)	(3)	(4)=(2)X(3)	(5)	(6)=(2)X(5)	(7)	(8)=(2)X(7)	(9)	(10)=(2)X(9)	(11)	(12)=(2)X(11)	(13)	(14)
5/8	1.0	4,452	4,452	197	197	7	7	29	29	0	0	4,685	4,685
3/4	1.3	0	0	0	0	0	0	0	0	0	0	0	0
1	1.7	156	265	66	112	0	0	7	12	0	0	229	389
1-1/2	3.5	35	123	13	46	2	7	7	25	0	0	57	201
2	4.3	7	30	35	151	3	13	18	77	0	0	63	271
3	19.0	1	19	7	133	0	0	0	0	3	57	11	209
4	29.3	1	29	0	0	0	0	0	0	1	29	2	58
6	48.4	0	0	4	194	0	0	1	48	0	0	5	242
8	112.9	0	0	0	0	0	0	0	0	0	0	0	0
Total		4,652	4,918	322	833	12	27	62	191	4	86	5,052	6,055

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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	4,710	0.8651
Commercial	402	0.0738
Industrial	16	0.0029
Other Public Authority	89	0.0163
Sales for Resale	11	0.0020
Private Fire Protection	217	0.0399
Total	5,445	1.0000

Schedule C-PKW

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

Service Size	3/4" Dollar Equivalent	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Private Fire Protection		Total	
		Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting
(1)	(2)	(3)	(4)=(2)X(3)	(5)	(6)=(2)X(5)	(7)	(8)=(2)X(7)	(9)	(10)=(2)X(9)	(11)	(12)=(2)X(11)	(13)	(14)=(2)X(11)	(15)	(16)
3/4	1.00	4,452	4,452	197	197	7	7	29	29	0	0	0	0	4,685	4,685
1	1.17	156	183	66	77	0	0	7	8	0	0	0	0	229	268
1-1/2	1.58	35	55	13	21	2	3	7	11	0	0	0	0	57	90
2	2.04	7	14	35	71	3	6	18	37	0	0	1	2	64	130
3	2.73	1	3	7	19	0	0	0	0	3	8	1	3	12	33
4	2.88	1	3	0	0	0	0	0	0	1	3	5	14	7	20
6	4.24	0	0	4	17	0	0	1	4	0	0	25	106	30	127
8	6.98	0	0	0	0	0	0	0	0	0	0	9	63	9	63
10	9.50	0	0	0	0	0	0	0	0	0	0	3	29	3	29
12	12.16	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		4,652	4,710	322	402	12	16	62	89	4	11	44	217	5,096	5,445

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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	$ 13,786	0.5491
Commercial	3,211	0.1279
Industrial	102	0.0040
Other Public Authority	635	0.0253
Sales for Resale	1,504	0.0599
Private Fire Protection	836	0.0333
Public Fire Protection	5,035	0.2005
Total	25,108	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	$ 4,053	0.5743
Commercial	801	0.1135
Industrial	26	0.0037
Other Public Authority	159	0.0225
Sales for Resale	354	0.0502
Private Fire Protection	253	0.0359
Public Fire Protection	1,411	0.1999
Total	$7,057	1.0000

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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	4,652	0.9082
Commercial	322	0.0629
Industrial	12	0.0023
Other Public Authority	62	0.0121
Sales for Resale	4	0.0008
Private Fire Protection	70	0.0137
Public Fire Protection	0	0.0000
Total	5,122	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	4,652	0.9208
Commercial	322	0.0637
Industrial	12	0.0024
Other Public Authority	62	0.0123
Sales for Resale	4	0.0008
Total	5,052	1.0000

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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	$283,004	0.6947
Commercial	48,150	0.1182
Industrial	1,600	0.0039
Other Public Authority	9,440	0.0232
Sales for Resale	20,756	0.0509
Private Fire Protection	7,354	0.0180
Public Fire Protection	37,110	0.0911
Total	$407,414	1.0000

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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	$208,628	0.7226
Commercial	33,859	0.1173
Industrial	1,139	0.0039
Other Public Authority	6,634	0.0230
Sales for Resale	14,524	0.0503
Private Fire Protection	4,127	0.0143
Public Fire Protection	19,817	0.0686
Total	$288,727	1.0000

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	$8,390,366	0.6968
Commercial	1,621,810	0.1347
Industrial	55,618	0.0046
Other Public Authority	322,561	0.0268
Sales for Resale	774,722	0.0643
Private Fire Protection	105,001	0.0087
Public Fire Protection	771,707	0.0641
Total	$12,041,785	1.0000

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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	$7,734,070	0.6967
Commercial	1,495,335	0.1347
Industrial	51,298	0.0046
Other Public Authority	297,399	0.0268
Sales for Resale	714,377	0.0643
Private Fire Protection	96,993	0.0087
Public Fire Protection	712,590	0.0642
Total	$11,102,062	1.0000

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	$2,309,831	0.6986
Commercial	440,624	0.1332
Industrial	15,338	0.0046
Other Public Authority	87,300	0.0264
Sales for Resale	208,407	0.0630
Private Fire Protection	35,157	0.0106
Public Fire Protection	210,453	0.0636
Total	$3,307,111	1.0000

MISSOURI-AMERICAN WATER COMPANY

PARKVILLE WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
RATE BASE									
Organization	17	$ 5,761	$ 4,014	$ 776	$ 27	$ 154	$ 370	$ 50	$ 369
Franchises	17	13	9	2	0	0	1	0	1
Land & Ld Rights SS	2	1,735	1,266	263	9	51	141	1	4
Land & Ld Rights P	6	0	0	0	0	0	0	0	0
Land & Ld Rights WT	2	432	315	65	2	13	35	0	1
Land & Ld Rights TD	7	12,956	6,832	1,640	52	320	818	469	2,826
Land & Land Rights AG	15	142	99	17	1	3	7	3	13
Struct & Imp SS	2	20,261	14,786	3,065	105	600	1,649	10	45
Struct & Imp P	6	44,215	31,309	6,491	225	1,273	3,493	208	1,216
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	516,513	376,951	78,148	2,686	15,289	42,044	258	1,136
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	94,507	49,834	11,965	378	2,334	5,963	3,421	20,612
Struct & Imp TD Spec Cross	7	0	0	0	0	0	0	0	0
Struct & Imp Offices	15	35,602	24,733	4,208	139	826	1,812	641	3,243
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	20,910	14,526	2,472	82	485	1,064	376	1,905
Struct & Imp Misc	15	215,798	149,915	25,507	842	5,007	10,984	3,884	19,659
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Wells & Springs	2	116,984	85,375	17,700	608	3,463	9,522	58	257
Supply Mains	2	1,669,633	1,218,498	252,615	8,682	49,421	135,908	835	3,673
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	583,483	413,164	85,655	2,976	16,804	46,095	2,742	16,046
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	12,549	8,886	1,842	64	361	991	59	345

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
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	81,548	57,744	11,971	416	2,349	6,442	383	2,243
Pump Equip Other	6	23,325	16,516	3,424	119	672	1,843	110	641
WT Equip Non-Media	2	1,838,494	1,341,733	278,164	9,560	54,419	149,653	919	4,045
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	79,654	58,131	12,052	414	2,358	6,484	40	175
Dist Reservoirs & Standpipe	5	992,680	622,609	154,660	4,765	29,979	75,741	14,989	89,937
Elevated Tanks & Standpipes	5	0	0	0	0	0	0	0	0
Ground Level Facilities	5	20,909	13,114	3,258	100	631	1,595	316	1,894
TD Mains Not Classified by	7	2,326,731	1,226,885	294,564	9,307	57,470	146,817	84,228	507,460
TD Mains 4 & Less "	4	209,765	104,211	25,885	797	5,034	12,691	8,705	52,441
TD Mains 6 to 8" "	4	(2,022,466)	(1,004,761)	(249,572)	(7,685)	(48,539)	(122,359)	(83,932)	(505,617)
TD Mains 10 to 16" "	3	2,580,313	1,798,994	373,113	13,160	73,281	200,748	17,288	103,729
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	52,517	0	0	0	0	0	0	52,517
Services	10	1,051,632	909,767	77,610	3,050	17,142	2,103	41,960	0
Meters Bronze Case	9	171,919	139,633	23,656	774	5,415	2,441	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	(5,206)	(4,228)	(716)	(23)	(164)	(74)	0	0
Meters Other-Rem Rdr Unts	9	0	0	0	0	0	0	0	0
Meter Installations	9	512,670	416,391	70,543	2,307	16,149	7,280	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	355,697	0	0	0	0	0	0	355,697
Other P/E Intangible	2 ?	0	0	0	0	0	0	0	0
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Other P/E TD	2	3,707	2,705	561	19	110	302	2	8
Other P/E CPS	2 ?	(13,825)	(10,089)	(2,092)	(72)	(409)	(1,125)	(7)	(30)
Office Furniture & Equip	15	70,524	48,993	8,336	275	1,636	3,590	1,269	6,425
Comp & Periph Equip	15	(5,872)	(4,079)	(694)	(23)	(136)	(299)	(106)	(535)
Computer Software	15	(1,263)	(877)	(149)	(5)	(29)	(64)	(23)	(115)
Comp Software Personal	15	(1,627)	(1,130)	(192)	(6)	(38)	(83)	(29)	(148)
Data Handling Equipment	15	153,391	106,561	18,131	598	3,559	7,808	2,761	13,974
Other Office Equipment	15	(192)	(133)	(23)	(1)	(4)	(10)	(3)	(17)
Trans Equip Lt Duty Trks	15	47,841	33,235	5,655	187	1,110	2,435	861	4,358
Trans Equip Hvy Duty Trks	15	37,836	26,285	4,472	148	878	1,926	681	3,447
Trans Equip Autos	15	13,767	9,564	1,627	54	319	701	248	1,254
Trans Equip Other	15	(17,258)	(11,989)	(2,040)	(67)	(400)	(878)	(311)	(1,572)
Stores Equipment	15	1,915	1,330	226	7	44	97	34	174
Tools,Shop,Garage Equip	15	24,276	16,865	2,869	95	563	1,236	437	2,212
Tools,Shop,Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	46,506	33,940	7,036	242	1,377	3,786	23	102
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	42	29	5	0	1	2	1	4
Comm Equip Non-Telephone	15	18,184	12,632	2,149	71	422	926	327	1,657
Comm Equip Telephone	15	(153)	(106)	(18)	(1)	(4)	(8)	(3)	(14)
Misc Equipment	15	48,084	33,404	5,684	188	1,116	2,447	866	4,380
Other Tangible Property	17	0	0	0	0	0	0	0	0
Total Utility Plant in Service		12,047,559	8,394,390	1,622,587	55,645	322,715	775,093	105,052	772,077
Other Rate Base Items									
Add:									
Other Utility Plant Adjustments	17	12,014	8,371	1,618	55	322	773	105	770
Cash Working Capital	15	0	0	0	0	0	0	0	0
Materials and Supplies	15	44,583	30,972	5,270	174	1,034	2,269	802	4,062
Prepayments	15	5,859	4,070	693	23	136	298	105	534
OPEB's Contributed to External Fund	16	52,514	37,947	6,160	205	1,208	2,641	751	3,602
Premature Retirement	17	0	0	0	0	0	0	0	0
Regulatory Deferrals	17	99,416	69,273	13,391	457	2,664	6,392	865	6,373
Less:									
Accumulated Deferred ITC (3%)	17	0	0	0	0	0	0	0	0
Deferred Income Taxes	17	(1,053,448)	(734,043)	(141,899)	(4,846)	(28,232)	(67,737)	(9,165)	(67,526)
Pensions	16	(106,435)	(76,910)	(12,485)	(415)	(2,448)	(5,354)	(1,522)	(7,301)
Total Other Rate Base Elements		(945,497)	(660,319)	(127,253)	(4,347)	(25,316)	(60,716)	(8,059)	(59,487)
Total Original Cost Measure of Value		$ 11,102,062	$ 7,734,070	$ 1,495,335	$ 51,298	$ 297,399	$ 714,377	$ 96,993	$ 712,590

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1990 - 2002

	Average Daily Send Out (MGD)	Maximum Daily Use		
Year		MGD	Ratio to Average	Highest Use Day
(1)	(2)	(3)	(4)	(5)
1990	N/A	2.867	N/A	N/A
1991	N/A	2.950	N/A	N/A
1992	N/A	2.700	N/A	N/A
1993	N/A	2.310	N/A	N/A
1994	1.710	3.200	1.87	N/A
1995	1.627	3.319	2.04	N/A
1996	1.764	3.200	1.81	N/A
1997	1.860	3.106	1.67	7/26/1997
1998	1.719	3.360	1.95	7/19/1998
1999	1.893	4.200	2.22	7/18/1999
2000	2.229	4.582	2.06	7/16/2000
2001	2.146	4.783	2.23	7/22/2001
2002	2.349	5.088	2.17	7/26/2002

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER DISTRICT

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

Description		Restrictive Diameters Squared	Quantity	Relative Demand	Allocation Factor
(1)		(2)	(3)	(4)=(2)x(3)	(5)
PRIVATE FIRE PROTECTION					
Fire Lines					
2 -inch		4.00	1	4	
3 -inch		9.00	0	0	
4 -inch		16.00	5	80	
6 -inch		36.00	25	900	
8 -inch		64.00	9	576	
10 -inch		100.00	3	300	
12 -inch		144.00	0	0	
Private Hydrants		32.75	27	884	
Total Private Fire Protection			70	2,744	0.1419
PUBLIC FIRE PROTECTION					
Hydrant	Nozzle Sizes				
6" Valve	2- 2-1/2" & 1- 4.5"	32.75	0	0	
6" Valve	2- 2-1/2" & 1- 4"	28.50	582	16,587	
Total Public Fire Prorection			582	16,587	0.8581
Total Fire Protection			652	19,331	1.0000

ST. CHARLES DISTRICT

II-1 PART II. COST OF SERVICE BY CUSTOMER CLASSIFICATION

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES DISTRICT

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2002

Customer Classification	Cost of Service Amount (Schedule B)	Cost of Service Percent	Revenues, Present Rates Amount	Revenues, Present Rates Percent	Revenues, Proposed Rates Amount	Revenues, Proposed Rates Percent	Proposed Increase Amount	Proposed Increase Percent Increase
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Residential	$ 7,214,315	80.1%	$ 7,355,128	86.0%	$ 7,053,323	78.3%	$ (301,805)	-4.1%
Commercial	688,050	7.6%	922,270	10.8%	824,241	9.1%	(98,029)	-10.6%
Industrial	3,303	0.0%	4,132	0.0%	4,222	0.0%	90	2.2%
Public Authority	105,571	1.2%	157,589	1.8%	140,058	1.6%	(17,531)	-11.1%
Sales for Resale	-	0.0%	-	0.0%		0.0%	-	
Private Fire Service	128,182	1.4%	116,790	1.4%	116,790	1.3%	-	0.0%
Public Fire Service	869,438	9.7%	-	0.0%	869,438	9.7%	869,438	0.0%
Total Sales	9,008,859	100.0%	8,555,909	100.0%	9,008,072	100.0%	452,163	5.3%
Other Revenues	126,856		126,856		126,856		-	0.0%
Total	$ 9,135,715		$ 8,682,765		$ 9,134,928		$ 452,163	5.2%

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(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	(136)	(120)	(14)	(0)	(2)	0	(0)	(0)
Purchased Water	1	676,058	568,632	90,321	541	13,048	0	541	2,975
TOTAL SS EXPENSE - OPERATION		675,922	568,512	90,308	541	13,046	0	541	2,974
Misc Exp Oper SS	2	(18)	(16)	(2)	(0)	(0)	0	(0)	(0)
Misc Exp Oper SS	2	10	9	1	0	0	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	156	138	16	0	2	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
Infilt 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
Misc Plant Maint SS	2	0	0	0	0	0	0	0	0
Misc Plant Maint SS	2	18,082	15,952	1,821	9	262	0	5	33
TOTAL SS EXPENSE - MAINTENANCE		18,230	16,083	1,836	9	264	0	5	33
TOTAL SS EXPENSE		694,152	584,595	92,143	550	13,310	0	546	3,007
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	62,424	52,505	8,340	50	1,205	0	0	0
Labor & Exp Oper Pump	6	28,495	23,525	2,755	17	396	0	50	275
Labor & Exp Oper Pump	6	0	0	0	0	0	0	274	1,527
Expenses Transferred	6	0	0	0	0	0	0	0	0
Misc Exp Oper P	6	1	1	0	0	0	0	0	0
Rents Oper P	6	0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSE - OPERATION		90,920	76,031	11,095	67	1,601	0	324	1,802

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Super & Eng Maint P	6	0	0	0	0	0	0	0	0
Struct & Improve Maint P	6	2,530	2,089	245	2	35	0	24	136
Power Prod Equip Maint P	6	7,706	6,362	745	5	107	0	74	413
Pump Equip Maint P	6	7,295	6,023	705	4	101	0	70	391
Pump Equip Maint P	6	0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSES - MAINTENANCE		17,531	14,474	1,695	11	244	0	168	940
TOTAL PUMPING EXPENSES		108,451	90,505	12,791	78	1,845	0	492	2,742
WATER TREATMENT									
Super & Eng Oper WT	2	0	0	0	0	0	0	0	0
Chemicals	1	0	0	0	0	0	0	0	0
Labor & Exp Oper WT	2	0	0	0	0	0	0	0	0
Labor & Exp Oper WT	2	44	39	4	0	1	0	0	0
Misc Exp Oper WT	2	0	0	0	0	0	0	0	0
Misc Exp Oper WT	1	0	0	0	0	0	0	0	0
Misc Exp Oper WT	2	119	105	12	0	2	0	0	0
Rents Oper WT	2	31	27	3	0	0	0	0	0
TOTAL WT EXPENSE - OPERATION		194	171	20	0	3	0	0	0
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	(47)	(41)	(5)	(0)	(1)	0	(0)	(0)
TOTAL WT EXPENSE - MAINTENANCE		(47)	(41)	(5)	(0)	(1)	0	(0)	(0)
TOTAL WT EXPENSE		147	130	15	0	2	0	0	0
TRANSMISSION AND DISTRIBUTION EXPENSES									
Super & Eng Oper TD	11	1,307	963	94	0	13	0	44	192
Storage Facilty Exp	5	147	94	13	0	2	0	6	32
Storage Facilty Exp	5	5,220	3,351	458	2	66	0	205	1,137
TD Lines Exp	7	41,205	26,730	3,523	16	511	0	1,595	8,830
TD Lines Exp	7	69,332	44,976	5,928	28	860	0	2,683	14,858
Meter Expense	9	93	83	8	0	3	0	0	0
Meter Expense	9	0	0	0	0	0	0	0	0
Customer Install Exp	10	53,268	49,523	2,237	5	272	0	1,230	0
Customer Install Exp	10	0	0	0	0	0	0	0	0
Misc Exp Oper TD	11	37,829	27,880	2,720	11	382	0	1,279	5,557

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Misc Exp Oper TD	11	0	0	0	0	0	0	0	0
Misc Exp Oper TD	11	6,721	4,953	483	2	68	0	227	987
Rents Oper TD	11	334	246	24	0	3	0	11	49
TOTAL T & D EXPENSE OPERATION		215,456	158,799	15,488	66	2,180	0	7,280	31,643
Super & Eng Maint TD	12	1,721	1,160	106	1	17	0	45	392
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	44,763	29,038	3,827	18	555	0	1,732	9,593
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
Services Maint TD	10	27,351	25,428	1,149	3	139	0	632	0
Services Maint TD	10	0	0	0	0	0	0	0	0
Meters Maint TD	9	7,079	6,283	584	2	210	0	0	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	10,940	0	0	0	0	0	0	10,940
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Misc Plant Maint TD	12	17,032	11,480	1,051	5	170	0	446	3,880
Mat and Sup Maint TD	12	51,779	34,899	3,195	16	518	0	1,357	11,795
Misc Maint TD	12	605	408	37	0	6	0	16	138
Amort Def Maint TD	5	40,955	26,289	3,596	16	520	0	1,610	8,924
TOTAL T & D EXPENSE - MAINTENANCE		202,225	134,984	13,545	60	2,136	0	5,837	45,662
TOTAL T & D EXPENSE		417,681	293,783	29,033	126	4,316	0	13,118	77,305
CUSTOMER ACCOUNTS									
Supervision CA	13	25,559	24,544	813	3	59	0	141	0
Meter Reading Exp CA	14	112,853	108,971	3,611	11	260	0	0	0
Meter Reading Exp CA	14	34	33	1	0	0	0	0	0
Meter Reading Exp CA	14	0	0	0	0	0	0	0	0
Cust Rec & Collection CA	13	97,260	93,399	3,093	10	224	0	535	0
Cust Rec & Collection CA	13	60,017	57,634	1,909	6	138	0	330	0
Uncollectible Accts	13	24,071	23,116	765	2	55	0	132	0
Misc Cust Accts Exp CA	13	8,632	8,289	274	1	20	0	47	0
Misc Cust Accts Exp CA	13	373	358	12	0	1	0	2	0
Misc Cust Accts Exp CA	13	13,148	12,626	418	1	30	0	72	0
Cust Serv & Info Exp CA	13	1,369	1,315	44	0	3	0	8	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		343,316	330,285	10,940	34	790	0	1,267	0

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
ADMINISTRATIVE AND GENERAL EXPENSES									
Salaries AG	15	250,136	205,537	14,033	50	1,826	0	4,502	24,188
Other Supplies & Exp AG	15	40	33	2	0	0	0	1	4
Other Supplies & Exp AG	15	56,112	46,107	3,148	11	410	0	1,010	5,426
Other Supplies & Exp AG	15	42,226	34,697	2,369	8	308	0	760	4,083
Mgmt Fees-Coporate/Shared Service Center	15	302,069	248,210	16,946	60	2,205	0	5,437	29,210
Mgmt Fees-Call Center	13	249,132	239,241	7,922	25	573	0	1,370	0
Mgmt Fees-Belleville Lab	2	45,148	39,830	4,546	23	655	0	14	81
Mgmt Fees- Financial ITS	15	26,259	21,577	1,473	5	192	0	473	2,539
Mgmt Fees- Customer Billings ITS	13	148,252	142,366	4,714	15	341	0	815	0
Mgmt Fees-Other ITS	15	1,669	1,371	94	0	12	0	30	161
Outside Services AG	15	85,088	69,917	4,773	17	621	0	1,532	8,228
Outside Services AG	15	(244)	(200)	(14)	(0)	(2)	0	(4)	(24)
Property Insurance	15	0	0	0	0	0	0	0	0
Ins Gen Liab Oper AG	15	10,623	8,729	596	2	78	0	191	1,027
Ins Work Comp AG	16	17,492	14,681	929	3	119	0	283	1,476
Ins Other Oper AG	15	41,571	34,159	2,332	8	303	0	748	4,020
Property Insurance	15	0	0	0	0	0	0	0	0
Injuries & Damages	16	2,049	1,720	109	0	14	0	33	173
Employee Pension & Benefits	16	181,791	152,577	9,653	36	1,236	0	2,945	15,343
Employee Pension & Benefits	16	147,628	123,904	7,839	30	1,004	0	2,392	12,460
Employee Pension & Benefits	16	31,680	26,589	1,682	6	215	0	513	2,674
Reg Commision Exp	15	17,033	13,996	956	3	124	0	307	1,647
Rents AG	15	54,633	44,892	3,065	11	399	0	983	5,283
Goodwill Advertising Exp	15	2,013	1,654	113	0	15	0	36	195
Misc Exp AG	15	17,454	14,342	979	3	127	0	314	1,688
Research & Development	15	0	0	0	0	0	0	0	0
TOTAL A & G OPERATIONS		1,729,854	1,485,929	88,260	320	10,776	0	24,686	119,883
General Plant Maint AG	15	0	0	0	0	0	0	0	0
General Plant Maint AG	15	10,691	8,785	600	2	78	0	192	1,034
TOTAL A & G EXPENSE - MAINTENANCE		10,691	8,785	600	2	78	0	192	1,034
TOTAL A & G EXPENSE		1,740,545	1,494,714	88,860	322	10,854	0	24,878	120,917
Total Operation & Maintenance Expenses		3,304,292	2,794,011	233,782	1,110	31,116	0	40,302	203,971

MISSOURI-AMERICAN WATER COMPANY

ST. CHARLES DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
DEPRECIATION EXPENSE									
Struct & Imp P	6	29,682	24,505	2,870	18	413	0	285	1,591
Struct & Imp WT	2	0	0	0	0	0	0	0	0
Struct & Imp TD	7	17,684	11,472	1,512	7	219	0	684	3,790
Struct & Imp Offices	15	8,199	6,737	460	2	60	0	148	793
Struct & Imp Store,Shop,Gar	15	0	0	0	0	0	0	0	0
Struct & Imp Misc	15	25	21	1	0	0	0	0	2
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Wells & Springs	2	0	0	0	0	0	0	0	0
Supply Mains	2	26,723	23,575	2,691	13	387	0	8	48
Power Generation Equip Othe	6	5,563	4,593	538	3	77	0	53	298
Pump Equip Electric	6	73,958	61,060	7,152	44	1,028	0	710	3,964
Pump Equip Other	7	0	0	0	0	0	0	0	0
WT Equip Non-Media	2	552	487	56	0	8	0	0	1
Dist Reservoirs & Standpipe	5	34,331	22,037	3,014	14	436	0	1,349	7,481
Elevated Tanks & Standpipes	5	3,126	2,007	274	1	40	0	123	681
Ground Level Facilities	5	540	347	47	0	7	0	21	118
TD Mains Not Classified by	7	(2,943)	(1,909)	(252)	(1)	(36)	0	(114)	(631)
TD Mains 4 & Less "	4	6,594	4,060	555	3	80	0	290	1,606
TD Mains 6 to 8" "	4	75,087	46,231	6,322	30	909	0	3,304	18,291
TD Mains 10 to 16" "	3	177,103	143,436	16,364	89	2,355	0	2,267	12,592
TD Mains 18 & Grtr "	3	71,179	57,648	6,577	36	947	0	911	5,061
Fire Mains	8	3,100	0	0	0	0	0	0	3,100
Services	10	109,709	101,996	4,608	11	560	0	2,534	0
Meters Bronze Case	9	30,958	27,475	2,554	9	919	0	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	18,259	16,205	1,506	5	542	0	0	0
Meters Other-Rem Rdr Unts	9	0	0	0	0	0	0	0	0
Meter Installations	9	156,287	138,705	12,894	47	4,642	0	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	27,631	0	0	0	0	0	0	27,631
Utility Plant Acquisition Adjustment	17	1,691	1,300	137	1	22	0	26	205
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0
Other P/E TD	7	133	86	11	0	2	0	5	29
Other P/E CPS	15	0	0	0	0	0	0	0	0
Office Furniture & Equip	15	5,326	4,376	299	1	39	0	96	515
Comp & Periph Equip	15	9,221	7,577	517	2	67	0	166	892
Computer Software	15	8,702	7,150	488	2	64	0	157	841
Comp Software Personal	15	20,280	16,664	1,138	4	148	0	365	1,961
Data Handling Equipment	15	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Other Office Equipment	15	81	67	5	0	1	0	1	8
Trans Equip Lt Duty Trks	15	9,477	7,787	532	2	69	0	171	916
Trans Equip Hvy Duty Trks	15	16,272	13,371	913	3	119	0	293	1,574
Trans Equip Autos	15	1,948	1,601	109	0	14	0	35	188
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	37	30	2	0	0	0	1	4
Tools,Shop,Garage Equip	15	6,618	5,438	371	1	48	0	119	640
Tools,Shop,Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	774	683	78	0	11	0	0	1
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	3,636	2,988	204	1	27	0	65	352
Comm Equip Non-Telephone	15	1,097	901	62	0	8	0	20	106
Comm Equip Telephone	15	0	0	0	0	0	0	0	0
Misc Equipment	16	7,493	6,289	398	1	51	0	121	632
Other Tangible Property	15	190,880	156,846	10,708	38	1,393	0	3,436	18,458
Total Depreciation Expense		1,157,013	923,841	85,717	389	15,675	0	17,652	113,739
Amort-Other UP	18	0	0	0	0	0	0	0	0
Taxes Other Than Income									
Utility Reg Assessment Fee	19	38,017	30,444	2,904	15	445	0	540	3,669
Property Taxes	18	728,397	559,700	59,292	291	9,469	0	11,217	88,427
FUTA	16	865	726	46	0	6	0	14	73
FICA	16	57,015	47,853	3,027	11	388	0	924	4,812
SUTA	16	7	6	0	0	0	0	0	1
Other Taxes & Licenses	15	16,828	13,828	944	3	123	0	303	1,627
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
Total Taxes, Other Than Income		841,129	652,556	66,214	322	10,430	0	12,998	98,609
Income Taxes	18	1,028,826	790,550	83,746	412	13,375	0	15,844	124,899
Utility Income Available for Return	18	2,804,455	2,154,943	228,283	1,122	36,458	0	43,189	340,461
Total Cost of Service		9,135,715	7,315,901	697,742	3,353	107,055	0	129,984	881,680
Less: Other Water Revenues	19	126,856	101,586	9,692	51	1,484	0	1,801	12,242
Revenue Contribution	19	0	0	0	0	0	0	0	0
Total Other Water Revenues		126,856	101,586	9,692	51	1,484	0	1,801	12,242
Total Cost of Service Related to Sales of Water		$ 9,008,859	$ 7,214,315	$ 688,050	$ 3,303	$ 105,571	$ -	$ 128,182	$ 869,438

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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	7,310	0.8411
Commercial	1,161	0.1336
Industrial	7	0.0008
Other Public Authority	168	0.0193
Sales for Resale	0	0.0000
Private Fire Protection	7	0.0008
Public Fire Protection	38	0.0044
Total	8,691	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:

	Average Daily Consumption		Maximum Day Extra Capacity		
Customer Classification	Allocation Factor 1	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)x 0.4167	(4)	(5)=(4)x 0.5833	(6)=(3)+(5)
Residential	0.8411	0.3506	0.9114	0.5316	0.8822
Commercial	0.1336	0.0557	0.0772	0.0450	0.1007
Industrial	0.0008	0.0003	0.0003	0.0002	0.0005
Other Public Authority	0.0193	0.0080	0.0111	0.0065	0.0145
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0008	0.0003			0.0003
Public Fire Protection	0.0044	0.0018			0.0018
Total	1.0000	0.4167	1.0000	0.5833	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
ST. CHARLES 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	7,310	1.5	10,965	0.9114
Commercial	1,161	0.8	929	0.0772
Industrial	7	0.5	4	0.0003
Other Public Authority	168	0.8	134	0.0111
Sales for Resale	0	0.6	0	0.0000
Total	8,646		12,032	1.0000

The weighting of the factors is based on the maximum day ratio of 2.40, based on a review of maximum day ratios experienced during the period 1990 through 2002 (see Schedule D).

	Maximum Day Ratio	Weight
Average Day	1.00	0.4167
Maximum Day Extra Capacity	1.40	0.5833
Total	2.40	1.0000

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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.

	Average Daily Consumption		Maximum Day Extra Capacity		Fire Protection		
Customer Classification	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2) X 0.3825	(4)	(5)=(4) X 0.5356	(6)	(7)=(6) X 0.0819	(8)=(3)+(5)+(7)
Residential	0.8411	0.3217	0.9114	0.4882			0.8099
Commercial	0.1336	0.0511	0.0772	0.0413			0.0924
Industrial	0.0008	0.0003	0.0003	0.0002			0.0005
Other Public Authority	0.0193	0.0074	0.0111	0.0059			0.0133
Sales for Resale	0.0000	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.0008	0.0003			0.1529	0.0125	0.0128
Public Fire Protection	0.0044	0.0017			0.8471	0.0694	0.0711
Total	1.0000	0.3825	1.0000	0.5356	1.0000	0.0819	1.0000

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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 2.40 and the average daily system sendout for 2002 of 8.970 MGD. The system demand for fire protection is 8,000 Gallons per minute for 4 hours.

	Ratio	Rate of Flow, (GPD)	Weight
Average Day	1.00	8,970,000	0.3825
Maximum Day Extra Capacity	1.40	12,558,000	0.5356
Subtotal	2.40	21,528,000	0.9181
Fire Protection		1,920,000	0.0819
Total		23,448,000	1.0000

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
ST. CHARLES 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.

	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		
Customer Classification	Thousand Gallons	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3) X 0.2230	(5)	(6)=(5) X 0.4906	(7)	(8)=(7) X 0.2864	(9)=(4)+(6)+(8)
Residential	304.6	0.8411	0.1875	0.8727	0.4282			0.6157
Commercial	48.4	0.1336	0.0298	0.1109	0.0544			0.0842
Industrial	0.3	0.0008	0.0002	0.0004	0.0002			0.0004
Other Public Authority	7.0	0.0193	0.0043	0.0160	0.0078			0.0121
Sales for Resale	0.0	0.0000	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.3	0.0008	0.0002			0.1529	0.0438	0.0440
Public Fire Protection	1.6	0.0044	0.0010			0.8471	0.2426	0.2436
Total	362.2	1.0000	0.2230	1.0000	0.4906	1.0000	0.2864	1.0000

The maximum hour extra capacity factors in column 5 are determined as follows:

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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 3.20 and the average daily system sendout for 2002 of 8.970 MGD. The system demand for fire protection is 8,000 gallons per minute.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	6,229	0.2230
Maximum Hour Extra Capacity	2.20	13,704	0.4906
Subtotal	3.20	19,933	0.7136
Fire Protection		8,000	0.2864
Total		27,933	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	304.6	3.5	1,066.1	0.8727
Commercial	48.4	2.8	135.5	0.1109
Industrial	0.3	1.5	0.5	0.0004
Other Public Authority	7.0	2.8	19.6	0.0160
Sales for Resale	0.0	2.0	0.0	0.0000
Total	360.3		1,221.7	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
ST. CHARLES 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.

	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		
Customer Classification	Thousand Gallons	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3) X 0.2325	(5)	(6)=(5) X 0.5115	(7)	(8)=(7) X 0.2560	(9)=(4)+(6)+(8)
Residential	304.6	0.8411	0.1955	0.8727	0.4464			0.6419
Commercial	48.4	0.1336	0.0311	0.1109	0.0567			0.0878
Industrial	0.3	0.0008	0.0002	0.0004	0.0002			0.0004
Other Public Authority	7.0	0.0193	0.0045	0.0160	0.0082			0.0127
Sales for Resale	0.0	0.0000	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.3	0.0008	0.0002			0.1529	0.0391	0.0393
Public Fire Protection	1.6	0.0044	0.0010			0.8471	0.2169	0.2179
Total	362.2	1.0000	0.2325	1.0000	0.5115	1.0000	0.2560	1.0000

The weighting of the factors is based on the ratio of the capacity required for a 4 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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 4 hour demand of fire flow, as related to total storage capacity.

$$\text{Fire Protection Weight} = \frac{8{,}000 \text{ GPM X } 60 \text{ Min. X } 4 \text{ Hrs.}}{7{,}500{,}000 \text{ Gallons}} = 0.2560$$

$$\text{General Service Weight} = 1.0000 - 0.2560 = 0.7440$$

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	31.25	0.2325
Extra Capacity Maximum Hour	2.20	68.75	0.5115
Total	3.20	100.00	0.7440

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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:

	Maximum Daily Consumption		Maximum Daily Consumption		Maximum Hourly Consumption		
Customer Classification	Allocation Factor 2	Weighted Factor	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)X 0.7065	(4)	(5)=(4)X 0.1114	(6)	(7)=(6)X 0.1821	(8)=(3)+ (5)+(7)
Residential	0.8822	0.6233	0.8099	0.0902	0.6157	0.1121	0.8256
Commercial	0.1007	0.0711	0.0924	0.0103	0.0842	0.0153	0.0967
Industrial	0.0005	0.0004	0.0005	0.0001	0.0004	0.0001	0.0006
Other Public Authority	0.0145	0.0102	0.0133	0.0015	0.0121	0.0022	0.0139
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0003	0.0002	0.0128	0.0014	0.0440	0.0080	0.0096
Public Fire Protection	0.0018	0.0013	0.0711	0.0079	0.2436	0.0444	0.0536
Total	1.0000	0.7065	1.0000	0.1114	1.0000	0.1821	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	1,300	0.7065
Associated with Maximum Day and Fire	205	0.1114
Associated with Maximum Hour	335	0.1821
Total	1,840	1.0000

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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:

	Maximum Daily Consumption		Maximum Hourly Consumption		
Customer Classification	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)X 0.1693	(4)	(5)=(4)X 0.8307	(6)=(3)+(5)
Residential	0.8099	0.1371	0.6157	0.5116	0.6487
Commercial	0.0924	0.0156	0.0842	0.0699	0.0855
Industrial	0.0005	0.0001	0.0004	0.0003	0.0004
Other Public Authority	0.0133	0.0023	0.0121	0.0101	0.0124
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0128	0.0022	0.0440	0.0365	0.0387
Public Fire Protection	0.0711	0.0120	0.2436	0.2023	0.2143
Total	1.0000	0.1693	1.0000	0.8307	1.0000

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	410,796	0.1693
Distribution Mains	2,015,020	0.8307
Total	2,425,816	1.0000

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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	Allocation Factor
(1)	(3)
Public Fire Protection	1.0000
Total	1.0000

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	5/8" Dollar Equivalents	Allocation Factor
(1)	(2)	(3)
Residential	27,415	0.8875
Commercial	2,549	0.0825
Industrial	9	0.0003
Other Public Authority	919	0.0297
Sales for Resale	0	0.0000
Private Fire	0	0.0000
Total	30,892	1.0000

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size	5/8" Dollar Equivalent	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Total	
		Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting
(1)	(2)	(3)	(4)=(2)X(3)	(5)	(6)=(2)X(5)	(7)	(8)=(2)X(7)	(9)	(10)=(2)X(9)	(11)	(12)=(2)X(11)	(13)	(14)
5/8	1.0	26,169	26,169	361	361	0	0	5	5	0	0	26,535	26,535
3/4	1.3	1	1	0	0	0	0	0	0	0	0	1	1
1	1.7	691	1,175	192	326	0	0	3	5	0	0	886	1,506
1-1/2	3.5	15	53	169	592	0	0	5	18	0	0	189	663
2	4.3	4	17	150	645	2	9	21	90	0	0	177	761
3	19.0	0	0	7	133	0	0	14	266	0	0	21	399
4	29.3	0	0	8	234	0	0	10	293	0	0	18	527
6	48.4	0	0	3	145	0	0	5	242	0	0	8	387
8	112.9	0	0	1	113	0	0	0	0	0	0	1	113
Total		26,880	27,415	891	2,549	2	9	63	919	0	0	27,836	30,892

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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	27,010	0.9297
Commercial	1,221	0.0420
Industrial	4	0.0001
Other Public Authority	148	0.0051
Sales for Resale	0	0.0000
Private Fire Protection	670	0.0231
Total	29,053	1.0000

Schedule C-SCH

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

	3/4"	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Private Fire Protection		Total	
Service Size	Dollar Equivalent	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting
(1)	(2)	(3)	(4)=(2)X(3)	(5)	(6)=(2)X(5)	(7)	(8)=(2)X(7)	(9)	(10)=(2)X(9)	(11)	(12)=(2)X(11)	(13)	(14)=(2)X(11)	(15)	(16)
3/4	1.00	26,170	26,170	361	361	0	0	5	5	0	0	0	0	26,536	26,536
1	1.17	691	808	192	225	0	0	3	4	0	0	0	0	886	1,037
1-1/2	1.58	15	24	169	267	0	0	5	8	0	0	0	0	189	299
2	2.04	4	8	150	306	2	4	21	43	0	0	13	27	190	388
3	2.73	0	0	7	19	0	0	14	38	0	0	1	3	22	60
4	2.88	0	0	8	23	0	0	10	29	0	0	16	46	34	98
6	4.24	0	0	3	13	0	0	5	21	0	0	57	242	65	276
8	6.98	0	0	1	7	0	0	0	0	0	0	45	314	46	321
10	9.50	0	0	0	0	0	0	0	0	0	0	4	38	4	38
12	12.16	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		26,880	27,010	891	1,221	2	4	63	148	0	0	136	670	27,972	29,053

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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	$ 124,756	0.7370
Commercial	12,167	0.0719
Industrial	52	0.0003
Other Public Authority	1,713	0.0101
Sales for Resale	-	0.0000
Private Fire Protection	5,719	0.0338
Public Fire Protection	24,858	0.1469
Total	169,265	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	$ 60,749	0.6740
Commercial	5,560	0.0617
Industrial	23	0.0003
Other Public Authority	905	0.0100
Sales for Resale	-	0.0000
Private Fire Protection	2,364	0.0262
Public Fire Protection	20,533	0.2278
Total	$90,133	1.0000

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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	26,880	0.9603
Commercial	891	0.0318
Industrial	2	0.0001
Other Public Authority	63	0.0023
Sales for Resale	0	0.0000
Private Fire Protection	153	0.0055
Public Fire Protection	0	0.0000
Total	27,989	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	26,880	0.9656
Commercial	891	0.0320
Industrial	2	0.0001
Other Public Authority	63	0.0023
Sales for Resale	0	0.0000
Total	27,836	1.0000

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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	$678,160	0.8217
Commercial	46,261	0.0561
Industrial	197	0.0002
Other Public Authority	6,010	0.0073
Sales for Resale	0	0.0000
Private Fire Protection	14,833	0.0180
Public Fire Protection	79,805	0.0967
Total	$825,265	1.0000

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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	$657,400	0.8393
Commercial	41,587	0.0531
Industrial	164	0.0002
Other Public Authority	5,302	0.0068
Sales for Resale	0	0.0000
Private Fire Protection	12,676	0.0162
Public Fire Protection	66,071	0.0844
Total	$783,201	1.0000

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	$27,650,917	0.7687
Commercial	2,922,702	0.0813
Industrial	14,738	0.0004
Other Public Authority	467,384	0.0130
Sales for Resale	0	0.0000
Private Fire Protection	553,546	0.0154
Public Fire Protection	4,360,571	0.1212
Total	$35,969,859	1.0000

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES 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	$25,961,670	0.7684
Commercial	2,749,724	0.0814
Industrial	13,893	0.0004
Other Public Authority	439,960	0.0130
Sales for Resale	0	0.0000
Private Fire Protection	520,133	0.0154
Public Fire Protection	4,103,233	0.1214
Total	$33,788,613	1.0000

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	$7,271,461	0.8008
Commercial	693,882	0.0764
Industrial	3,335	0.0004
Other Public Authority	106,486	0.0117
Sales for Resale	0	0.0000
Private Fire Protection	129,137	0.0142
Public Fire Protection	876,364	0.0965
Total	$9,080,665	1.0000

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
RATE BASE									
Organization	17	$ 31,811	$ 24,453	$ 2,586	$ 13	$ 414	$ -	$ 490	$ 3,855
Franchises	17	12,572	9,664	1,022	5	163	0	194	1,524
Land & Ld Rights SS	2	5,372	4,739	541	3	78	0	2	10
Land & Ld Rights P	6	1,193	985	115	1	17	0	11	64
Land & Ld Rights WT	2	5,372	4,739	541	3	78	0	2	10
Land & Ld Rights TD	7	266,396	172,811	22,777	107	3,303	0	10,310	57,089
Land & Land Rights AG	15	0	0	0	0	0	0	0	0
Struct & Imp SS	2	0	0	0	0	0	0	0	0
Struct & Imp P	6	1,146,700	946,716	110,886	688	15,939	0	11,008	61,463
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	0	0	0	0	0	0	0	0
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	249,252	161,690	21,311	100	3,091	0	9,646	53,415
Struct & Imp TD Spec Cross	7	0	0	0	0	0	0	0	0
Struct & Imp Offices	15	201,145	165,281	11,284	40	1,468	0	3,621	19,451
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	954	784	54	0	7	0	17	92
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Wells & Springs	2	0	0	0	0	0	0	0	0
Supply Mains	2	2,077,775	1,833,013	209,232	1,039	30,128	0	623	3,740
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	216,521	178,760	20,938	130	3,010	0	2,079	11,606
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	1,469,817	1,213,481	142,131	882	20,430	0	14,110	78,782
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

MISSOURI-AMERICAN WATER COMPANY

ST. CHARLES DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
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	770	636	74	0	11	0	7	41
WT Equip Non-Media	2	13,202	11,647	1,329	7	191	0	4	24
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	0	0	0	0	0	0	0	0
Dist Reservoirs & Standpipe	5	1,029,655	660,936	90,404	412	13,077	0	40,465	224,362
Elevated Tanks & Standpipes	5	140,043	89,894	12,296	56	1,779	0	5,504	30,515
Ground Level Facilities	5	27,068	17,375	2,377	11	344	0	1,064	5,898
TD Mains Not Classified by	7	(3,049,961)	(1,978,510)	(260,772)	(1,220)	(37,820)	0	(118,033)	(653,607)
TD Mains 4 & Less "	4	467,829	288,042	39,391	187	5,661	0	20,584	113,963
TD Mains 6 to 8" "	4	5,331,121	3,282,371	448,880	2,132	64,507	0	234,569	1,298,661
TD Mains 10 to 16" "	3	12,625,799	10,225,635	1,166,624	6,313	167,923	0	161,610	897,694
TD Mains 18 & Grtr "	3	5,049,946	4,089,951	466,615	2,525	67,164	0	64,639	359,051
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	200,409	0	0	0	0	0	0	200,409
Services	10	3,533,984	3,285,545	148,427	353	18,023	0	81,635	0
Meters Bronze Case	9	518,281	459,974	42,758	155	15,393	0	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	258	229	21	0	8	0	0	0
Meters Other-Rem Rdr Unts	9	0	0	0	0	0	0	0	0
Meter Installations	9	2,727,399	2,420,567	225,010	818	81,004	0	0	0
Meter Installation Other	9	(388,359)	(344,669)	(32,040)	(117)	(11,534)	0	0	0
Hydrants	8	1,543,728	0	0	0	0	0	0	1,543,728
Other P/E Intangible	15	(306,586)	(251,922)	(17,199)	(61)	(2,238)	0	(5,519)	(29,647)
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Other P/E TD	7	2,888	1,873	247	1	36	0	112	619
Other P/E CPS	15	(76,440)	(62,811)	(4,288)	(15)	(558)	0	(1,376)	(7,392)
Office Furniture & Equip	15	520,755	427,904	29,214	104	3,802	0	9,374	50,357
Comp & Periph Equip	15	(40,279)	(33,097)	(2,260)	(8)	(294)	0	(725)	(3,895)
Computer Software	15	(36,309)	(29,835)	(2,037)	(7)	(265)	0	(654)	(3,511)
Comp Software Personal	15	90,467	74,337	5,075	18	660	0	1,628	8,748
Data Handling Equipment	15	0	0	0	0	0	0	0	0
Other Office Equipment	15	(1,060)	(871)	(59)	(0)	(8)	0	(19)	(103)
Trans Equip Lt Duty Trks	15	111,832	91,892	6,274	22	816	0	2,013	10,814
Trans Equip Hvy Duty Trks	15	67,170	55,194	3,768	13	490	0	1,209	6,495
Trans Equip Autos	15	(611)	(502)	(34)	(0)	(4)	0	(11)	(59)
Trans Equip Other	15	768	631	43	0	6	0	14	74
Stores Equipment	15	63	52	4	0	0	0	1	6
Tools,Shop,Garage Equip	15	69,586	57,179	3,904	14	508	0	1,253	6,729
Tools,Shop,Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	2,173	1,917	219	1	32	0	1	4
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	73,008	59,991	4,096	15	533	0	1,314	7,060
Comm Equip Non-Telephone	15	15,269	12,547	857	3	111	0	275	1,477
Comm Equip Telephone	15	(10,920)	(8,973)	(613)	(2)	(80)	0	(197)	(1,056)
Misc Equipment	15	76,416	62,791	4,287	15	558	0	1,375	7,389
Other Tangible Property	17	788,207	605,895	64,081	315	10,247	0	12,138	95,531
Total Utility Plant in Service		36,802,449	28,290,929	2,990,392	15,071	478,207	0	566,368	4,461,481
Other Rate Base Items									
Add:									
Other Utility Plant Adjustments	17	66,340	50,996	5,393	27	862	0	1,022	8,040
Cash Working Capital	15	0	0	0	0	0	0	0	0
Materials and Supplies	15	127,741	104,965	7,166	26	933	0	2,299	12,353
Prepayments	15	32,351	26,583	1,815	6	236	0	582	3,128
OPEB's Contributed to External Fund	16	290,176	243,545	15,408	58	1,973	0	4,701	24,491
Premature Retirement	17	0	0	0	0	0	0	0	0
Regulatory Deferrals	17	218,138	167,683	17,735	87	2,836	0	3,359	26,438
Less:									
Accumulated Deferred ITC (3%)	17	0	0	0	0	0	0	0	0
Deferred Income Taxes	17	(3,160,832)	(2,429,732)	(256,976)	(1,264)	(41,091)	0	(48,677)	(383,093)
Pensions	16	(587,750)	(493,299)	(31,210)	(118)	(3,997)	0	(9,522)	(49,606)
Total Other Rate Base Elements		(3,013,836)	(2,329,260)	(240,668)	(1,178)	(38,247)	0	(46,235)	(358,248)
Total Original Cost Measure of Value		$ 33,788,613	$ 25,961,670	$ 2,749,724	$ 13,893	$ 439,960	$ -	$520,133	$ 4,103,233

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1990 - 2002

Year	Average Daily Send Out (MGD)	Maximum Daily Use		
		MGD	Ratio to Average	Highest Use Day
(1)	(2)	(3)	(4)	(5)
1990	5.336	N/A	N/A	N/A
1991	6.749	N/A	N/A	N/A
1992	6.624	N/A	N/A	N/A
1993	6.001	10.000	1.67	6/18/1993
1994	7.158	16.543	2.31	6/15/1994
1995	8.125	18.000	2.22	7/13/1995
1996	7.343	17.573	2.39	7/7/1996
1997	8.345	18.550	2.22	7/25/1997
1998	7.802	19.001	2.44	7/19/1998
1999	8.835	20.447	2.31	7/24/1999
2000	8.290	17.570	2.12	7/9/2000
2001	8.755	19.920	2.28	8/5/2001
2002	8.970	21.350	2.38	7/21/2002

MISSOURI-AMERICAN WATER COMPANY
ST. CHARLES DISTRICT

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

Description		Restrictive Diameters Squared	Quantity	Relative Demand*	Allocation Factor
(1)		(2)	(3)	(4)=(2)x(3)	(5)
PRIVATE FIRE PROTECTION					
Fire Lines					
2 -inch		4.00	13	52	
3 -inch		9.00	0	0	
4 -inch		16.00	16	256	
6 -inch		36.00	57	2,052	
8 -inch		64.00	45	2,880	
10 -inch		100.00	4	400	
12 -inch		144.00	0	0	
Private Hydrants		32.75	18	590	
Total Private Fire Protection			153	6,230	0.1529
PUBLIC FIRE PROTECTION					
Hydrant	Nozzle Sizes				
6" Valve	2- 2-1/2" & 1- 4.5"	32.75	0	0	
6" Valve	2- 2-1/2"	12.50	2,762	34,525	
Total Public Fire Prorection			2,762	34,525	0.8471
Total Fire Protection			2,915	40,755	1.0000