

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2007

Customer Classification (1)	Cost of Service		Revenues, Present Rates		Revenues, Proposed Rates		Proposed Increase	
	Amount (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
Residential	\$ 11,087,570	50.3%	\$ 10,303,212	50.7%	\$ 11,252,085	51.0%	\$ 948,873	9.2%
Commercial	3,904,056	17.7%	3,972,953	19.6%	4,037,315	18.3%	64,362	1.6%
Industrial	3,509,141	15.9%	2,988,731	14.7%	3,367,805	15.3%	379,074	12.7%
Public Authority	824,469	3.7%	772,766	3.8%	820,552	3.7%	47,786	6.2%
Sales for Resale	2,504,778	11.4%	2,049,207	10.1%	2,354,433	10.7%	305,226	14.9%
Private Fire Service	231,587	1.0%	229,834	1.1%	229,834	1.0%	-	0.0%
Public Fire Service	-	0.0%	\$0	0.0%	\$0	0.0%	-	-
Total Sales	22,061,602	100.0%	20,316,703	100.0%	22,062,024	100.0%	1,745,321	8.6%
Other Revenues *	635,330		635,330		\$635,330		-	0.0%
Total	\$ 22,696,932		\$ 20,952,033		\$ 22,697,354		\$ 1,745,321	8.3%

* Includes Industrial Contract Sales.

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)			Commercial (5)			Industrial (6)			Public Authorities (7)		Sales for Resale (8)		Fire Protection (9)		Public (10)	
OPERATION AND MAINTENANCE EXPENSES																			
SOURCE OF SUPPLY EXPENSES																			
Super & Eng Oper SS	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Labor & Exp Oper SS	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Labor & Exp Oper SS	2	71,118	27,181	13,626	15,169	3,101	11,720	64	256	0	0	0	0	0	0	0	0	0	
Purchased Water	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL SS EXPENSE - OPERATION		71,118	27,181	13,626	15,169	3,101	11,720	64	256										
Misc Exp Oper SS	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Misc Exp Oper SS	2	439	168	84	94	19	72	0	2	0	0	0	0	0	0	0	0	0	
Rents Oper SS	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Super & Eng Maint SS	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Struct & Improve Maint SS	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Struct & Improve Maint SS	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Collect & Impound Maint SS	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Collect & Impound Maint SS	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Lake, River & Oth Maint SS	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Lake, River & Oth Maint SS	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Infill Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Infill Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Supply Plant Maint SS	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Supply Plant Maint SS	2	16,687	6,378	3,197	3,559	728	2,750	15	60	0	0	0	0	0	0	0	0	0	
Misc Plant Maint SS	2	17,126	6,546	3,281	3,653	747	2,822	15	62	0	0	0	0	0	0	0	0	0	
TOTAL SS EXPENSE - MAINTENANCE																			
TOTAL SS EXPENSE		88,244	33,727	16,908	18,822	3,847	14,543	79	318										
POWER AND PUMPING EXPENSES																			
Super & Eng Oper P	6	59,008	22,063	11,058	12,244	2,520	9,424	336	1,363	0	0	0	0	0	0	0	0	0	
Fuel for Power Prod	1	5,820	2,008	1,094	1,399	249	1,030	8	31	0	0	0	0	0	0	0	0	0	
Labor & Exp Oper Pwr Prod	6	(12,054)	(4,507)	(2,259)	(2,501)	(515)	(1,925)	(69)	(278)	0	0	0	0	0	0	0	0	0	
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Purch Fuel/Power for Pump	1	706,901	243,952	132,897	169,939	30,185	125,121	990	3,817	0	0	0	0	0	0	0	0	0	
Labor & Exp Oper Pump	6	489,544	183,040	91,740	101,580	20,904	78,180	2,790	11,308	0	0	0	0	0	0	0	0	0	
Labor & Exp Oper Pump	6	644	241	121	134	27	103	4	15	0	0	0	0	0	0	0	0	0	
Expenses Transferred	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Misc Exp Oper P	6	10,569	3,959	1,984	2,197	452	1,691	60	245	0	0	0	0	0	0	0	0	0	
Rents Oper P	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL PUMPING EXPENSE - OPERATION		1,260,451	450,756	236,636	284,992	53,821	213,624	4,120	16,501										

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Super & Eng Maint P	6	21,275	7,955	3,987	4,415	908	3,398	121	491
Struct & Improve Maint P	6	0	0	0	0	0	0	0	0
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Pump Equip Maint P	6	0	0	0	0	0	0	0	0
Pump Equip Maint P	6	409	153	77	85	17	65	2	9
TOTAL PUMPING EXPENSES - MAINTENANCE		21,684	8,108	4,064	4,499	926	3,463	124	501
TOTAL PUMPING EXPENSES		1,282,135	458,864	240,700	289,492	54,747	217,087	4,243	17,002
WATER TREATMENT									
Super & Eng Oper WT	2	73,253	27,997	14,035	15,625	3,194	12,072	66	264
Chemicals	1	739,670	255,260	139,058	177,817	31,584	130,922	1,036	3,994
Labor & Exp Oper WT	2	0	0	0	0	0	0	0	0
Labor & Exp Oper WT	2	60,516	23,129	11,595	12,908	2,638	9,973	54	218
Misc Exp Oper WT	2	4,833	1,847	926	1,031	211	796	4	17
Misc Exp Oper WT	1	296,976	102,486	55,831	71,393	12,681	52,565	416	1,604
Misc Exp Oper WT	2	11,649	4,452	2,232	2,485	508	1,920	10	42
Rents Oper WT	2	99	38	19	21	4	16	0	0
TOTAL WT EXPENSE - OPERATION		1,186,996	415,210	223,697	281,279	50,820	208,264	1,587	6,139
Super & Eng Maint WT	2	37	14	7	8	2	6	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	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	45,111	17,241	8,643	9,622	1,967	7,434	41	162
TOTAL WT EXPENSE - MAINTENANCE		45,148	17,256	8,650	9,630	1,968	7,440	41	163
TOTAL WT EXPENSE		1,232,145	432,466	232,347	290,910	52,789	215,705	1,627	6,302
TRANSMISSION AND DISTRIBUTION EXPENSES									
Super & Eng Oper TD	11	11,557	6,901	1,871	818	368	221	358	1,020
Storage Facility Exp	5	0	0	0	0	0	0	0	0
Storage Facility Exp	5	84	30	14	14	3	11	2	9
TD Lines Exp	7	228,777	91,808	44,818	26,790	10,181	7,046	9,609	38,526
TD Lines Exp	7	7,429	2,981	1,455	870	331	229	312	1,251
Meter Expense	9	132,845	106,356	18,585	3,653	3,029	1,222	0	0
Meter Expense	9	267	214	37	7	6	2	0	0
Customer Install Exp	10	81,062	67,557	8,017	551	762	113	4,061	0
Customer Install Exp	10	0	0	0	0	0	0	0	0
Misc Exp Oper TD	11	8,262	4,933	1,338	585	263	158	256	730

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Fire Protection Public (10)
Misc Exp Oper TD	11	2,723	1,626	441	193	87	52	84	240
Misc Exp Oper TD	11	51,600	30,810	8,354	3,653	1,641	986	1,600	4,556
Renis Oper TD	11	0	0	0	0	0	0	0	0
M & S Oper TD Mains	11	0	0	0	0	0	0	0	0
TOTAL T & D EXPENSE OPERATION		524,606	313,216	84,930	37,135	16,669	10,041	16,283	46,333
Super & Eng Maint TD	12	9,447	3,209	959	448	195	121	176	4,340
Struct & Improve Maint TD	12	395	134	40	19	8	5	7	181
Struct & Improve Maint TD	12	527	179	53	25	11	7	10	242
Dist Res Stand Maint TD	5	0	0	0	0	0	0	0	0
TD Main Maint TD	7	62,458	25,065	12,236	7,314	2,779	1,924	2,623	10,518
TD Main Maint TD	7	0	0	0	0	0	0	0	0
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Services Maint TD	10	11,858	9,882	1,173	81	111	17	594	0
Services Maint TD	10	0	0	0	0	0	0	0	0
Meters Maint TD	9	29,957	23,983	4,191	824	683	276	0	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	69,162	0	0	0	0	0	0	69,162
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Misc Plant Maint TD	12	49	17	5	2	1	1	1	23
Mat and Sup Maint TD	12	133,945	45,501	13,595	6,349	2,759	1,714	2,491	61,534
Misc Maint TD	12	0	0	0	0	0	0	0	0
Amort Def Maint TD	5	393,150	138,349	66,678	64,634	15,136	53,429	10,969	43,954
TOTAL T & D EXPENSE - MAINTENANCE		710,947	246,320	98,930	79,695	21,684	57,493	16,871	189,954
TOTAL T & D EXPENSE		1,235,554	559,536	183,860	116,830	38,353	67,534	33,154	236,287
CUSTOMER ACCOUNTS									
Supervision CA	13	48,491	42,992	4,398	175	301	29	596	0
Meter Reading Exp CA	14	291,101	261,292	26,723	1,077	1,834	175	0	0
Meter Reading Exp CA	14	3,834	3,441	352	14	24	2	0	0
Meter Reading Exp CA	14	2,787	2,502	256	10	18	2	0	0
Cust Rec & Collection CA	13	10,836	9,607	983	39	67	7	133	0
Cust Rec & Collection CA	13	139,525	123,702	12,655	502	865	84	1,716	0
Uncollectible Accts	13	212,635	188,523	19,286	765	1,318	128	2,615	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	37,372	33,134	3,390	135	232	22	460	0
Cust Serv & Info Exp CA	13	0	0	0	0	0	0	0	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		746,581	665,194	68,042	2,717	4,659	448	5,521	0

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref (2)	Cost of Service (3)	Residential (4)		Commercial (5)	Industrial (6)	Public Authorities (7)		Sales for Resale (8)		Fire Protection Public (10)	
							Private (9)			Public (10)		
ADMINISTRATIVE AND GENERAL EXPENSES												
Salaries AG	15	252,971	137,945		36,858	26,613	7,108		18,340	3,769		22,337
Other Supplies & Exp AG	15	99	54		14	10	3		7	1		9
Other Supplies & Exp AG	15	114,072	62,203		16,620	12,000	3,205		8,270	1,700		10,073
Other Supplies & Exp AG	15	82,365	44,914		12,001	8,665	2,314		5,971	1,227		7,273
Mgmt Fees-Admin	15	1,127,824	615,003		164,324	118,647	31,692		81,767	16,805		99,587
Mgmt Fees-Customer Service	13	430,255	381,464		39,024	1,549	2,668		258	5,292		0
Mgmt Fees-Belleville Lab	2	42,110	16,094		8,068	8,982	1,836		6,940	38		152
Mgmt Fees-Employee	15	185,247	101,015		26,991	19,488	5,205		13,430	2,760		16,357
Outside Services AG	15	99,571	54,296		14,507	10,475	2,798		7,219	1,484		8,792
Outside Services AG	15	135,750	74,024		19,779	14,281	3,815		9,842	2,023		11,987
Property Insurance	15	0	0		0	0	0		0	0		0
Ins Gen Liab Oper AG	15	194,393	106,002		28,323	20,450	5,462		14,093	2,896		17,165
Ins Work Comp AG	16	60,937	33,320		9,098	6,496	1,773		4,241	823		5,186
Ins Other Oper AG	15	42,780	23,328		6,233	4,500	1,202		3,102	637		3,777
Property Insurance	15	15,211	8,295		2,216	1,600	427		1,103	227		1,343
Injuries & Damages	16	632	346		94	67	18		44	9		54
Employee Pension & Benefits	16	541,741	296,224		80,862	57,750	15,765		37,705	7,314		46,102
Employee Pension & Benefits	16	115,358	63,078		17,223	12,297	3,357		8,029	1,557		9,817
Employee Pension & Benefits	16	50,115	27,403		7,462	5,342	1,458		3,488	677		4,265
Reg Commission Exp	15	34,421	18,770		5,015	3,621	967		2,496	513		3,039
Rents AG	15	50,462	27,517		7,352	5,309	1,418		3,659	752		4,456
Goodwill Advertising Exp	15	2,030	1,107		296	214	57		147	30		179
Misc Exp AG	15	325,663	177,584		47,449	34,260	9,151		23,611	4,852		28,756
Research & Development	15	0	0		0	0	0		0	0		0
TOTAL A & G OPERATIONS		3,904,008	2,269,987		549,850	372,616	101,702		253,762	55,385		300,706
General Plant Maint AG	15	0	0		0	0	0		0	0		0
General Plant Maint AG	15	15,757	8,592		2,296	1,658	443		1,142	235		1,391
TOTAL A & G EXPENSE - MAINTENANCE		15,757	8,592		2,296	1,658	443		1,142	235		1,391
TOTAL A & G EXPENSE		3,919,765	2,278,579		552,146	374,274	102,144		254,905	55,620		302,097
Total Operation & Maintenance Expenses		8,504,424	4,428,365		1,294,003	1,093,044	256,539		770,221	100,245		562,006

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref (2)	Cost of Service (3)	Residential (4)			Commercial (5)			Industrial (6)			Public Authorities (7)		Sales for Resale (8)		Fire Protection Private Public (9) (10)		
DEPRECIATION EXPENSE																		
Struct & Imp SS	2	51,415	19,651	9,851	10,967	2,242	8,473	46	185									
Struct & Imp P	6	79,625	29,772	14,922	16,522	3,400	12,716	454	1,839									
Struct & Imp WT	2	397,485	151,919	76,158	84,784	17,330	65,506	358	1,431									
Struct & Imp TD	7	10,716	4,300	2,099	1,255	477	330	450	1,805									
Struct & Imp Offices	15	0	0	0	0	0	0	0	0									
Struct & Imp Store, Shop, Gar	15	4,910	2,677	715	517	138	356	73	434									
Struct & Imp Misc	15	40,039	21,833	5,834	4,212	1,125	2,903	597	3,535									
Collect & Impounding	1	0	0	0	0	0	0	0	0									
Lake, River & Other Intakes	2	112	43	21	24	5	18	0	0									
Wells & Springs	2	586	224	112	125	26	97	1	2									
Supply Mains	2	149,821	57,262	28,706	31,957	6,532	24,691	135	539									
Power Generation Equip	6	267	100	50	55	11	43	2	6									
Pump Equip Electric	6	119,873	44,821	22,464	24,874	5,119	19,144	683	2,769									
Pump Equip Other	6	64	24	12	13	3	10	0	1									
Pump Equip WT	6	1,007	377	189	209	43	161	6	23									
WT Equip Non-Media	2	573,789	219,302	109,938	122,389	25,017	94,560	516	2,066									
WT Equip Filter Media	2	542	207	104	116	24	89	0	2									
Dist Reservoirs & Standpipe	5	34,660	12,197	5,878	5,698	1,334	4,710	967	3,875									
Elevated Tanks & Standpipes	5	6,986	2,458	1,185	1,148	269	949	195	781									
Ground Level Facilities	5	0	0	0	0	0	0	0	0									
TD Mains Not Classified by	7	45,189	18,134	8,853	5,292	2,011	1,392	1,898	7,610									
TD Mains 4 & Less	4	14,544	5,999	2,910	1,403	660	713	0	2,858									
TD Mains 6 to 8"	4	108,836	44,895	21,778	10,503	4,941	5,333	0	21,386									
TD Mains 10 to 16"	3	191,377	68,302	34,237	7,789	3,048	29,453	2,698	10,794									
TD Mains 18 & Grtr	3	74,898	26,731	13,399	14,912	3,048	11,527	1,056	4,224									
Services	10	87,100	72,589	8,614	592	819	122	4,364	0									
Meters Bronze Case	9	65,662	52,569	9,166	1,806	1,497	604	0	0									
Meters Plastic Case	9	1,956	1,566	274	54	45	18	0	0									
Meters Other	9	6,673	5,342	934	184	152	61	0	0									
Meters Other-Rem Rdr Units	9	1,286	1,030	180	35	29	12	0	0									
Meter Installations	9	76,810	61,494	10,746	2,112	1,751	707	0	0									
Meter Installation Other	9	0	0	0	0	0	0	0	0									
Meter Vaults	9	4,471	3,579	625	123	102	41	0	0									
Hydrants	8	53,198	0	0	0	0	0	0	53,198									
Utility Plant Acquisition Adjustment	17	0	0	0	0	0	0	0	0									
Other P/E WT Res Hand Equip	2	48,264	18,447	9,247	10,295	2,104	7,954	43	174									
Other P/E TD	7	0	0	0	0	0	0	0	0									
Other P/E CPS	15	0	0	0	0	0	0	0	0									
Office Furniture & Equip	15	8,783	4,789	1,280	924	247	637	131	776									
Comp & Periph Equip	15	41,068	22,394	5,984	4,320	1,154	2,977	612	3,626									
Computer Software	15	76,600	41,770	11,161	8,058	2,152	5,554	1,141	6,764									
Comp Software Personal	15	4,375	2,386	637	460	123	317	65	386									
Data Handling Equipment	15	2,565	1,399	374	270	72	186	38	226									
Other Office Equipment	15	11,773	6,420	1,715	1,239	331	854	175	1,040									
Trans Equip Lt Duty Trks	15	0	0	0	0	0	0	0	0									
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0									
Trans Equip Autos	15	0	0	0	0	0	0	0	0									

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Private	Fire Protection
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	4,956	2,703	722	521	139	359	74	438
Tools, Shop, Garage Equip	15	44,085	24,040	6,423	4,638	1,239	3,196	657	3,893
Tools, Shop, Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	13,796	5,273	2,643	2,943	602	2,274	12	50
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	10,028	5,468	1,461	1,055	282	727	149	885
Comm Equip Non-Telephone	15	3,290	1,794	479	346	92	239	49	291
Comm Equip Telephone	15	2,027	1,105	295	213	57	147	30	179
Misc Equipment	15	5,175	2,822	754	544	145	375	77	457
Total Depreciation Expense		2,480,682	1,070,207	433,151	415,810	94,679	304,488	23,800	138,548
Amort-Other JP	18	8,988	3,685	1,617	1,594	360	1,161	87	484
Amort-Intangible Fin	2	11,281	4,312	2,161	2,406	492	1,859	10	41
Taxes Other Than Income									
Utility Reg Assessment Fee	19	145,009	65,965	24,463	22,839	5,220	16,473	1,523	8,527
Property Taxes	18	983,230	403,124	176,883	174,425	39,329	127,033	9,537	52,898
FUTA	16	2,808	1,535	419	299	82	195	38	239
FICA	16	135,572	74,131	20,241	14,452	3,945	9,436	1,830	11,537
SUTA	16	5,779	3,160	863	616	168	402	78	492
Other Taxes & Licenses	15	8,326	4,540	1,213	876	234	604	124	735
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
Total Taxes, Other Than Income		1,280,724	552,455	224,082	213,507	48,979	154,143	13,130	74,427
Income Taxes	18	3,024,440	1,240,020	544,097	536,536	120,978	390,758	29,337	162,715
Utility Income Available for Return	18	7,386,393	3,028,421	1,328,812	1,310,346	295,456	954,322	71,648	397,388
Total Cost of Service		22,696,932	10,327,466	3,827,924	3,573,244	817,481	2,576,952	238,258	1,335,608
Less: Other Water Revenues	19	635,330	289,012	107,180	100,064	22,872	72,173	6,671	37,357
Revenue Contribution	19	0	0	0	0	0	0	0	0
Total Other Water Revenues		635,330	289,012	107,180	100,064	22,872	72,173	6,671	37,357
Total Cost of Service Related to Sales of Water		22,061,602	10,038,454	3,720,743	3,473,180	794,609	2,504,778	231,587	1,298,251
Reallocation of Public Fire	20	0	1,049,116	183,313	35,962	29,860	0	0	(1,298,251)
Total		\$ 22,061,602	\$ 11,087,570	\$ 3,904,056	\$ 3,509,141	\$ 824,469	\$ 2,504,778	\$ 231,587	\$ -

**MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS

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

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

Customer Classification (1)	Average Daily Consumption, Thousand Gallons (2)	Allocation Factor (3)
Residential	4,582	0.3451
Commercial	2,495	0.1880
Industrial	3,191	0.2404
Other Public Authority	567	0.0427
Sales for Resale	2,349	0.1770
Private Fire Protection	18	0.0014
Public Fire Protection	72	0.0054
Total	<u>13,274</u>	<u>1.0000</u>

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

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

Customer Classification (1)	Average Daily Consumption		Maximum Day Extra Capacity		Allocation Factor (6)=(3)+(5)
	Allocation Factor 1 (2)	Weighted Factor (3)=(2)x 0.6667	Allocation Factor (4)	Weighted Factor (5)=(4)x 0.3333	
Residential	0.3451	0.2301	0.4565	0.1521	0.3822
Commercial	0.1880	0.1253	0.1989	0.0663	0.1916
Industrial	0.2404	0.1603	0.1590	0.0530	0.2133
Other Public Authority	0.0427	0.0285	0.0452	0.0151	0.0436
Sales for Resale	0.1770	0.1180	0.1404	0.0468	0.1648
Private Fire Protection	0.0014	0.0009			0.0009
Public Fire Protection	0.0054	0.0036			0.0036
Total	<u>1.0000</u>	<u>0.6667</u>	<u>1.0000</u>	<u>0.3333</u>	<u>1.0000</u>

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. JOSEPH 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	4,582	1.0	4,582	0.4565
Commercial	2,495	0.8	1,996	0.1989
Industrial	3,191	0.5	1,596	0.1590
Other Public Authority	567	0.8	454	0.0452
Sales for Resale	2,349	0.6	1,409	0.1404
Total	13,184		10,037	1.0000

The weighting of the factors is based on the maximum day ratio of 1.50, based on a review of maximum day ratios experienced during the period 1990 through 2007 (see Schedule D).

	Maximum Day Ratio	Weight
Average Day	1.00	0.6667
Maximum Day Extra Capacity	0.50	0.3333
Total	1.50	1.0000

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

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

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

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

Customer Classification (1)	Average Daily Consumption		Maximum Day Extra Capacity		Fire Protection		Allocation Factor (8)=(3)+(5)+(7)
	Allocation Factor (2)	Weighted Factor (3)=(2) X 0.6225	Allocation Factor (4)	Weighted Factor (5)=(4) X 0.3113	Allocation Factor (6)	Weighted Factor (7)=(6) X 0.0662	
Residential	0.3451	0.2148	0.4565	0.1421			0.3569
Commercial	0.1880	0.1170	0.1989	0.0619			0.1789
Industrial	0.2404	0.1496	0.1590	0.0495			0.1991
Other Public Authority	0.0427	0.0266	0.0452	0.0141			0.0407
Sales for Resale	0.1770	0.1102	0.1404	0.0437			0.1539
Private Fire Protection	0.0014	0.0009			0.1994	0.0132	0.0141
Public Fire Protection	0.0054	0.0034			0.8006	0.0530	0.0564
Total	<u>1.0000</u>	<u>0.6225</u>	<u>1.0000</u>	<u>0.3113</u>	<u>1.0000</u>	<u>0.0662</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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 1.50 and the average daily system sendout for 2007 of 18.057 MGD. The system demand for fire protection is 8,000 Gallons per minute for 4 hours.

	<u>Ratio</u>	<u>Rate of Flow, (GPD)</u>	<u>Weight</u>
Average Day	1.00	18,057,000	0.6225
Maximum Day Extra Capacity	<u>0.50</u>	<u>9,028,500</u>	<u>0.3113</u>
Subtotal	<u><u>1.50</u></u>	27,085,500	0.9338
Fire Protection		<u>1,920,000</u>	<u>0.0662</u>
Total		<u><u>29,005,500</u></u>	<u><u>1.0000</u></u>

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

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

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

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

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

Customer Classification	Average Hourly Consumption		Maximum Hour Extra Capacity		Fire Protection		Allocation Factor (9)=(4)+(6)+(8)
	Thousand Gallons (2)	Allocation Factor (3)	Allocation Factor (5)	Weighted Factor (4)=(3) X 0.3791	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.2418	
Residential	190.9	0.4930	0.5950	0.1869			0.4125
Commercial	104.0	0.2685	0.2593	0.1018			0.2001
Industrial	65.0	0.1678	0.0868	0.0636			0.0965
Other Public Authority	23.6	0.0609	0.0589	0.0231			0.0454
Sales for Resale	0.0	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.8	0.0021		0.0008	0.1994	0.0482	0.0490
Public Fire Protection	3.0	0.0077		0.0029	0.8006	0.1936	0.1965
Total	387.3	1.0000	1.0000	0.3791	1.0000	0.2418	1.0000

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

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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 2007 of 18.057 MGD. The system demand for fire protection is 8,000 gallons per minute.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	12,540	0.3791
Maximum Hour Extra Capacity	<u>1.00</u>	<u>12,540</u>	<u>0.3791</u>
Subtotal	<u>2.00</u>	25,080	0.7582
Fire Protection		<u>8,000</u>	<u>0.2418</u>
Total		<u>33,080</u>	<u>1.0000</u>

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

Customer Classification	Average Hourly Consumption Thousand Gal.	Maximum Hour Extra Capacity		
		Factor*	1,000 Gallons Per Hour	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	190.9	3.5	668.2	0.5950
Commercial	104.0	2.8	291.2	0.2593
Industrial	65.0	1.5	97.5	0.0868
Other Public Authority	23.6	2.8	66.1	0.0589
Sales for Resale	<u>0.0</u>	2.0	<u>0.0</u>	<u>0.0000</u>
Total	<u>383.5</u>		<u>1,123.0</u>	<u>1.0000</u>

* Ratio of Maximum Hour To Average Hour Minus 1.0.

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

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

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

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES.

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

Customer Classification	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		Allocation Factor (9)=(4)+(6)+(8)
	Thousand Gallons (2)	Allocation Factor (3)	Weighted Factor (4)=(3) X 0.4316	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.4316	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.1368	
Residential	190.9	0.3451	0.1490	0.4703	0.2029			0.3519
Commercial	104.0	0.1880	0.0811	0.2050	0.0885			0.1696
Industrial	133.0	0.2404	0.1038	0.1404	0.0606			0.1644
Other Public Authority	23.6	0.0427	0.0184	0.0465	0.0201			0.0385
Sales for Resale	97.9	0.1770	0.0764	0.1378	0.0595			0.1359
Private Fire Protection	0.8	0.0014	0.0006			0.1994	0.0273	0.0279
Public Fire Protection	3.0	0.0054	0.0023			0.8006	0.1095	0.1118
Total	553.2	1.0000	0.4316	1.0000	0.4316	1.0000	0.1368	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. JOSEPH 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.

$$\text{Fire Protection Weight} = \frac{8,000 \text{ GPM} \times 60 \text{ Min.} \times 4 \text{ Hrs.}}{14,040,000 \text{ Gallons}} = 0.1368$$

$$\text{General Service Weight} = 1.0000 - 0.1368 = 0.8632$$

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	0.4316
Extra Capacity Maximum Hour	1.00	50.00	0.4316
Total	2.00	100.00	0.8632

Customer Classification (1)	Average Hourly Consumption Thousand Gal. (2)	Factor* (3)	Maximum Hour Extra Capacity	
			1,000 Gallons Per Hour (4)=(2)x(3)	Allocation Factor (5)
Residential	190.9	3.5	668.2	0.4703
Commercial	104.0	2.8	291.2	0.2050
Industrial	133.0	1.5	199.5	0.1404
Other Public Authority	23.6	2.8	66.1	0.0465
Sales for Resale	97.9	2.0	195.8	0.1378
Total	549.4		1420.8	1.0000

* Ratio of Maximum Hour To Average Hour Minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

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

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

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

Customer Classification	Maximum Daily Consumption		Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		Allocation Factor
	Allocation Factor 2	Weighted Factor	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
(1)	(2)	(3)=(2)X 0.6555	(4)	(5)=(4)X 0.3361	(6)	(7)=(6)X 0.0084	(8)=(3)+ (5)+(7)
Residential	0.3822	0.2505	0.3569	0.1200	0.4125	0.0034	0.3739
Commercial	0.1916	0.1256	0.1789	0.0601	0.2001	0.0017	0.1874
Industrial	0.2133	0.1398	0.1991	0.0669	0.0965	0.0008	0.2075
Other Public Authority	0.0436	0.0286	0.0407	0.0137	0.0454	0.0004	0.0427
Sales for Resale	0.1648	0.1080	0.1539	0.0517	0.0000	0.0000	0.1597
Private Fire Protection	0.0009	0.0006	0.0141	0.0047	0.0490	0.0004	0.0057
Public Fire Protection	0.0036	0.0024	0.0564	0.0190	0.1965	0.0017	0.0231
Total	<u>1.0000</u>	<u>0.6555</u>	<u>1.0000</u>	<u>0.3361</u>	<u>1.0000</u>	<u>0.0084</u>	<u>1.0000</u>

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

	Horsepower of Pumps	Weight
Associated with Maximum Day	2,350	0.6555
Associated with Maximum Day and Fire	1,205	0.3361
Associated with Maximum Hour	<u>30</u>	<u>0.0084</u>
Total	<u>3,585</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

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

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

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

Customer Classification	Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		Allocation Factor
	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
(1)	(2)	(3)=(2)X 0.2004	(4)	(5)=(4)X 0.7996	(6)=(3)+(5)
Residential	0.3569	0.0715	0.4125	0.3298	0.4013
Commercial	0.1789	0.0359	0.2001	0.1600	0.1959
Industrial	0.1991	0.0399	0.0965	0.0772	0.1171
Other Public Authority	0.0407	0.0082	0.0454	0.0363	0.0445
Sales for Resale	0.1539	0.0308	0.0000	0.0000	0.0308
Private Fire Protection	0.0141	0.0028	0.0490	0.0392	0.0420
Public Fire Protection	0.0564	0.0113	0.1965	0.1571	0.1684
Total	<u>1.0000</u>	<u>0.2004</u>	<u>1.0000</u>	<u>0.7996</u>	<u>1.0000</u>

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

	Total Footage of Mains	Weight
Transmission Mains	659,942	0.2004
Distribution Mains	<u>2,633,801</u>	<u>0.7996</u>
Total	<u>3,293,743</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

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

FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH FIRE HYDRANTS.

Costs are assigned directly to Public Fire Protection.

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

FACTOR 9. ALLOCATION OF COSTS ASSOCIATED WITH METERS.

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

<u>Customer Classification</u> (1)	<u>5/8" Dollar Equivalents</u> (2)	<u>Allocation Factor</u> (3)
Residential	29,623	0.8006
Commercial	5,175	0.1399
Industrial	1,017	0.0275
Other Public Authority	843	0.0228
Sales for Resale	339	0.0092
Private Fire	<u>0</u>	<u>0.0000</u>
Total	<u>36,997</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

Service Size (1)	3/4" Dollar Equivalent (2)	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Private Fire Protection		Total	
		Number of Services (3)	Weighting (4)=(2)X(3)	Number of Services (5)	Weighting (6)=(2)X(5)	Number of Services (7)	Weighting (8)=(2)X(7)	Number of Services (9)	Weighting (10)=(2)X(9)	Number of Services (11)	Weighting (12)=(2)X(11)	Number of Services (13)	Weighting (14)=(2)X(13)	Number of Services (15)	Weighting (16)
3/4	1.00	28,058	28,058	2,122	2,122	10	10	52	52	0	0	0	0	30,242	30,242
1	1.17	649	759	403	472	18	21	37	43	0	0	0	0	1,107	1,295
1-1/2	1.58	6	9	87	137	3	5	19	30	0	0	0	0	115	181
2	2.04	14	29	300	612	66	135	83	169	11	22	14	29	488	996
3	2.73	1	3	12	33	3	8	4	11	0	0	1	3	21	58
4	2.88	0	0	12	35	13	37	6	17	5	14	68	196	104	299
6	4.24	0	0	3	13	5	21	1	4	3	13	142	602	154	653
8	6.98	0	0	0	0	0	0	0	0	0	0	93	649	93	649
10	9.50	0	0	0	0	0	0	0	0	0	0	14	133	14	133
12	12.16	0	0	0	0	0	0	0	0	0	0	10	122	10	122
Total		28,728	28,858	2,939	3,424	118	237	202	326	19	49	342	1,734	32,348	34,628

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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.

<u>Customer Classification</u> (1)	<u>3/4" Dollar Equivalents</u> (2)	<u>Allocation Factor</u> (3)
Residential	28,858	0.8334
Commercial	3,424	0.0989
Industrial	237	0.0068
Other Public Authority	326	0.0094
Sales for Resale	49	0.0014
Private Fire Protection	<u>1,734</u>	<u>0.0501</u>
Total	<u><u>34,628</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size (1)	5/8" Dollar Equivalent (2)	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Total	
		Number of Meters (3)	Weighting (4)=(2)X(3)	Number of Meters (5)	Weighting (6)=(2)X(5)	Number of Meters (7)	Weighting (8)=(2)X(7)	Number of Meters (9)	Weighting (10)=(2)X(9)	Number of Meters (11)	Weighting (12)=(2)X(11)	Number of Meters (13)	Weighting (14)
5/8	1.0	26,850	26,850	1,963	1,963	6	6	38	38	0	0	28,857	28,857
3/4	1.3	1,208	1,570	159	207	4	5	14	18	0	0	1,385	1,800
1	1.7	649	1,103	403	685	18	31	37	63	0	0	1,107	1,882
1-1/2	3.5	6	21	87	305	3	11	19	67	0	0	115	404
2	4.3	14	60	300	1,290	66	284	83	357	11	47	474	2,038
3	19.0	1	19	12	228	3	57	4	76	0	0	20	380
4	29.3	0	0	12	352	13	381	6	176	5	147	36	1,056
6	48.4	0	0	3	145	5	242	1	48	3	145	12	580
8	112.9	0	0	0	0	0	0	0	0	0	0	0	0
Total		28,728	29,623	2,939	5,175	118	1,017	202	843	19	339	32,006	36,997

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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 <u>(1)</u>	Transmission & Distribution Operating Expenses <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	\$ 268,946	0.5971
Commercial	72,927	0.1619
Industrial	31,885	0.0708
Other Public Authority	14,311	0.0318
Sales for Resale	8,625	0.0191
Private Fire Protection	13,984	0.0310
Public Fire Protection	<u>39,787</u>	<u>0.0883</u>
Total	<u><u>450,465</u></u>	<u><u>1.0000</u></u>

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

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

Customer Classification <u>(1)</u>	Transmission & Distribution Maintenance Expenses <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	\$ 58,930	0.3397
Commercial	17,599	0.1015
Industrial	8,218	0.0474
Other Public Authority	3,574	0.0206
Sales for Resale	2,216	0.0128
Private Fire Protection	3,217	0.0186
Public Fire Protection	<u>79,680</u>	<u>0.4594</u>
Total	<u><u>\$173,434</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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.

<u>Customer Classification</u> (1)	<u>Total Customers</u> (2)	<u>Allocation Factor</u> (3)
Residential	28,728	0.8866
Commercial	2,939	0.0907
Industrial	118	0.0036
Other Public Authority	202	0.0062
Sales for Resale	19	0.0006
Private Fire Protection	398	0.0123
Public Fire Protection	0	0.0000
	<hr/>	<hr/>
Total	<u>32,404</u>	<u>1.0000</u>

FACTOR 14. ALLOCATION OF METER READING COSTS.

Factors are based on the number of metered customers.

<u>Customer Classification</u> (1)	<u>Total Metered Customers</u> (2)	<u>Allocation Factor</u> (3)
Residential	28,728	0.8976
Commercial	2,939	0.0918
Industrial	118	0.0037
Other Public Authority	202	0.0063
Sales for Resale	19	0.0006
	<hr/>	<hr/>
Total	<u>32,006</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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.

<u>Customer Classification</u> (1)	<u>Operation & Maintenance Expenses</u> (2)	<u>Allocation Factor</u> (3)
Residential	\$1,546,080	0.5453
Commercial	412,976	0.1457
Industrial	298,223	0.1052
Other Public Authority	79,697	0.0281
Sales for Resale	205,678	0.0725
Private Fire Protection	42,176	0.0149
Public Fire Protection	<u>250,462</u>	<u>0.0883</u>
Total	<u><u>\$2,835,292</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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 <u>(1)</u>	Direct Labor Expense <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	\$1,028,245	0.5468
Commercial	280,762	0.1493
Industrial	200,359	0.1066
Other Public Authority	54,702	0.0291
Sales for Resale	130,808	0.0696
Private Fire Protection	25,430	0.0135
Public Fire Protection	159,985	0.0851
Total	<u>\$1,880,291</u>	<u>1.0000</u>

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

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

Customer Classification <u>(1)</u>	Original Cost Less Depreciation <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	\$37,974,463	0.4097
Commercial	16,677,617	0.1800
Industrial	16,459,723	0.1776
Other Public Authority	3,707,946	0.0400
Sales for Resale	11,987,041	0.1293
Private Fire Protection	895,139	0.0097
Public Fire Protection	4,976,204	0.0537
Total	<u>\$92,678,131</u>	1.0000

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref (2)	Cost of Service (3)	Residential (4)			Commercial (5)		Industrial (6)		Public Authorities (7)		Sales for Resale (8)		Fire Protection (9)		Public (10)
			\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
RATE BASE																
Organization	17	\$ 12,911	\$ 5,290	\$ 2,324	\$ 2,293	\$ 516	\$ 1,669	\$ 125	\$ 693							
Franchises	17	0	0	0	0	0	0	0	0							
Land & Ld Rights SS	2	1,414,424	540,593	271,004	301,697	61,669	233,097	1,273	5,092							
Land & Ld Rights P	6	8,921	3,336	1,672	1,851	381	1,425	51	206							
Land & Ld Rights WT	2	0	0	0	0	0	0	0	0							
Land & Ld Rights TD	7	840,806	337,416	164,714	98,458	37,416	25,897	35,314	141,592							
Land & Ld Rights AG	15	8,112	4,424	1,182	853	228	588	121	716							
Struct & Imp SS	2	1,872,614	715,713	358,793	399,429	81,646	308,607	1,685	6,741							
Struct & Imp P	6	4,272,088	1,597,334	800,589	886,458	182,418	682,252	24,351	98,685							
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	20,650,421	7,892,591	3,956,621	4,404,735	900,358	3,403,189	18,585	74,342							
Struct & Imp WT Nth Pit (ST)	2	0	0	0	0	0	0	0	0							
Struct & Imp WT Ctrl Pit 1	2	0	0	0	0	0	0	0	0							
Struct & Imp WT Ctrl Pit 3	2	0	0	0	0	0	0	0	0							
Struct & Imp WT Sth Pit (ST)	2	0	0	0	0	0	0	0	0							
Struct & Imp WT Meramec (ST)	2	0	0	0	0	0	0	0	0							
Struct & Imp TD	7	351,631	141,110	68,885	41,176	15,648	10,830	14,769	59,215							
Struct & Imp TD Spec Cross	7	0	0	0	0	0	0	0	0							
Struct & Imp AG	15	0	0	0	0	0	0	0	0							
Struct & Imp Offices	15	402,155	219,295	58,594	42,307	11,301	29,156	5,992	35,510							
Gen Structures HVAC	15	0	0	0	0	0	0	0	0							
Struct & Imp Leasehold	15	33	18	5	3	1	2	0	3							
Struct & Imp Leasehold	15	0	0	0	0	0	0	0	0							
Struct & Imp Store, Shop, Gar	15	166,763	90,936	24,297	17,543	4,686	12,090	2,485	14,725							
Struct & Imp Misc	15	752,083	410,111	109,578	79,119	21,134	54,526	11,206	66,409							
Collect & Impounding	1	0	0	0	0	0	0	0	0							
Lake, River & Other Intakes	2	685,736	262,088	131,387	146,267	29,898	113,009	617	2,469							
Wells & Springs	2	63,700	24,346	12,205	13,587	2,777	10,498	57	229							
Supply Mains	2	8,186,662	3,128,942	1,568,564	1,746,215	356,938	1,349,162	7,368	29,472							
Supply Mains Nth Pit (STL)	2	0	0	0	0	0	0	0	0							
Supply Mains Ctrl Pit (STL)	2	0	0	0	0	0	0	0	0							
Supply Mains Sth Pit (STL)	2	0	0	0	0	0	0	0	0							
Supply Mains Meramec Pit (S)	2	0	0	0	0	0	0	0	0							
Power Generation Equip	6	12,862	4,809	2,410	2,669	549	2,054	73	297							
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	4,120,689	1,540,726	772,217	855,043	175,953	658,074	23,488	95,188							
Pump Equip Elec Pre46 (STL)	6	0	0	0	0	0	0	0	0							
Pump Equip Elec Post46 (STL)	6	0	0	0	0	0	0	0	0							
Pump Equip Elec Boosters Po	6	0	0	0	0	0	0	0	0							
Pump Equip Diesel	6	0	0	0	0	0	0	0	0							
Pump Equip Diesel Stralman	6	0	0	0	0	0	0	0	0							
Pump Equip Diesel Ctrl Pit	6	0	0	0	0	0	0	0	0							
Pump Equip Hydraulic	6	0	0	0	0	0	0	0	0							
Pump Equip Other	6	2,570	961	482	533	110	410	15	59							

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref (2)	Cost of Service (3)	Residential (4)			Commercial (5)			Industrial (6)			Public Authorities (7)		Sales for Resale (8)		Fire Protection Private (9)		Public (10)	
Pump Equip WT	6	40,292	15,065	7,551	8,361	1,720	6,435	230	931										
Pump Equip TD	6	0	0	0	0	0	0	0	0										
WT Equip Non-Media	2	15,366,880	5,873,222	2,944,294	3,277,756	669,996	2,532,462	13,830	55,321										
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	18,887	7,219	3,619	4,029	823	3,113	17	68										
Dist Reservoirs & Standpipe	5	645,240	227,060	109,433	106,077	24,842	87,688	18,002	72,138										
Elevated Tanks & Standpipes	5	276,768	97,395	46,940	45,501	10,656	37,613	7,722	30,943										
Ground Level Facilities	5	0	0	0	0	0	0	0	0										
TD Mains Not Classified by	7	(1,188,149)	(476,804)	(232,758)	(139,132)	(52,873)	(36,595)	(49,902)	(200,084)										
TD Mains 4 & Less "	4	788,356	325,197	157,750	76,076	35,791	38,629	38,629	154,912										
TD Mains 6 to 8" "	4	7,869,692	3,246,248	1,574,725	759,425	357,284	0	385,615	1,546,394										
TD Mains 10 to 16" "	3	9,532,467	3,402,137	1,705,358	1,697,914	387,971	1,467,047	134,408	537,631										
TD Mains 18 & Grtr "	3	3,675,427	1,311,760	657,534	731,778	149,590	565,648	51,824	207,294										
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										
TD Mains DI 4in (STL) "	4	0	0	0	0	0	0	0	0										
Fire Mains	8	0	0	0	0	0	0	0	0										
Services	10	2,416,965	2,014,299	239,038	16,435	22,719	3,384	121,090	0										
Meters Bronze Case	9	2,642,680	2,115,729	369,711	72,674	60,253	24,313	0	0										
Meters Plastic Case	9	66,984	53,628	9,371	1,842	1,527	616	0	0										
Meters Other	9	(814,217)	(651,862)	(113,909)	(22,391)	(18,564)	(7,491)	0	0										
Meters Other-Rem Rdr Unts	9	51,742	41,425	7,239	1,423	1,180	476	0	0										
Meter Installations	9	2,240,253	1,793,547	313,411	61,607	51,078	20,610	0	0										
Meter Installation Other	9	0	0	0	0	0	0	0	0										
Meter Vaults	9	179,725	143,888	25,143	4,942	4,098	1,653	0	0										
Hydrants	8	1,787,082	0	0	0	0	0	0	0										
Other P/E Intangible	15	0	0	0	0	0	0	0	0										
Other P/E WT Res Hand Equip	2	1,334,139	509,908	255,621	284,572	58,168	219,866	1,201	4,803										
Other P/E TD	7	0	0	0	0	0	0	0	0										
Other P/E CPS	15	78,868	43,006	11,491	8,297	2,216	5,718	1,175	6,964										
Office Furniture & Equip	15	(182,790)	(99,675)	(26,633)	(19,230)	(5,136)	(13,252)	(2,724)	(16,140)										
Comp & Periph Equip	15	365,453	199,281	53,246	38,446	10,269	26,495	5,445	32,269										
Computer Software	15	215,519	117,523	31,401	22,673	6,056	15,625	3,211	19,030										
Comp Software Personal	15	37,223	20,298	5,423	3,916	1,046	2,699	555	3,287										
Comp Software Other	15	0	0	0	0	0	0	0	0										

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)			Commercial (5)			Industrial (6)			Public Authorities (7)		Sales for Resale (8)		Fire Protection Private (9)		Public (10)					
Data Handling Equipment	15	27,361			14,920			3,987			2,878			769			1,984			408			2,416
Other Office Equipment	15	132,004			71,982			19,233			13,887			3,709			9,570			1,967			11,656
Trans Equip Lt Duty Trks	15	186,169			101,518			27,125			19,585			5,231			13,497			2,774			16,439
Trans Equip Hwy Duty Trks	15	43,340			23,633			6,315			4,559			1,218			3,142			646			3,827
Trans Equip Autos	15	17,539			9,564			2,555			1,845			493			1,272			261			1,549
Trans Equip Other	15	(235,350)			(128,337)			(34,291)			(24,759)			(6,613)			(17,063)			(3,507)			(20,781)
Stores Equipment	15	138,436			75,489			20,170			14,563			3,890			10,037			2,063			12,224
Tools, Shop, Garage Equip	15	638,492			348,170			93,028			67,169			17,942			46,291			9,514			56,379
Tools, Shop, Garage Equip Oth	15	0			0			0			0			0			0			0			0
Laboratory Equipment	2	271,648			103,824			52,048			57,943			11,844			44,768			244			978
Laboratory Equip Other	2	0			0			0			0			0			0			0			0
Power Operated Equipment	15	78,045			42,558			11,371			8,210			2,193			5,658			1,163			6,891
Comm Equip Non-Telephone	15	38,083			20,767			5,549			4,006			1,070			2,761			567			3,363
Remote Control & Instr	15	0			0			0			0			0			0			0			0
Comm Equip Telephone	15	18,348			10,005			2,673			1,930			516			1,330			273			1,620
Misc Equipment	15	66,259			36,131			9,654			6,970			1,862			4,804			987			5,851
Other Tangible Property	17	0			0			0			0			0			0			0			0
Total Utility Plant in Service		92,691,042			37,979,753			16,679,941			16,462,016			3,708,462			11,988,710			895,264			4,976,897
Other Rate Base Items																							
Add:																							
Other Utility Plant Adjustments	17	0			0			0			0			0			0			0			0
Cash Working Capital	15	0			0			0			0			0			0			0			0
Materials and Supplies	15	190,833			104,061			27,804			20,076			5,362			13,835			2,843			16,851
Prepayments	15	103,915			56,665			15,140			10,932			2,920			7,534			1,548			9,176
OPEB's Contributed to External Fund	16	294,869			161,234			44,024			31,433			8,581			20,523			3,981			25,093
Pension / OPEB Tracker	16	40,751			22,283			6,084			4,344			1,186			2,836			550			3,468
Regulatory Deferrals	17	207,500			85,013			37,350			36,852			8,300			26,830			2,013			11,143
Less:																							
Accumulated Deferred ITC (3%)	17	(20,893)			(8,560)			(3,761)			(3,711)			(836)			(2,702)			(203)			(1,122)
Deferred Income Taxes	17	(7,220,748)			(2,958,340)			(1,299,735)			(1,282,405)			(288,830)			(933,643)			(70,041)			(387,754)
Pensions	16	(998,979)			(218,162)			(59,568)			(42,531)			(11,610)			(27,769)			(5,386)			(33,953)
Total Other Rate Base Elements		(6,802,752)			(2,755,806)			(1,232,660)			(1,225,010)			(274,927)			(892,555)			(64,695)			(357,099)
Total Original Cost Measure of Value		\$ 85,888,290			\$ 35,223,946			\$ 15,447,280			\$ 15,237,006			\$ 3,433,535			\$ 11,096,155			\$ 830,569			\$ 4,619,798

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1990-2007

Year	Average Daily Send out (MGD)	Maximum Daily Use		
		MGD	Ratio to Average	Highest Use Day
(1)	(2)	(3)	(4)	(5)
1990	16.540	22.556	1.36	9/30/1990
1991	16.389	24.628	1.50	7/20/1991
1992	15.936	21.983	1.38	6/30/1992
1993	15.958	21.619	1.35	6/15/1993
1994	14.665	22.291	1.52	8/25/1994
1995	14.525	22.125	1.52	7/12/1995
1996	15.116	19.378	1.28	7/18/1996
1997	15.018	20.865	1.39	7/16/1997
1998	15.018	20.912	1.39	8/24/1998
1999	16.047	21.888	1.36	7/30/1999
2000	15.185	21.096	1.39	8/16/2000
2001	14.232	19.574	1.38	8/6/2001
2002	15.117	22.027	1.46	7/31/2002
2003	14.994	22.510	1.50	8/8/2003
2004	14.889	19.653	1.32	7/27/2004
2005	15.003	21.333	1.42	7/21/2005
2006	16.891	23.463	1.39	5/25/2006
2007	18.057	23.952	1.33	7/17/2007

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

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

Description (1)	Restrictive Diameters Squared (2)	Quantity (3)	Relative Demand* (4)=(2)x(3)	Allocation Factor (5)
<u>PRIVATE FIRE PROTECTION</u>				
<u>Fire Lines</u>				
2 -inch	4.00	14	56	
3 -inch	9.00	1	9	
4 -inch	16.00	68	1,088	
6 -inch	36.00	142	5,112	
8 -inch	64.00	93	5,952	
10 -inch	100.00	14	1,400	
12 -inch	144.00	10	1,440	
Private Hydrants	20.25	56.1	1,136	
Total Private Fire Protection		398.1	16,193	0.1994
<u>PUBLIC FIRE PROTECTION</u>				
<u>Hydrant</u>	<u>Nozzle Sizes</u>			
4 1/2" Valve	2- 2-1/2" & 1- 4 1/2"	20.25	2,561	51,860
5 1/4" Valve	2- 2-1/2" & 1- 4 1/2"	26.50	19	504
5" Valve	2- 2-1/2" & 1- 4 1/2"	25.00	465	11,625
5 1/2" Valve	2- 2-1/2" & 1- 4 1/2"	26.50	4	106
6" Valve	2- 2-1/2" & 1- 4 1/2"	26.50	34	901
2" Valve	2- 2-1/2" & 1- 4 1/2"	4.00	1	4
2 1/4" Valve	2- 2-1/2" & 1- 4 1/2"	5.06	1	5
3" Valve	2- 2-1/2" & 1- 4 1/2"	9.00	1	9
3 1/4" Valve	2- 2-1/2" & 1- 4 1/2"	10.56	1	11
Total Public Fire Protection		3,087	65,025	0.8006
Total Fire Protection		3,485	81,218	1.0000

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

CALCULATION OF CUSTOMER CHARGE

(1) Expense Related to Meters	2,513,484	
(2) Meter Equivalents X 12	443,964	
(3) Expense per Bill - Meter related		\$5.66
(4) Expense Related to Services	640,637	
(5) Service Equivalents X 12	394,728	
(6) Expense per Bill - Services related		\$1.62
(7) Expense Related to Billing and Collecting	2,194,389	
(8) Number of Customers X 12	388,849	
(9) Expense per Bill - Billing and Collecting		\$5.64
(10) Total Customer Charge (3)+(6)+(9)		\$12.93