

**Proforma State and Federal Income Taxes at Present and Proposed Rates
For the Test Year Ended December 31, 2010**

**Missouri Public Service Commission
Company: Missouri-American Water Company
Total Company - Water and Waste Water**

**Case No. WR-2011-XXXX
Schedule CAS-11
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Line #

1 The Company's federal and state income taxes will be affected by all of the pro forma adjustments made
2 at present and proposed rates.
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	At Present Rates		At Proposed Rates		
	Federal	State	Federal	State	
7					
8					
9					
10	Utility Operating Income Before Income Taxes	\$63,319,969	\$63,319,969	\$105,785,518	\$105,785,518
11					
12	Interest Expense Deduction	\$26,661,955	\$26,661,955	\$26,661,955	\$26,661,955
13					
14	Income Before Addbacks (Deducts)	\$36,658,014	\$36,658,014	\$79,123,563	\$79,123,563
15					
16	Addback (Deducts):				
17	Tax over Book Depreciation	-\$555,154	-\$2,658,603	-\$555,154	-\$2,658,603
18	Non-deductible Meals	\$88,000	\$88,000	\$88,000	\$88,000
19	Amortization Preferred Stock Expense	\$1,390	\$1,390	\$1,390	\$1,390
20	Non-deductible Reserve Deficiency	\$0	\$0	\$0	\$0
21					
22	Total Addbacks (Deducts)	-\$465,764	-\$2,569,213	-\$465,764	-\$2,569,213
23					
24	Taxable Income	\$36,192,250	\$34,088,801	\$78,657,799	\$76,554,350
25					
26	Effective Tax Rate (1)	33.1754%	5.2133%	33.1754%	5.2133%
27					
28	Proforma Income Tax at Present / Proposed Rates	\$12,006,909	\$1,777,141	\$26,095,008	\$3,990,985
29					
30	Per Books Amount / Present Rates	-\$11,176,092	-\$1,823,379	\$12,006,911	\$1,777,143
31					
32	Proforma adjustment	\$23,183,001	\$3,600,520	\$14,088,097	\$2,213,842
33					
34					
35					
36					
37	(1) Based on a 6.25% statutory rate for SIT and 35% for FIT				
38					
39					
40					