

**Overall Revenue Requirement Summary
For the Test Year Ended June 30, 2009**

Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer

Case No. SR-2010-XXXX
Schedule CAS-2-WCS
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Line No.	Description	Schedule	Amount
1	Rate Base	CAS-3-WCS	\$3,135,777
2	Operating Income at Present Rates	CAS-8-WCS	(273,080)
3	Earned Rate of return		-8.71%
4	Requested Rate of Return	Chao Testimony	8.91%
5	Required Operating Income		279,398
6	Operating Income Deficiency		552,478
7	Gross Revenue Conversion Factor		1.63558
8	Revenue Deficiency		903,622
9	Adjusted Operating Revenues	CAS-8-WCS	190,420
10	Total Revenue Requirement		\$1,094,042
11	Gross Revenue Conversion Factor		
12	Revenue		\$1,000,000
13	Uncollectibles		7,645
14	PSC Assessment		0,000
15	Before Tax Amount		992,355
16	State Income Taxes		51,734
17	Federal Income Taxes		329,217
18	Total Taxes and Expenses		388,596
19	Net Amount		\$611,404
20	Conversion Factor		1.63558

Rate Base Summary
Test Year Ended June 30, 2009

Missouri Public Service Commission
 Company: Missouri-American Water Company
 District: Warren County Sewer

Case No. SR-2010-XXXX
 Schedule CAS-3-WCS
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Line #	Rate Base Component	Supporting Reference	Per Books 06/30/09	Adjustments	Pro Forma Rate Base
1					
2					
3					
4					
5	Utility Plant in Service	CAS-4-WCS	3,974,546	85,321	4,059,867
6					
7	Accumulated Provision for Depreciation	CAS-5-WCS	(573,859)	(2,386)	(576,245)
8					
9	Accumulated Amortization	W/P's	0	0	0
10					
11	Utility Plant Acquisition Adjustments	W/P's	0	0	0
12					
13	Net Utility Plant		<u>3,400,687</u>	<u>82,935</u>	<u>3,483,622</u>
14					
15					
16	Less:				
17	Customer Advances	CAS-6-WCS	4,033	22,685	26,718
18	Contributions in Aid of Construction	CAS-6-WCS	26,616	(257)	26,359
19	Accumulated Deferred ITC (3%)	W/P's	0	0	0
20	Deferred Income Taxes	W/P's	284,561	8,040	292,601
21	Pension Liability	W/P's	4,801	(4)	4,797
22					
23					
24	Subtotal		<u>320,011</u>	<u>30,464</u>	<u>350,475</u>
25					
26					
27	Add:				
28	Cash Working Capital	CAS-7-WCS	0	0	0
29	Materials and Supplies	W/P's	0	0	0
30	Prepayments	W/P's	1,204	0	1,204
31	OPEB's Contributed to External Fund	W/P's	0	0	0
32	Pension/OPEB Tracker	W/P's	1,568	(142)	1,426
33	Regulatory Deferrals	W/P's	0	0	0
34					
35	Subtotal		<u>2,772</u>	<u>(142)</u>	<u>2,630</u>
36					
37	Total Original Cost Rate Base		<u>3,083,448</u>	<u>52,329</u>	<u>3,135,777</u>
38					
39					
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**Utility Plant in Service
For the Test Year Ended June 30, 2009**

Case No. SR-2010-XXXX
Schedule CAS-4-WCS
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Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer

Line #	Acct No	Account Description Sewer Plant	Per Books 06/30/09	Pro Forma Adjustments	Pro Forma UPIS
1		Other Including Allocated Plant	\$163,476		\$248,796
2	351	WW Struct & Imp Coll	866,475	\$85,321	866,475
3	352.1	WW Collection Sewers Forced	13,401	0	13,401
4	352.2	WW Collecting Mains	550,595	0	550,595
5	353	WW Services Sewer	50,972	0	50,972
6	356	WW Power Gen Equip Collecting	0	0	0
7	357	WW Communication Equipment	0	0	0
8	363	WW Collecting Mains	476,888	0	476,888
9	365	WW Pump Equip Other Power	43,724	0	43,724
10	370.1	WW Land & Ld Rights Gen	0	0	0
11	371	WW Struct & Imp TDP	255,191	0	255,191
12	372	WW Collecting Mains Other	1,553,824	0	1,553,824
13	373	WW Plant Sewers	0	0	0
14	374	WW Outfall Sewer Lines	0	0	0
15	392	WW Trans Equipment	0	0	0
16					
17					
18					
19					
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22					
23					
24					
25					
26		Total Plant in Service	<u>\$3,974,546</u>	<u>\$85,321</u>	<u>\$4,059,867</u>
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Accumulated Depreciation and Amortization
Test Year Ended June 30, 2006

Line #	Acct No	Account Description	Per Books 06/30/09	Pro Forma Adjustments	Pro Forma Reserve
		<u>Sewer Plant</u>			
		Other Including Allocated Plant			
1	351	WW Struct & Imp Coll	\$376,962	\$2,936	\$379,898
2	352.1	WW Collection Sewers Forced	0	(1,106)	(1,106)
3	352.2	WW Collecting Mains	0	0	0
4	353	WW Services Sewer	0	0	0
5	363	WW Pump Equip Elect	0	0	0
6	370.1	WW Land & Ld Rights Gen	8,449	0	8,449
7	371	WW Struct & Imp TDP	135,765	438	136,203
8	372	WW TD Equipment	29,381	119	29,500
9	374	WW Outfall Sewer Lines	0	0	0
10	391 WW	WW Office Furniture & Equip	0	0	0
11	392 WW	WW Trans Equipment	1	0	1
12	394 WW	WW Tool Shop & Garage	0	0	0
13	395 WW	WW Laboratory Equipment	849	(0)	849
14	398 WW	WW Misc Equipment	22,451	(0)	22,451
15					
16					
17					
18					
19					
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21					
22		Total Plant in Service	<u>\$573,859</u>	<u>\$2,386</u>	<u>\$576,245</u>
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**Customer Advances and Contributions in Aid of Construction
For the Test Year Ended June 30, 2009**

Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer

Line #	Acct No	Account Description	Per Books 06/30/09	Pro Forma Adjustments	Pro Forma Balance
1					
2					
3		<u>Customer Advances</u>			
4	252.11	Advances for Construction - Mains	0	26,718	26,718
5		Advances for Construction - Extensions	0	0	0
6		Advances for Construction - Services	0	0	0
7		Advances for Construction - Hydrants	0	0	0
8		Advances for Construction - WIP	4,033	(4,033)	0
9	252.71	Advances for Construction - Taxable Extensions	0	0	0
10		Total Customer Advances	<u>4,033</u>	<u>22,685</u>	<u>26,718</u>
11					
12					
13					
14					
15		<u>Contributions in Aid of Construction</u>			
16	271.11	Contributions in Aid - NT Mains	0	0	0
17	271.12	Contributions in Aid - NT Extension Deposit	0	0	0
18	271.21	Contributions in Aid - NT Services	0	150	150
19	271.30	Contributions in Aid - NT Meters	0	0	0
20		Contributions in Aid - NT Hydrants	0	0	0
21		Contributions in Aid - NT Other	21,000	0	21,000
22		Contributions in Aid - WIP	0	0	0
23	271.71	Contributions in Aid - Taxable Mains	0	0	0
24	271.12	Contributions in Aid - Taxable Extension Deposit	0	0	0
25	271.27	Contributions in Aid - Taxable Services	6,081	0	6,081
26	271.37	Contributions in Aid - Taxable Meters	0	0	0
27	271.47	Contributions in Aid - Taxable Hydrants	0	0	0
28		Contributions in Aid - Taxable WIP	0	0	0
29		Contributions in Aid - Tax Services SIT	0	0	0
30	Various	Accumulated Amortization - CIAC	(258)	(407)	(665)
31	Various	Accumulated Amortization - CIAC Taxable	(207)	0	(207)
32		Total Contributions in Aid of Construction	<u>26,616</u>	<u>(257)</u>	<u>26,359</u>
33					
34					
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Working Capital
For the Test Year Ended June 30, 2009

Line #	Expense Category	Proforma Expense	Average Daily Expense	Revenue Lag	Expense (Lead)/Lag	Net (Lead)/Lag	Cash Requirement
1							
2							
3							
4	Base Payroll	85,610	235	42.88	13.60	29.28	6,868
5	Tax Withholding	40,677	111	42.88	15.50	27.38	3,051
6	Fuel and Power	15,258	42	42.88	30.20	12.68	530
7	Chemicals	0	0	42.88	13.66	29.22	0
8	Purchased Water	0	0	42.88	0.00	42.88	0
9	Service Company Charges	25,650	70	42.88	(10.98)	53.86	3,785
10	Group Insurance	2,008	6	42.88	(9.38)	52.26	287
11	OPEB's	256	1	42.88	(1.39)	44.27	31
12	Pensions	27,482	75	42.88	(1.39)	44.27	3,333
13	ESOP	0	0	42.88	0.00	42.88	0
14	Insurance Other than Group	4,626	13	42.88	(32.94)	75.82	961
15	Uncollectables	1,413	4	42.88	43.04	(0.16)	(1)
16	Rents	40	0	42.88	0.00	42.88	5
17	401(k)	2,007	5	42.88	17.50	25.38	140
18	Other O&M	92,053	252	42.88	43.30	(0.42)	(106)
19	Total O&M Expenses	297,080					18,884
20							
21	Depreciation Expense	182,518	500	42.88	42.88	0.00	0
22	Property Taxes	123,303	338	42.88	159.50	(116.62)	(39,396)
23	Public Service Commission Fee	21,373	59	42.88	(45.00)	87.88	5,146
24	Franchise and Environment Tax	457	1	42.88	29.63	13.25	17
25	FICA Taxes	112	0	42.88	10.76	32.12	10
26	FUTA Taxes	8,943	25	42.88	0.63	42.25	1,035
27	SUTA Taxes	317	1	42.88	2.72	40.16	35
28	Federal Income Tax - Current	(156,747)	(429)	42.88	29.64	13.24	(5,686)
29	State Income Tax - Current	(24,632)	(67)	42.88	29.64	13.24	(894)
30	Deferred Income Taxes	10,720	29	42.88	43.04	(0.16)	(5)
31	Interest Expense	99,003	271	42.88	91.00	(48.12)	(13,052)
32	Preferred Dividends	925	3	42.88	45.00	(2.12)	(5)
33	Total Working Capital Requirement	563,372					(33,911)
34							
35	Total Cash and Working Capital Requirement Used						0
36							
37							
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All Lead/Lags are based on internal study.

**Statement of Income Per Books and Pro Forma - Warren County Sewer
For the Test Year Ended June 30, 2009**

Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer

Case No. SR-2010-XXXX
Schedule CAS-8-WCS
Page 1 of 1

Line #	Schedule Reference	Test year Ended 6/30/09	Adjustments	Pro Forma Present Rates	Adjustments	Pro Forma Proposed Rates
5	Operating Revenues	\$175,125	\$15,295	\$190,420	\$903,622	\$1,094,042
8	Operating Expenses					
9	Operating and Maintenance	246,342	50,738	297,080	6,908	303,988
10	Depreciation Expense	178,623	3,782	182,405		182,405
11	Amortization Expense	113	0	113		113
12						
13	Taxes other Than Income Taxes					
14	Property Taxes	(15)	123,318	123,303		123,303
15	Payroll Taxes	8,091	1,281	9,372		9,372
16	PSC Fees	1,231	20,142	21,373	0	21,373
17	Other	435	22	457		457
18						
19	Utility Operating Income Before Income Taxes	(259,695)	(183,988)	(443,683)	896,714	453,031
20						
21	Income Taxes					
22	Federal Income Tax	22,479	(179,226)	(156,747)	297,488	140,741
23	State Income Tax	3,182	(27,814)	(24,632)	46,748	22,116
24	Deferred Income Taxes	(44,047)	54,767	10,720	0	10,720
25	Amortization of Investment Tax Credit	56		56		56
26						
27	Utility Operating Income	(\$241,365)	(\$31,715)	(\$273,080)	\$552,478	\$279,398
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**Adjustment to Revenues Per Books and Pro Forma
For the Test Year Ended June 30, 2009**

**Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer**

**Case No. SR-2010-XXXX
Schedule CAS-9-WCS
Page 1 of 1**

Line #	Test year Ending 06/30/09	Eliminate Unbilled Revenue	Bill Analysis And Other Adjustments	Bill Analysis at Rates	Normalizaton & Annual Adjustments	Other Adjustments	Pro Forma Present Rate Revenue
5	\$0			\$0	\$0		\$0
6	12		(12)	0	0		0
7	0			0	0		0
8	0			0	0		0
9	0			0	0		0
10	0			0	0		0
11	0			0	0		0
12	0			0	0		0
13							
14	12	0	(12)	0	0	0	0
15							
16							
17	175,064	(876)	0	174,188		16,183	190,371
18							
19							
20	0	0	0	0	0	0	0
21							
22	0	0	0	0	0	0	0
23							
24	175,076	(876)	(12)	174,188	0	16,183	190,371
25							
26							
27	0			0	0	0	0
28	0			0	0	0	0
29	0			0	0	0	0
30	37			37		0	37
31	12			12		0	12
32							
33	49	0	0	49	0	0	49
34							
35							
36	\$175,125	(\$876)	(\$12)	\$174,237	\$0	\$16,183	\$190,420
37							
38							
39							
40							

Summary of Operations and Maintenance Expenses and General Taxes
 For the Test Year Ended June 30, 2009

Missouri Public Service Commission
 Company: Missouri-American Water Company
 District: Warren County Sewer

Line #	Expense Description	Schedule Reference	Test Year Expense	Adjustment	Pro forma Present Rates
1	Labor	CAS-11-WCS	\$108,179	\$18,108	\$126,287
2	Purchased Water	CAS-11-WCS	0	0	0
3	Fuel and Power	CAS-11-WCS	14,341	917	15,258
4	Chemicals	CAS-11-WCS	80	(80)	0
5	Waste Disposal	CAS-11-WCS	41,450	(2,450)	39,000
6	Support Services	CAS-11-WCS	25,746	(96)	25,650
7	Group Insurance	CAS-11-WCS	2,264	19,498	21,762
8	Pensions	CAS-11-WCS	13,234	14,248	27,482
9	Regulatory Expense	CAS-11-WCS	455	60	515
10	Insurance, Other than Group	CAS-11-WCS	3,346	1,280	4,626
11	Customer Accounting	CAS-11-WCS	3,481	(299)	3,182
12	Rents	CAS-11-WCS	41	(1)	40
13	General Office Expense	CAS-11-WCS	7,231	0	7,231
14	Miscellaneous	CAS-11-WCS	14,309	574	14,883
15	Maintenance - Other	CAS-11-WCS	12,185	(1,019)	11,166
16	Total Operations and Maintenance		<u>246,342</u>	<u>50,738</u>	<u>297,080</u>
17	Depreciation	CAS-11-WCS	178,623	3,782	182,405
18	Amortization	CAS-11-WCS	113	0	113
19	Total Depreciation and Amortization		<u>178,736</u>	<u>3,782</u>	<u>182,518</u>
20	Property Taxes	CAS-11-WCS	(15)	123,318	123,303
21	Payroll Taxes	CAS-11-WCS	8,091	1,281	9,372
22	PSC Fees	CAS-11-WCS	1,231	20,142	21,373
23	Other General Taxes	CAS-11-WCS	435	22	457
24	Total Taxes Other Than Income Taxes		<u>9,742</u>	<u>144,763</u>	<u>154,505</u>
25					22,479
26					3,182
27					(44,047)
28					56
29					(18,330)

The schedule below provides a summary list of the operating and maintenance expenses for the test year and pro forma at present rates as indicated. Each pro forma adjustment is keyed to a schedule as shown on Schedule CAS-11-WCS which provides additional detail and support.

**Proforma State and Federal Income Taxes at Present and Proposed Rates
For the Test Year Ended June 30, 2009**

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.
 3
 4
 5
 6
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	At Present Rates		At Proposed Rates	
	Federal	State	Federal	State
Utility Operating Income Before Income Taxes	(\$443,683)	(\$443,683)	\$453,031	\$453,031
Interest Expense Deduction	914	914	914	914
Taxable Income	(444,597)	(444,597)	452,117	452,117
Addback (Deducts):				
Tax over Book Depreciation	(27,938)	(27,938)	(27,938)	(27,938)
Non-deductible Meals	55	55	55	55
Amortization Preferred Stock Expense	0	0	0	0
Non-deductible Reserve Deficiency	0	0	0	0
Total Addbacks (Deducts)	(27,883)	(27,883)	(27,883)	(27,883)
Taxable Income	(472,480)	(472,480)	424,234	424,234
Effective Tax Rate (1)	33.1754%	5.2133%	33.1754%	5.2133%
Proforma Income Tax at Present / Proposed Rates	(156,747)	(24,632)	140,741	22,116
Per Books Amount / Present Rates	22,479	3,182	(156,747)	(24,632)
Proforma adjustment	(\$179,226)	(\$27,814)	\$297,488	\$46,748

(1) Based on a 6.25% statutory rate for SIT and 35% for FIT

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**Test Year Operating Revenues at Present Rates vs Proposed Rates
For the Test Year Ended June 30, 2009**

Missouri Public Service Commission **Case No. SR-2010-XXXX**
Company: Missouri-American Water Company **Schedule CAS-13-WCS**
District: Warren County Sewer **Page 1 of 1**

Line #	Class/ Description	Present Pro Forma Rates			Proposed Pro Forma Rates			Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
		Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Sales ('000 Gal)	Proposed Rate							
Monthly Billing:														
1	Residential	4,758		\$39.81	\$189,416	4,758	\$50.24	\$239,041				\$49,625	26.20%	
2	Commercial	24		39.81	\$955	24	50.24	\$1,206				\$251	26.28%	
3	FAL's and Credits				0			0				\$0	0.00%	
4	Reconcile to Books											\$0	0.00%	
5	Total				<u>190,371</u>			<u>240,247</u>				<u>\$49,876</u>	<u>26.20%</u>	
Miscellaneous Revenues:														
6	Reconnect Charges				0			0				0	0.00%	
7	Returned Check Charge				0			0				0	0.00%	
8	Application Fee				0			0				0	0.00%	
9	Miscellaneous Other Revenue				37			37				0	0.00%	
10	Rents from Water Property				12			12				0	0.00%	
11	Misc Sales				-			0				0	0.00%	
12	Total				<u>190,420</u>			<u>240,296</u>				<u>49,876</u>	<u>26.19%</u>	