

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY 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 (Schedule B) (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
Residential	\$ 3,554,533	59.1%	\$ 2,900,902	56.3%	\$ 3,516,756	58.5%	\$ 615,854	21.2%
Commercial	1,560,608	26.0%	1,400,819	27.3%	1,554,276	25.9%	153,457	11.0%
Industrial	324,107	5.4%	263,163	5.2%	321,272	5.3%	58,109	22.1%
Public Authority	474,050	7.9%	418,891	8.2%	465,973	7.8%	47,082	11.2%
Sales for Resale	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Private Fire Service	96,187	1.6%	151,591	3.0%	151,591	2.5%	-	0.0%
Public Fire Service	-	0.0%	\$0	0.0%	-	0.0%	-	0.0%
Total Sales	6,009,485	100.0%	5,135,366	100.0%	6,009,868	100.0%	874,502	17.0%
Other Revenues	38,123		38,123		38,123		-	0.0%
Total	\$ 6,047,608		\$ 5,173,489		\$ 6,047,991		\$ 874,502	16.9%

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY 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)
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	4,181	2,090	1,322	344	410	0	3	13
Purchased Water	1	0	0	0	0	0	0	0	0
TOTAL SS EXPENSE - OPERATION		4,181	2,090	1,322	344	410	0	3	13
Misc Exp Oper SS	2	0	0	0	0	0	0	0	0
Misc Exp Oper SS	2	0	0	0	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	0	0	0	0	0	0	0	0
Collect & Impound Maint SS	2	0	0	0	0	0	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
Infillt Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Infillt 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
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Misc Plant Maint SS	2	309	154	98	25	30	0	0	1
Misc Plant Maint SS	2	183	91	58	15	18	0	0	1
TOTAL SS EXPENSE - MAINTENANCE		492	246	156	40	48	0	0	2
TOTAL SS EXPENSE		4,673	2,336	1,477	384	458	0	3	14
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	201,971	94,240	66,166	19,995	20,318	0	202	1,050
Labor & Exp Oper Pump	6	20	10	6	2	2	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	0	0	0	0	0	0	0	0
Rents Oper P	6	0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSE - OPERATION		201,991	94,250	66,172	19,997	20,320	0	202	1,051

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY 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	0	0	0	0	0	0	0	0
Struct & Improve 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
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		201,991	94,250	66,172	19,997	20,320	0	202	1,051
WATER TREATMENT									
Super & Eng Oper WT	2	10,343	5,170	3,269	850	1,015	0	6	32
Chemicals	1	234,719	109,520	76,894	23,237	23,613	0	235	1,221
Labor & Exp Oper WT	2	324,088	162,012	102,444	26,640	31,793	0	194	1,005
Labor & Exp Oper WT	2	11,715	5,856	3,703	963	1,149	0	7	36
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	1,018	509	322	84	100	0	1	3
Rents Oper WT	2	0	0	0	0	0	0	0	0
TOTAL WT EXPENSE - OPERATION		581,883	283,067	186,633	51,774	57,670	0	443	2,297
Super & Eng Maint WT	2	68,948	34,467	21,795	5,668	6,764	0	41	214
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	34,802	17,398	11,001	2,861	3,414	0	21	108
TOTAL WT EXPENSE - MAINTENANCE		103,750	51,865	32,795	8,528	10,178	0	62	322
TOTAL WT EXPENSE		685,634	334,932	219,428	60,302	67,847	0	505	2,618
TRANSMISSION AND DISTRIBUTION EXPENSES									
Super & Eng Oper TD	11	37	14	8	2	3	0	2	9
Storage Facility Exp	5	0	0	0	0	0	0	0	0
Storage Facility Exp	5	0	0	0	0	0	0	0	0
TD Lines Exp	7	32,570	11,686	7,192	1,700	2,234	0	1,589	8,169
TD Lines Exp	7	9,311	3,341	2,056	486	639	0	454	2,335
Meter Expense	9	2,319	1,634	485	19	180	0	0	0
Meter Expense	9	0	0	0	0	0	0	0	0
Customer Install Exp	10	0	0	0	0	0	0	0	0
Customer Install Exp	10	0	0	0	0	0	0	0	0
Misc Exp Oper TD	11	0	0	0	0	0	0	0	0
Misc Exp Oper TD	11	1,451	547	320	72	100	0	67	345

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY 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	7,428	2,800	1,636	371	513	0	343	1,765
Rents Oper TD	11	0	0	0	0	0	0	0	0
TOTAL T & D EXPENSE OPERATION		53,116	20,022	11,696	2,650	3,670	0	2,456	12,622
Super & Eng Maint TD	12	17,895	11,612	3,030	306	830	0	771	1,346
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	20,311	7,288	4,485	1,060	1,393	0	991	5,094
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	47,379	36,634	6,974	99	1,744	0	1,928	0
Services Maint TD	10	0	0	0	0	0	0	0	0
Meters Maint TD	9	67	47	14	1	5	0	0	0
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Labor Maint TD	12	98,363	63,828	16,653	1,682	4,564	0	4,239	7,397
Mat and Sup Maint TD	12	71,434	46,354	12,094	1,222	3,315	0	3,079	5,372
Misc Maint TD	12	4,232	2,746	716	72	196	0	182	318
Amort Def Maint TD	5	0	0	0	0	0	0	0	0
TOTAL T & D EXPENSE - MAINTENANCE		259,681	168,508	43,966	4,442	12,047	0	11,191	19,527
TOTAL T & D EXPENSE		312,797	188,530	55,662	7,093	15,717	0	13,647	32,149
CUSTOMER ACCOUNTS									
Supervision CA	13	1,539	1,275	203	2	38	0	21	0
Meter Reading Exp CA	14	70,166	58,919	9,381	84	1,782	0	0	0
Meter Reading Exp CA	14	0	0	0	0	0	0	0	0
Meter Reading Exp CA	14	0	0	0	0	0	0	0	0
Cust Rec & Collection CA	13	87,885	72,804	11,592	105	2,197	0	1,186	0
Cust Rec & Collection CA	13	45,112	37,371	5,950	54	1,128	0	609	0
Uncollectible Accts	13	58,370	48,354	7,699	70	1,459	0	788	0
Misc Cust Accts Exp CA	13	452	374	60	1	11	0	6	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	12,564	10,408	1,657	15	314	0	170	0
Cust Serv & Info Exp CA	13	0	0	0	0	0	0	0	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		276,088	229,505	36,542	331	6,930	0	2,780	0

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY 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)
ADMINISTRATIVE AND GENERAL EXPENSES									
Salaries AG	15	169,961	105,053	38,445	7,308	10,962	0	2,719	5,473
Other Supplies & Exp AG	15	2,632	1,627	595	113	170	0	42	85
Other Supplies & Exp AG	15	74,384	45,976	16,826	3,198	4,798	0	1,190	2,395
Other Supplies & Exp AG	15	60,627	37,473	13,714	2,607	3,910	0	970	1,952
Mgmt Fees-Admin	15	373,294	230,733	84,439	16,052	24,077	0	5,973	12,020
Mgmt Fees-Customer Service	13	142,409	117,971	18,784	171	3,560	0	1,923	0
Mgmt Fees-Belleville Lab	2	13,938	6,968	4,406	1,146	1,367	0	8	43
Mgmt Fees- Employee	16	61,314	36,874	14,556	2,931	4,218	0	883	1,852
Outside Services AG	15	35,025	21,649	7,923	1,506	2,259	0	560	1,128
Outside Services AG	15	83,590	51,667	18,908	3,594	5,392	0	1,337	2,692
Property Insurance	15	0	0	0	0	0	0	0	0
Ins Gen Liab Oper AG	15	64,961	40,152	14,694	2,793	4,190	0	1,039	2,092
Ins Work Comp AG	16	23,738	14,276	5,635	1,135	1,633	0	342	717
Ins Other Oper AG	15	14,160	8,752	3,203	609	913	0	227	456
Property Insurance	15	5,842	3,611	1,321	251	377	0	93	188
Injuries & Damages	16	278	167	66	13	19	0	4	8
Employee Pension & Benefits	16	220,145	132,395	52,262	10,523	15,146	0	3,170	6,648
Employee Pension & Benefits	16	61,639	37,069	14,633	2,946	4,241	0	888	1,861
Employee Pension & Benefits	16	25,621	15,408	6,082	1,225	1,763	0	369	774
Reg Commission Exp	15	11,393	7,042	2,577	490	735	0	182	367
Rents AG	15	5,604	3,464	1,268	241	361	0	90	180
Goodwill Advertising Exp	15	3,877	2,396	877	167	250	0	62	125
Misc Exp AG	15	124,602	77,016	28,185	5,358	8,037	0	1,994	4,012
Research & Development	15	0	0	0	0	0	0	0	0
TOTAL A & G OPERATIONS		1,579,031	997,741	349,399	64,377	98,379	0	24,065	45,068
General Plant Maint AG	15	0	0	0	0	0	0	0	0
General Plant Maint AG	15	7,444	4,601	1,684	320	480	0	119	240
TOTAL A & G EXPENSE - MAINTENANCE		7,444	4,601	1,684	320	480	0	119	240
TOTAL A & G EXPENSE		1,586,475	1,002,342	351,083	64,697	98,860	0	24,185	45,308
Total Operation & Maintenance Expenses		3,067,658	1,851,895	730,364	152,804	210,133	0	41,322	81,140

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY 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)
DEPRECIATION EXPENSE									
Struct & Imp SS	2	2,049	1,024	648	168	201	0	1	6
Struct & Imp P	6	10,661	5,249	3,320	864	1,030	0	32	166
Struct & Imp WT	2	39,515	19,754	12,491	3,248	3,876	0	24	122
Struct & Imp TD	7	1,638	588	362	86	112	0	80	411
Struct & Imp Offices	15	6,292	3,889	1,423	271	406	0	101	203
Struct & Imp Store, Shop, Gar	15	0	0	0	0	0	0	0	0
Struct & Imp Misc	15	0	0	0	0	0	0	0	0
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	6,875	3,437	2,173	565	674	0	4	21
Wells & Springs	2	0	0	0	0	0	0	0	0
Supply Mains	2	0	0	0	0	0	0	0	0
Power Generation Equip	6	10,570	5,205	3,291	856	1,021	0	32	165
Power Generation Equip Othe	6	0	0	0	0	0	0	0	0
Pump Equip Electric	6	37,317	18,375	11,621	3,023	3,605	0	112	582
Pump Equip Diesel	6	0	0	0	0	0	0	0	0
Pump Equip Hydraulic	6	717	353	223	58	69	0	2	11
Pump Equip Other	6	767	378	239	62	74	0	2	12
WT Equip Non-Media	2	82,400	41,192	26,047	6,773	8,083	0	49	255
WT Equip Filter Media	2	256	128	81	21	25	0	0	1
Dist Reservoirs & Standpipe	5	996	420	256	59	80	0	30	152
Elevated Tanks & Standpipes	5	8	3	2	0	1	0	0	1
Ground Level Facilities	5	22,273	9,381	5,731	1,321	1,780	0	662	3,399
TD Mains Not Classified by	7	75,785	27,192	16,733	3,956	5,199	0	3,698	19,007
TD Mains 4 & Less	4	817	278	170	39	53	0	45	233
TD Mains 6 to 8"	4	19,757	6,715	4,102	944	1,274	0	1,095	5,627
TD Mains 10 to 16"	3	30,554	14,110	8,919	2,322	2,768	0	397	2,038
TD Mains 18 & Grtr	3	22	10	6	2	2	0	0	1
TD Mains CI <10 1900-28 (S"	4	305	104	63	15	20	0	17	87
Services	10	12,425	9,607	1,829	26	457	0	506	0
Meters Bronze Case	9	14,877	10,482	3,114	123	1,157	0	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	19,583	13,798	4,099	163	1,524	0	0	0
Meters Other-Rem Rdr Units	9	243	171	51	2	19	0	0	0
Meter Installations	9	8,275	5,831	1,732	69	644	0	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	20,601	0	0	0	0	0	0	0
Utility Plant Acquisition Adjustment	17	0	0	0	0	0	0	0	20,601
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0
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	8,604	5,318	1,946	370	555	0	138	277
Comp & Periph Equip	15	33,372	20,627	7,549	1,435	2,152	0	534	1,075
Computer Software	15	20,471	12,653	4,631	880	1,320	0	328	659

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY 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)
Comp Software Personal	15	397	245	90	17	26	0	6	13
Data Handling Equipment	15	0	0	0	0	0	0	0	0
Other Office Equipment	15	12	7	3	1	1	0	0	0
Trans Equip Lt Duty Trks	15	0	0	0	0	0	0	0	0
Trans Equip Hvy Duty Trks	15	2,998	1,853	678	129	193	0	48	97
Trans Equip Autos	15	0	0	0	0	0	0	0	0
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	91	56	21	4	6	0	1	3
Tools Shop.Garage Equip	15	11,241	6,948	2,543	483	725	0	180	362
Tools Shop.Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	2,142	1,071	677	176	210	0	1	7
Laboratory Equip Other	2	210	105	66	17	21	0	0	1
Power Operated Equipment	15	9,980	6,169	2,257	429	644	0	160	321
Comm Equip Non-Telephone	15	3,125	1,932	707	134	202	0	50	101
Comm Equip Telephone	15	55	34	12	2	4	0	1	2
Misc Equipment	15	13,497	8,342	3,053	580	871	0	216	435
Total Depreciation Expense		531,773	263,034	132,957	29,694	41,083	0	8,552	56,453
Amort-Other UP	18	2,975	1,378	747	171	233	0	58	388
Amort-Intangible Fin	2	3,734	1,867	1,180	307	366	0	2	12
Taxes Other Than Income									
Utility Reg Assessment Fee	19	35,806	19,307	8,747	1,908	2,621	0	573	2,650
Property Taxes	18	246,852	114,317	61,985	14,194	19,353	0	4,789	32,214
FUTA	16	1,351	812	321	65	93	0	19	41
FICA	16	69,741	41,942	16,557	3,334	4,798	0	1,004	2,106
SUTA	16	2,843	1,710	675	136	196	0	41	86
Other Taxes & Licenses	15	2,755	1,703	623	118	178	0	44	89
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
Total Taxes, Other Than Income		359,348	179,791	88,907	19,755	27,239	0	6,471	37,185
Income Taxes									
	18	589,054	272,791	147,911	33,871	46,182	0	11,428	76,872
Utility Income Available for Return		1,493,066	691,439	374,909	85,861	117,056	0	28,965	194,845
Total Cost of Service		6,047,608	3,262,194	1,476,976	322,453	442,292	0	96,797	446,895
Less: Other Water Revenues									
Revenue Contribution	19	38,123	20,556	9,313	2,032	2,791	0	610	2,821
Total Other Water Revenues		38,123	20,556	9,313	2,032	2,791	0	610	2,821
Total Cost of Service Related to Sales of Water		\$ 6,009,485	\$ 3,241,638	\$ 1,467,663	\$ 320,421	\$ 439,501	\$ -	\$ 96,187	\$ 444,074
Reallocation of Public Fire	20	0	312,895	92,945	3,686	34,549	0	0	(444,074)
Total		\$ 6,009,485	\$ 3,554,533	\$ 1,560,608	\$ 324,107	\$ 474,050	\$ -	\$ 96,187	\$ -

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY 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	1,428	0.4666
Commercial	1,003	0.3276
Industrial	303	0.0990
Other Public Authority	308	0.1006
Sales for Resale	0	0.0000
Private Fire Protection	3	0.0010
Public Fire Protection	16	0.0052
Total	3,061	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:

Customer Classification	Average Daily Consumption		Maximum Day Extra Capacity		Allocation Factor
	Allocation Factor 1	Weighted Factor	Allocation Factor	Weighted Factor	
(1)	(2)	(3)=(2)x 0.5882	(4)	(5)=(4)x 0.4118	(6)=(3)+(5)
Residential	0.4666	0.2744	0.5477	0.2255	0.4999
Commercial	0.3276	0.1927	0.2996	0.1234	0.3161
Industrial	0.0990	0.0582	0.0583	0.0240	0.0822
Other Public Authority	0.1006	0.0592	0.0944	0.0389	0.0981
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0010	0.0006			0.0006
Public Fire Protection	0.0052	0.0031			0.0031
Total	1.0000	0.5882	1.0000	0.4118	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
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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	1,428	1.0	1,428	0.5477
Commercial	976	0.8	781	0.2996
Industrial	303	0.5	152	0.0583
Other Public Authority	308	0.8	246	0.0944
Sales for Resale	0	0.6	0	0.0000
Total	3,015		2,607	1.0000

The weighting of the factors is based on the maximum day ratio of 1.70, based on a review of maximum day ratios experienced during the period 1999 through 2007 (see Schedule D).

	Maximum Day Ratio	Weight
Average Day	1.00	0.5882
Maximum Day Extra Capacity	0.70	0.4118
Total	1.70	1.0000

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY 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 0.5433	Allocation Factor (4)	Weighted Factor (5)=(4) X 0.3803	Allocation Factor (6)	Weighted Factor (7)=(6) X 0.0764	
Residential	0.4666	0.2535	0.5477	0.2083			0.4618
Commercial	0.3276	0.1780	0.2996	0.1139			0.2919
Industrial	0.0990	0.0538	0.0583	0.0222			0.0760
Other Public Authority	0.1006	0.0547	0.0944	0.0359			0.0906
Sales for Resale	0.0000	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.0010	0.0005			0.1633	0.0125	0.0130
Public Fire Protection	0.0052	0.0028			0.8367	0.0639	0.0667
Total	<u>1.0000</u>	<u>0.5433</u>	<u>1.0000</u>	<u>0.3803</u>	<u>1.0000</u>	<u>0.0764</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY 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 1.70 and the average daily system sendout for 2007 of 3.84 MGD. The system demand for fire protection is 3,000 Gallons per minute for 3 hours.

	<u>Ratio</u>	<u>Rate of Flow, (GPD)</u>	<u>Weight</u>
Average Day	1.00	3,840,000	0.5433
Maximum Day Extra Capacity	<u>0.70</u>	<u>2,688,000</u>	<u>0.3803</u>
Subtotal	<u><u>1.70</u></u>	6,528,000	0.9236
Fire Protection		<u>540,000</u>	<u>0.0764</u>
Total		<u><u>7,068,000</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
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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 (1)	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 (6)=(5) X 0.3609	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.3383	
Residential	59.5	0.4667	0.5528	0.1995			0.3399
Commercial	41.8	0.3278	0.3020	0.1090			0.2076
Industrial	12.6	0.0988	0.0502	0.0181			0.0478
Other Public Authority	12.8	0.1004	0.0950	0.0343			0.0645
Sales for Resale	0.0	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.1	0.0008			0.1633	0.0552	0.0554
Public Fire Protection	0.7	0.0055			0.8367	0.2831	0.2848
Total	127.5	1.0000	1.0000	0.3609	1.0000	0.3383	1.0000

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

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY 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 2.20 and the average daily system sendout for 2007 of 3.840 MGD. The system demand for fire protection is 3,000 gallons per minute.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	2,667	0.3008
Maximum Hour Extra Capacity	<u>1.20</u>	<u>3,200</u>	<u>0.3609</u>
Subtotal	<u><u>2.20</u></u>	5,867	0.6617
Fire Protection		<u>3,000</u>	<u>0.3383</u>
Total		<u><u>8,867</u></u>	<u><u>1.0000</u></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	59.5	3.5	208.3	0.5528
Commercial	40.7	2.8	113.8	0.3020
Industrial	12.6	1.5	18.9	0.0502
Other Public Authority	12.8	2.8	35.8	0.0950
Sales for Resale	<u>0.0</u>	2.0	<u>0.0</u>	<u>0.0000</u>
Total	<u><u>125.6</u></u>		<u><u>376.8</u></u>	<u><u>1.0000</u></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
JEFFERSON CITY 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		
	Thousand Gallons	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	
	(2)	(3)	(4)=(3) X 0.3727	(5)	(6)=(5) X 0.4473	(7)	(8)=(7) X 0.1800	(9)=(4)+(6)+(8)	
Residential	59.5	0.4667	0.1740	0.5528	0.2472			0.4212	
Commercial	41.8	0.3278	0.1222	0.3020	0.1351			0.2573	
Industrial	12.6	0.0988	0.0368	0.0502	0.0225			0.0593	
Other Public Authority	12.8	0.1004	0.0374	0.0950	0.0425			0.0799	
Sales for Resale	0.0	0.0000	0.0000	0.0000	0.0000			0.0000	
Private Fire Protection	0.1	0.0008	0.0003			0.1633	0.0294	0.0297	
Public Fire Protection	0.7	0.0055	0.0020			0.8367	0.1506	0.1526	
Total	127.5	1.0000	0.3727	1.0000	0.4473	1.0000	0.1800	1.0000	

The weighting of the factors is based on the ratio of the capacity required for a 3 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

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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 3 hour demand of fire flow, as related to total storage capacity.

$$\text{Fire Protection Weight} = \frac{3,000 \text{ GPM} \times 60 \text{ Min.} \times 3 \text{ Hrs.}}{3,000,000 \text{ Gallons}} = 0.1800$$

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

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	45.45	0.3727
Extra Capacity Maximum Hour	<u>1.20</u>	<u>54.55</u>	<u>0.4473</u>
Total	<u><u>2.20</u></u>	<u><u>100.00</u></u>	<u><u>0.8200</u></u>

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY 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 0.8042	(4)	(5)=(4)X 0.1958	(6)	(7)=(6)X 0.0000	(8)=(3)+ (5)+(7)
Residential	0.4999	0.4020	0.4618	0.0904	0.3399	0.0000	0.4924
Commercial	0.3161	0.2542	0.2919	0.0572	0.2076	0.0000	0.3114
Industrial	0.0822	0.0661	0.0760	0.0149	0.0478	0.0000	0.0810
Other Public Authority	0.0981	0.0789	0.0906	0.0177	0.0645	0.0000	0.0966
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0006	0.0005	0.0130	0.0025	0.0554	0.0000	0.0030
Public Fire Protection	0.0031	0.0025	0.0667	0.0131	0.2848	0.0000	0.0156
Total	<u>1.0000</u>	<u>0.8042</u>	<u>1.0000</u>	<u>0.1958</u>	<u>1.0000</u>	<u>0.0000</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:

	<u>Horsepower of Pumps</u>	<u>Weight</u>
Associated with Maximum Day	1,160	0.8042
Associated with Maximum Day and Fire	283	0.1958
Associated with Maximum Hour	<u>0</u>	<u>0.0000</u>
Total	<u>1,443</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
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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
	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
(1)	(2)	(3)=(2)X 0.1558	(4)	(5)=(4)X 0.8442	(6)=(3)+(5)
Residential	0.4618	0.0720	0.3399	0.2868	0.3588
Commercial	0.2919	0.0455	0.2076	0.1753	0.2208
Industrial	0.0760	0.0118	0.0478	0.0404	0.0522
Other Public Authority	0.0906	0.0141	0.0645	0.0545	0.0686
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0130	0.0020	0.0554	0.0468	0.0488
Public Fire Protection	0.0667	0.0104	0.2848	0.2404	0.2508
Total	1.0000	0.1558	1.0000	0.8442	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	121,100	0.1558
Distribution Mains	656,145	0.8442
Total	777,245	1.0000

MISSOURI-AMERICAN WATER COMPANY
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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	8,986	0.7046
Commercial	2,670	0.2093
Industrial	106	0.0083
Other Public Authority	992	0.0778
Sales for Resale	0	0.0000
Private Fire	0	0.0000
Total	12,754	1.0000

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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	8,723	8,723	890	890	3	3	57	57	0	0	9,673	9,673
3/4	1.3	0	0	0	0	0	0	0	0	0	0	0	0
1	1.7	135	230	280	476	2	3	72	122	0	0	489	831
1-1/2	3.5	2	7	67	235	0	0	27	95	0	0	96	337
2	4.3	6	26	159	684	5	22	98	421	0	0	268	1,153
3	19.0	0	0	10	190	1	19	11	209	0	0	22	418
4	29.3	0	0	5	147	2	59	3	88	0	0	10	294
6	48.4	0	0	1	48	0	0	0	0	0	0	1	48
8	112.9	0	0	0	0	0	0	0	0	0	0	0	0
Total		8,866	8,986	1,412	2,670	13	106	268	992	0	0	10,559	12,754

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	8,896	0.7732
Commercial	1,693	0.1472
Industrial	24	0.0021
Other Public Authority	423	0.0368
Sales for Resale	0	0.0000
Private Fire Protection	468	0.0407
Total	11,504	1.0000

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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(11)	Number of Services (15)	Weighting (16)
3/4	1.00	8,723	8,723	890	890	3	3	57	57	0	0	0	0	9,673	9,673
1	1.17	135	158	280	328	2	2	72	84	0	0	0	0	489	572
1-1/2	1.58	2	3	67	106	0	0	27	43	0	0	0	0	96	152
2	2.04	6	12	159	324	5	10	98	200	0	0	9	18	277	564
3	2.73	0	0	10	27	1	3	11	30	0	0	1	3	23	63
4	2.88	0	0	5	14	2	6	3	9	0	0	25	72	35	101
6	4.24	0	0	1	4	0	0	0	0	0	0	48	204	49	208
8	6.98	0	0	0	0	0	0	0	0	0	0	19	133	19	133
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		8,866	8,896	1,412	1,693	13	24	268	423	0	0	106	468	10,665	11,504

MISSOURI-AMERICAN WATER COMPANY
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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	\$ 16,661	0.3770
Commercial	9,733	0.2202
Industrial	2,205	0.0499
Other Public Authority	3,053	0.0691
Sales for Resale	-	0.0000
Private Fire Protection	2,044	0.0462
Public Fire Protection	10,504	0.2376
Total	<u>44,200</u>	<u>1.0000</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	Transmission & Distribution Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Residential	\$ 43,968	0.6489
Commercial	11,473	0.1693
Industrial	1,160	0.0171
Other Public Authority	3,142	0.0464
Sales for Resale	-	0.0000
Private Fire Protection	2,920	0.0431
Public Fire Protection	5,094	0.0752
Total	<u>\$67,757</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
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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	8,866	0.8284
Commercial	1,412	0.1319
Industrial	13	0.0012
Other Public Authority	268	0.0250
Sales for Resale	0	0.0000
Private Fire Protection	144	0.0135
Public Fire Protection	0	0.0000
Total	10,703	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	8,866	0.8397
Commercial	1,412	0.1337
Industrial	13	0.0012
Other Public Authority	268	0.0254
Sales for Resale	0	0.0000
Total	10,559	1.0000

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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	\$645,793	0.6181
Commercial	236,221	0.2262
Industrial	44,875	0.0430
Other Public Authority	67,342	0.0645
Sales for Resale	0	0.0000
Private Fire Protection	16,701	0.0160
Public Fire Protection	33,562	0.0322
Total	<u>\$1,044,493</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
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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	\$572,981	0.6014
Commercial	226,134	0.2374
Industrial	45,555	0.0478
Other Public Authority	65,549	0.0688
Sales for Resale	0	0.0000
Private Fire Protection	13,696	0.0144
Public Fire Protection	28,738	0.0302
Total	<u>\$952,653</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	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
Residential	\$8,218,137	0.4587
Commercial	4,511,171	0.2518
Industrial	1,037,647	0.0579
Other Public Authority	1,412,736	0.0789
Sales for Resale	0	0.0000
Private Fire Protection	348,975	0.0195
Public Fire Protection	2,385,811	0.1332
Total	<u>\$17,914,477</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY 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	\$8,040,613	0.4631
Commercial	4,358,578	0.2511
Industrial	998,092	0.0575
Other Public Authority	1,361,856	0.0784
Sales for Resale	0	0.0000
Private Fire Protection	336,752	0.0194
Public Fire Protection	2,265,336	0.1305
Total	<u>\$17,361,227</u>	<u>1.0000</u>

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	\$3,235,846	0.5392
Commercial	1,465,652	0.2443
Industrial	320,055	0.0533
Other Public Authority	438,936	0.0732
Sales for Resale	0	0.0000
Private Fire Protection	96,042	0.0160
Public Fire Protection	443,879	0.0740
Total	<u>\$6,000,409</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY 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)
RATE BASE									
Organization	17	\$ 5,045	\$ 2,314	\$ 1,270	\$ 292	\$ 398	\$ -	\$ 98	\$ 672
Franchises	17	0	0	0	0	0	0	0	0
Land & Ld Rights SS	2	0	0	0	0	0	0	0	0
Land & Ld Rights P	6	944	465	294	76	91	0	3	15
Land & Ld Rights WT	2	70,255	35,120	22,207	5,775	6,892	0	42	218
Land & Ld Rights TD	7	48,128	17,268	10,627	2,512	3,302	0	2,349	12,071
Land & Land Rights AG	15	7,181	4,439	1,624	309	463	0	115	231
Struct & Imp SS	2	78,010	38,997	24,659	6,412	7,653	0	47	242
Struct & Imp P	6	527,968	259,971	164,409	42,765	51,002	0	1,584	8,236
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	2,009,757	1,004,678	635,284	165,202	197,157	0	1,206	6,230
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	52,756	18,929	11,649	2,754	3,619	0	2,575	13,231
Struct & Imp TD Spec Cross	7	0	0	0	0	0	0	0	0
Struct & Imp AG	7	0	0	0	0	0	0	0	0
Struct & Imp Offices	15	150,875	93,256	34,128	6,488	9,731	0	2,414	4,858
Gen Structures HVAC	15	0	0	0	0	0	0	0	0
Struct & Imp Leasehold	15	11	7	2	0	1	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	0	0	0	0	0	0	0	0
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	327,153	163,544	103,413	26,892	32,094	0	196	1,014
Wells & Springs	2	0	0	0	0	0	0	0	0
Supply Mains	2	0	0	0	0	0	0	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	6	542,125	266,943	168,818	43,912	52,369	0	1,626	8,457
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	1,136,468	559,597	353,896	92,054	109,783	0	3,409	17,729
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 Stratman\	6	0	0	0	0	0	0	0	0
Pump Equip Diesel Ctrl Plt	6	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY 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 Hydraulic	6	28,842	14,202	8,981	2,336	2,786	0	87	450
Pump Equip Other	6	30,846	15,189	9,606	2,499	2,980	0	93	481
Pump Equip WT	6	0	0	0	0	0	0	0	0
Pump Equip TD	6	0	0	0	0	0	0	0	0
WT Equip Non-Media	2	1,625,077	812,376	513,687	133,581	159,420	0	975	5,038
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	9,018	4,508	2,850	741	885	0	5	28
Dist Reservoirs & Standpipe	5	43,195	18,194	11,114	2,561	3,451	0	1,283	6,592
Elevated Tanks & Standpipes	5	349	147	90	21	28	0	10	53
Ground Level Facilities	5	899,922	379,047	231,550	53,365	71,904	0	26,728	137,328
TD Mains Not Classified by	7	3,718,631	1,334,245	821,074	194,113	255,098	0	181,469	932,633
TD Mains 4 & Less "	4	50,548	17,181	10,494	2,416	3,260	0	2,800	14,396
TD Mains 6 to 8"	4	1,231,833	418,700	255,728	58,882	79,453	0	68,244	350,826
TD Mains 10 to 16"	3	1,887,808	871,790	551,051	143,473	171,035	0	24,542	125,917
TD Mains 18 & Grtr "	3	1,398	646	408	106	127	0	18	93
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	19,276	6,552	4,002	921	1,243	0	1,068	5,490
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	360,382	278,648	53,048	757	13,262	0	14,668	0
Meters Bronze Case	9	626,889	441,706	131,208	5,203	48,772	0	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	635,787	447,976	133,070	5,277	49,464	0	0	0
Meters Other-Rem Rdr Units	9	9,786	6,895	2,048	81	761	0	0	0
Meter Installations	9	325,540	229,376	68,136	2,702	25,327	0	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Meter Vaults	9	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY 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)
Hydrants	8	710,905	0	0	0	0	0	0	710,905
Other P/E Intangible	15	0	0	0	0	0	0	0	0
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0
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	(1,178)	(728)	(266)	(51)	(76)	0	(19)	(38)
Comp & Periph Equip	15	137,862	85,212	31,184	5,928	8,892	0	2,206	4,439
Computer Software	15	376,234	232,550	85,104	16,178	24,267	0	6,020	12,115
Comp Software Personal	15	46,129	28,512	10,434	1,984	2,975	0	738	1,485
Comp Software Other	15	1,587	981	359	68	102	0	25	51
Data Handling Equipment	15	0	0	0	0	0	0	0	0
Other Office Equipment	15	0	0	0	0	0	0	0	0
Trans Equip Lt Duty Trks	15	102	63	23	4	7	0	2	3
Trans Equip Hvy Duty Trks	15	5,178	3,200	1,171	223	334	0	83	167
Trans Equip Autos	15	31,415	19,417	7,106	1,351	2,026	0	503	1,012
Trans Equip Other	15	(2,515)	(1,554)	(569)	(108)	(162)	0	(40)	(81)
Stores Equipment	15	1,320	816	298	57	85	0	21	42
Tools Shop, Garage Equip	15	2,445	1,511	553	105	158	0	39	79
Tools, Shop, Garage Equip Oth	15	107,744	66,597	24,372	4,633	6,949	0	1,724	3,469
Laboratory Equipment	2	0	0	0	0	0	0	0	0
Laboratory Equip Other	2	34,320	17,157	10,849	2,821	3,367	0	21	106
Power Operated Equipment	15	5,053	3,123	1,143	217	326	0	81	163
Comm Equip Non-Telephone	15	(16,391)	(10,131)	(3,708)	(705)	(1,057)	0	(262)	(528)
Remote Control & Instr	15	17,099	10,569	3,868	735	1,103	0	274	551
Comm Equip Telephone	15	0	0	0	0	0	0	0	0
Misc Equipment	15	411	254	93	18	27	0	7	13
Other Tangible Property	17	230,560	105,758	58,055	13,349	18,191	0	4,496	30,711
Total Utility Plant in Service		18,150,082	8,326,209	4,570,496	1,051,289	1,431,326	0	353,569	2,417,194
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	553,061	341,847	125,102	23,782	35,672	0	8,849	17,809
Prepayments	15	34,394	21,259	7,780	1,479	2,218	0	550	1,107
OPEB's Contributed to External Fund	16	0	0	0	0	0	0	0	0
Pension / OPEB Tracker	16	10,205	6,137	2,423	488	702	0	147	308
Regulatory Deferrals	17	173,250	79,470	43,624	10,031	13,669	0	3,378	23,077
Less:									
Accumulated Deferred ITC (3%)	17	0	0	0	0	0	0	0	0
Deferred Income Taxes	17	(1,427,709)	(654,890)	(359,497)	(82,664)	(112,646)	0	(27,840)	(190,171)
Pensions	16	(132,056)	(79,418)	(31,350)	(6,312)	(9,085)	0	(1,902)	(3,988)
Total Other Rate Base Elements		(788,855)	(285,596)	(211,918)	(53,197)	(69,469)	0	(16,817)	(151,858)
Total Original Cost Measure of Value		\$ 17,361,227	\$ 8,040,613	\$ 4,358,578	\$ 998,092	\$ 1,361,856	\$ -	\$ 336,752	\$ 2,265,336

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1999-2007

Year	Average Daily Send out (MGD)	Maximum Daily Use		
		MGD	Ratio to Average	Highest Use Day
(1)	(2)	(3)	(4)	(5)
1999	3.810	6.500	1.71	7/22/1999
2000	4.101	5.690	1.39	7/11/2000
2001	3.739	5.240	1.40	8/21/2001
2002	3.861	5.980	1.55	8/5/2002
2003	4.171	6.990	1.68	8/17/2003
2004	4.042	5.760	1.42	7/22/2004
2005	4.270	6.348	1.49	8/2/2005
2006	4.040	6.830	1.69	8/1/2006
2007	3.840	6.260	1.63	8/9/2007

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY 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>				
Fire Lines				
2 -inch	4.00	9	36	
3 -inch	9.00	1	9	
4 -inch	16.00	25	400	
6 -inch	36.00	48	1,728	
8 -inch	64.00	19	1,216	
10 -inch	100.00	4	400	
12 -inch	144.00	0	0	
Private Hydrants	26.50	38.4	1,018	
Total Private Fire Protection		144.4	4,807	0.1633
<u>PUBLIC FIRE PROTECTION</u>				
Hydrant	Nozzle Sizes			
5 1/4" Valve	2- 2-1/2" & 1- 4.5"	26.50	925	24,513
4 1/2" Valve	1- 2-1/2"	12.50	10	125
Total Public Fire Protection		935	24,638	0.8367
Total Fire Protection		1,079	29,445	1.0000

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

CALCULATION OF CUSTOMER CHARGE

(1) Expense Related to Meters	697,662	
(2) Meter Equivalents X 12	153,048	
(3) Expense per Bill - Meter related		\$4.56
(4) Expense Related to Services	524,876	
(5) Service Equivalents X 12	132,432	
(6) Expense per Bill - Services related		\$3.96
(7) Expense Related to Billing and Collecting	860,019	
(8) Number of Customers X 12	128,441	
(9) Expense per Bill - Billing and Collecting		\$6.70
(10) Total Customer Charge (3)+(6)+(9)		\$15.22