MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

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

Customer Classification	Cost of Service Amount (Schedule B)	Cost of Service Percent	Revenues, Present Rates Amount	Revenues, Present Rates Percent	Revenues, Proposed Rates Amount	Revenues, Proposed Rates Percent	Proposed Increase Amount	Proposed Increase Percent Increase
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Residential	$ 1,983,565	51.0%	$ 1,642,275	47.0%	$ 1,940,833	49.9%	$ 298,558	18.2%
Commercial	523,510	13.5%	459,527	13.2%	522,247	13.4%	62,720	13.6%
Industrial	607,270	15.6%	617,625	17.7%	617,644	15.9%	19	0.0%
Public Authority	262,401	6.8%	237,823	6.8%	262,838	6.8%	25,015	10.5%
Sales for Resale	427,254	11.0%	411,996	11.8%	419,693	10.8%	7,697	1.9%
Private Fire Service	82,990	2.1%	123,743	3.5%	123,743	3.2%	-	0.0%
Public Fire Service	-	0.0%	$0	0.0%	$0	0.0%	-	0.0%
Total Sales	3,886,990	100.0%	3,492,989	100.0%	3,886,998	100.0%	394,009	11.3%
Other Revenues	52,353		52,353		52,353		-	0.0%
Total	$ 3,939,343		$ 3,545,342		$ 3,939,351		$ 394,009	11.1%

MISSOURI-AMERICAN WATER COMPANY

MEXICO 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	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
OPERATION AND MAINTENANCE EXPENSES									
SOURCE OF SUPPLY EXPENSES									
Super & Eng Oper SS	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Labor & Exp Oper SS	2	73,917	27,948	11,021	16,328	6,150	12,159	81	229
Labor & Exp Oper SS	2	1,960	741	292	433	163	322	2	6
Purchased Water	1	0	0	0	0	0	0	0	0
TOTAL SS EXPENSE - OPERATION		75,877	28,689	11,313	16,761	6,313	12,482	83	235
Misc Exp Oper SS	2	126,752	47,925	18,899	28,000	10,546	20,851	139	393
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	85	32	13	19	7	14	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
Infilt Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Infilt Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Misc Plant Maint SS	2	0	0	0	0	0	0	0	0
Misc Plant Maint SS	2	12,674	4,792	1,890	2,800	1,054	2,085	14	39
TOTAL SS EXPENSE - MAINTENANCE		139,511	52,749	20,801	30,818	11,607	22,950	153	432
TOTAL SS EXPENSE		215,388	81,438	32,114	47,579	17,920	35,431	237	668
POWER AND PUMPING EXPENSES									
Super & Eng Oper P	6	0	0	0	0	0	0	0	0
Fuel for Power Prod	1	1,574	545	231	385	129	275	3	7
Labor & Exp Oper Pwr Prod	6	(1,297)	(490)	(193)	(286)	(108)	(213)	(1)	(4)
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Purch Fuel/Power for Pump	1	61,328	21,219	8,997	15,001	5,023	10,726	98	264
Labor & Exp Oper Pump	6	10	4	1	2	1	2	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	361	136	54	80	30	59	0	1
Rents Oper P	6	0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSE - OPERATION		61,976	21,414	9,090	15,181	5,075	10,849	100	268

MISSOURI-AMERICAN WATER COMPANY

MEXICO 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	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Super & Eng Maint P	6	0	0	0	0	0	0	0	0
Struct & Improve Maint P	6	0	0	0	0	0	0	0	0
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		61,976	21,414	9,090	15,181	5,075	10,849	100	268
WATER TREATMENT									
Super & Eng Oper WT	2	4	1	1	1	0	1	0	0
Chemicals	1	58,377	20,198	8,564	14,279	4,781	10,210	93	251
Labor & Exp Oper WT	2	13,945	5,273	2,079	3,080	1,160	2,294	15	43
Labor & Exp Oper WT	2	7,069	2,673	1,054	1,562	588	1,163	8	22
Misc Exp Oper WT	2	0	0	0	0	0	0	0	0
Misc Exp Oper WT	1	50,500	17,473	7,408	12,352	4,136	8,832	81	217
Misc Exp Oper WT	2	1,470	556	219	325	122	242	2	5
Rents Oper WT	2	0	0	0	0	0	0	0	0
TOTAL WT EXPENSE - OPERATION		131,364	46,174	19,325	31,599	10,788	22,742	199	538
Super & Eng Maint WT	2	346	131	52	76	29	57	0	1
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	12,836	4,853	1,914	2,835	1,068	2,112	14	40
TOTAL WT EXPENSE - MAINTENANCE		13,182	4,984	1,965	2,912	1,097	2,168	15	41
TOTAL WT EXPENSE		144,547	51,158	21,291	34,511	11,885	24,910	213	579
TRANSMISSION AND DISTRIBUTION EXPENSES									
Super & Eng Oper TD	11	18	5	2	2	1	2	1	4
Storage Facilty Exp	5	0	0	0	0	0	0	0	0
Storage Facilty Exp	5	0	0	0	0	0	0	0	0
TD Lines Exp	7	91,574	25,696	9,679	12,408	5,385	9,872	7,097	21,437
TD Lines Exp	7	144	40	15	20	8	16	11	34
Meter Expense	9	0	0	0	0	0	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	105	29	11	14	6	11	8	25

MISSOURI-AMERICAN WATER COMPANY
MEXICO 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	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Misc Exp Oper TD	11	2,565	720	271	348	151	277	199	600
Rents Oper TD	11	942	264	100	128	55	102	73	220
M&S Maint TD Hydrants	8	0	0	0	0	0	0	0	0
TOTAL T & D EXPENSE OPERATION		95,347	26,754	10,078	12,920	5,606	10,278	7,389	22,321
Super & Eng Maint TD	12	0	0	0	0	0	0	0	0
Struct & Improve Maint TD	12	20,886	14,919	2,492	1,320	1,028	388	397	343
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	17	5	2	2	1	2	1	4
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	37	4	1	1	0	3	0
Services Maint TD	10	0	0	0	0	0	0	0	0
Meters Maint TD	9	176	129	22	12	10	3	0	0
Meters Maint TD	9	0	0	0	0	0	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
Misc Plant Maint TD	12	1,700	1,215	203	107	84	32	32	28
Mat and Sup Maint TD	12	127,156	90,828	15,170	8,036	6,256	2,365	2,416	2,085
Misc Maint TD	12	480	343	57	30	24	9	9	8
Amort Def Maint TD	5	0	0	0	0	0	0	0	0
TOTAL T & D EXPENSE - MAINTENANCE		150,462	107,475	17,950	9,509	7,403	2,799	2,859	2,468
TOTAL T & D EXPENSE		245,809	134,229	28,028	22,429	13,009	13,077	10,248	24,788
CUSTOMER ACCOUNTS									
Supervision CA	13	0	0	0	0	0	0	0	0
Meter Reading Exp CA	14	42,705	37,752	3,890	209	803	51	0	0
Meter Reading Exp CA	14	(12)	(11)	(1)	(0)	(0)	(0)	0	0
Meter Reading Exp CA	14	0	0	0	0	0	0	0	0
Cust Rec & Collection CA	13	22,052	19,190	1,980	108	408	26	340	0
Cust Rec & Collection CA	13	20,889	18,178	1,876	102	386	25	322	0
Uncollectible Accts	13	36,371	31,650	3,266	178	673	44	560	0
Misc Cust Accts Exp CA	13	36	31	3	0	1	0	1	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	4,823	4,197	433	24	89	6	74	0
Cust Serv & Info Exp CA	13	0	0	0	0	0	0	0	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		126,864	110,986	11,448	622	2,360	152	1,296	0

MISSOURI-AMERICAN WATER COMPANY

MEXICO 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	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
ADMINISTRATIVE AND GENERAL EXPENSES									
Salaries AG	15	90,663	49,465	11,179	11,396	5,267	7,915	1,723	3,717
Other Supplies & Exp AG	15	2,551	1,392	315	321	148	223	48	105
Other Supplies & Exp AG	15	22,028	12,019	2,716	2,769	1,280	1,923	419	903
Other Supplies & Exp AG	15	15,685	8,558	1,934	1,972	911	1,369	298	643
Mgmt Fees-Admin	15	171,558	93,602	21,153	21,565	9,968	14,977	3,260	7,034
Mgmt Fees-Customer Service	13	65,448	56,953	5,877	321	1,211	79	1,008	0
Mgmt Fees-Belleville Lab	2	6,406	2,422	955	1,415	533	1,054	7	20
Mgmt Fees- Employee	15	28,179	15,374	3,474	3,542	1,637	2,460	535	1,155
Outside Services AG	15	17,038	9,296	2,101	2,142	990	1,487	324	699
Outside Services AG	15	14,043	7,662	1,732	1,765	816	1,226	267	576
Property Insurance	15	0	0	0	0	0	0	0	0
Ins Gen Liab Oper AG	15	29,584	16,141	3,648	3,719	1,719	2,583	562	1,213
Ins Work Comp AG	16	10,379	5,273	1,234	1,303	588	948	282	750
Ins Other Oper AG	15	6,507	3,550	802	818	378	568	124	267
Property Insurance	15	2,333	1,273	288	293	136	204	44	96
Injuries & Damages	16	139	71	17	17	8	13	4	10
Employee Pension & Benefits	16	105,359	53,533	12,527	13,223	5,974	9,619	2,866	7,617
Employee Pension & Benefits	16	20,888	10,613	2,484	2,621	1,184	1,907	568	1,510
Employee Pension & Benefits	16	9,834	4,997	1,169	1,234	558	898	267	711
Reg Commision Exp	15	5,236	2,857	646	658	304	457	99	215
Rents AG	15	3,751	2,047	463	472	218	327	71	154
Goodwill Advertising Exp	15	762	416	94	96	44	67	14	31
Misc Exp AG	15	65,128	35,534	8,030	8,187	3,784	5,686	1,237	2,670
Research & Development	15	170	93	21	21	10	15	3	7
TOTAL A & G OPERATIONS		693,669	393,140	82,857	79,869	37,666	56,003	14,032	30,103
General Plant Maint AG	15	0	0	0	0	0	0	0	0
General Plant Maint AG	15	2,358	1,287	291	296	137	206	45	97
TOTAL A & G EXPENSE - MAINTENANCE		2,358	1,287	291	296	137	206	45	97
TOTAL A & G EXPENSE		696,027	394,426	83,148	80,165	37,803	56,209	14,076	30,200
Total Operation & Maintenance Expenses		1,490,611	793,652	185,119	200,487	88,052	140,629	26,171	56,502

MISSOURI-AMERICAN WATER COMPANY
MEXICO 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	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
DEPRECIATION EXPENSE									
Struct & Imp SS	2	1,672	632	249	369	139	275	2	5
Struct & Imp P	6	1,266	479	189	280	105	208	1	4
Struct & Imp WT	2	59,079	22,338	8,809	13,051	4,915	9,718	65	183
Struct & Imp TD	7	1,854	520	196	251	109	200	144	434
Struct & Imp Offices	15	2,931	1,599	361	368	170	256	56	120
Struct & Imp Store,Shop,Gar	15	592	323	73	74	34	52	11	24
Struct & Imp Misc	15	0	0	0	0	0	0	0	0
Collect & Impounding	1	2	1	0	0	0	0	0	0
Lake, River & Other Intakes	2	191	72	28	42	16	31	0	1
Wells & Springs	2	15,608	5,901	2,327	3,448	1,299	2,568	17	48
Supply Mains	2	14,171	5,358	2,113	3,130	1,179	2,331	16	44
Power Generation Equip	6	107	40	16	24	9	18	0	0
Power Generation Equip Othe	6	0	0	0	0	0	0	0	0
Pump Equip Electric	6	24,630	9,313	3,672	5,441	2,049	4,052	27	76
Pump Equip Diesel	6	0	0	0	0	0	0	0	0
Pump Equip Other	6	823	311	123	182	68	135	1	3
WT Equip Non-Media	2	92,507	34,977	13,793	20,435	7,697	15,217	102	287
WT Equip Filter Media	2	1,913	723	285	423	159	315	2	6
Dist Reservoirs & Standpipe	5	6,857	2,299	863	1,092	480	875	310	939
Elevated Tanks & Standpipes	5	1,249	419	157	199	87	159	56	171
Ground Level Facilities	5	441	148	55	70	31	56	20	60
TD Mains Not Classified by	4	45,712	12,630	4,740	6,002	2,638	4,804	3,703	11,195
TD Mains 4 & Less "	4	3,403	940	353	447	196	358	276	833
TD Mains 6 to 8" "	4	3,061	846	317	402	177	322	248	750
TD Mains 10 to 16" "	3	17,216	6,156	2,429	3,598	1,355	2,679	250	749
TD Mains 18 & Grtr "	3	14	5	2	3	1	2	0	1
Fire Mains	8	456	0	0	0	0	0	0	456
Services	10	58,476	46,506	5,555	637	1,538	164	4,076	0
Meters Bronze Case	9	9,912	7,276	1,260	696	538	142	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	1,747	1,282	222	123	95	25	0	0
Meters Other-Rem Rdr Unts	9	0	0	0	0	0	0	0	0
Meter Installations	9	19,644	14,421	2,497	1,379	1,067	281	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	7,407	0	0	0	0	0	0	7,407
Utility Plant Acquisition Adjustment	17	0	0	0	0	0	0	0	0
Other P/E SS	2	69	26	10	15	6	11	0	0
Other P/E WT Res Hand Equip	2	795	301	119	176	66	131	1	2
Other P/E TD	7	235	66	25	32	14	25	18	55
Other P/E CPS	15	0	0	0	0	0	0	0	0
Office Furniture & Equip	15	97	53	12	12	6	8	2	4
Comp & Periph Equip	15	7,220	3,939	890	908	419	630	137	296
Computer Software	15	13,845	7,554	1,707	1,740	804	1,209	263	568

MISSOURI-AMERICAN WATER COMPANY
MEXICO 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	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Comp Software Personal	15	182	99	22	23	11	16	3	7
Data Handling Equipment	15	2,401	1,310	296	302	139	210	46	98
Other Office Equipment	15	631	344	78	79	37	55	12	26
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
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	316	172	39	40	18	28	6	13
Tools,Shop,Garage Equip	15	2,981	1,626	368	375	173	260	57	122
Tools,Shop,Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	531	201	79	117	44	87	1	2
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	547	298	67	69	32	48	10	22
Comm Equip Non-Telephone	15	1,029	561	127	129	60	90	20	42
Remote Control & Instr	15	39	21	5	5	2	3	1	2
Comm Equip Telephone	15	271	148	33	34	16	24	5	11
Misc Equipment	15	409	223	50	51	24	36	8	17
Total Depreciation Expense		424,539	192,461	54,614	66,272	28,023	48,114	9,971	25,084
Amort-Other UP	18	1,367	582	178	226	94	166	32	90
Amort-Intangible Fin	2	1,716	649	256	379	143	282	2	5
Taxes Other Than Income									
Utility Reg Assessment Fee	19	24,537	11,525	3,133	3,739	1,583	2,697	525	1,335
Property Taxes	18	137,152	58,344	17,857	22,685	9,381	16,623	3,251	9,011
FUTA	16	510	259	61	64	29	47	14	37
FICA	16	25,913	13,166	3,081	3,252	1,469	2,366	705	1,873
SUTA	16	1,056	537	126	133	60	96	29	76
Other Taxes & Licenses	15	1,267	691	156	159	74	111	24	52
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
Total Taxes, Other Than Income		190,435	84,523	24,414	30,032	12,595	21,939	4,547	12,384
Income Taxes	18	513,965	218,641	66,918	85,010	35,155	62,293	12,181	33,768
Utility Income Available for Return	18	1,316,711	560,129	171,436	217,784	90,063	159,585	31,206	86,508
Total Cost of Service		3,939,343	1,850,635	502,934	600,190	254,125	433,008	84,110	214,341
Less: Other Water Revenues	19	52,353	24,590	6,685	7,979	3,377	5,754	1,120	2,848
Revenue Contribution	19	0	0	0	0	0	0	0	0
Total Other Water Revenues		52,353	24,590	6,685	7,979	3,377	5,754	1,120	2,848
Total Cost of Service Related to Sales of Water		$ 3,886,990	$ 1,826,045	$ 496,249	$ 592,212	$ 250,748	$ 427,254	$ 82,990	$ 211,493
Reallocation of Public Fire	20	0	157,520	27,261	15,058	11,653	0	0	(211,493)
Total		$ 3,886,990	$ 1,983,565	$ 523,510	$ 607,270	$ 262,401	$ 427,254	$ 82,990	$ -

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS

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

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

Customer Classification	Average Daily Consumption, Thousand Gallons	Allocation Factor
(1)	(2)	(3)
Residential	651	0.3460
Commercial	276	0.1467
Industrial	460	0.2446
Other Public Authority	154	0.0819
Sales for Resale	329	0.1749
Private Fire Protection	3	0.0016
Public Fire Protection	8	0.0043
Total	1,881	1.0000

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

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

	Average Daily Consumption		Maximum Day Extra Capacity		
Customer Classification	Allocation Factor 1	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)x 0.7143	(4)	(5)=(4)x 0.2857	(6)=(3)+(5)
Residential	0.3460	0.2473	0.4579	0.1308	0.3781
Commercial	0.1467	0.1047	0.1554	0.0444	0.1491
Industrial	0.2446	0.1747	0.1617	0.0462	0.2209
Other Public Authority	0.0819	0.0585	0.0865	0.0247	0.0832
Sales for Resale	0.1749	0.1249	0.1385	0.0396	0.1645
Private Fire Protection	0.0016	0.0011			0.0011
Public Fire Protection	0.0043	0.0031			0.0031
Total	1.0000	0.7143	1.0000	0.2857	1.0000

The derivation of the maximum day extra capacity factors in column 4 and the basis for the column 3 and 5 weightings are presented on the following page.

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

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

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

		Maximum Day Extra Capacity		
Customer Classification	Average Daily Consumption, Thousand Gal.	Factor*	Rate of Flow, Thousand Gal. Per Day	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	651	1.0	651	0.4579
Commercial	276	0.8	221	0.1554
Industrial	460	0.5	230	0.1617
Other Public Authority	154	0.8	123	0.0865
Sales for Resale	329	0.6	197	0.1385
Total	1,870		1,422	1.0000

The weighting of the factors is based on the maximum day ratio of 1.40, based on a review of maximum day ratios experienced during the period 1990 through 2007 (see Schedule D).

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

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

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

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

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

	Average Daily Consumption		Maximum Day Extra Capacity		Fire Protection		
Customer Classification	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2) X 0.6757	(4)	(5)=(4) X 0.2703	(6)	(7)=(6) X 0.0540	(8)=(3)+(5)+(7)
Residential	0.3460	0.2338	0.4579	0.1238			0.3576
Commercial	0.1467	0.0991	0.1554	0.0420			0.1411
Industrial	0.2446	0.1653	0.1617	0.0437			0.2090
Other Public Authority	0.0819	0.0553	0.0865	0.0234			0.0787
Sales for Resale	0.1749	0.1182	0.1385	0.0374			0.1556
Private Fire Protection	0.0016	0.0011			0.2486	0.0134	0.0145
Public Fire Protection	0.0043	0.0029			0.7514	0.0406	0.0435
Total	1.0000	0.6757	1.0000	0.2703	1.0000	0.0540	1.0000

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

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

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

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum day ratio of 1.40 and the average daily system sendout for 2007 of 2.252 MGD. The system demand for fire protection is 1,500 Gallons per minute for 2 hours.

	Ratio	Rate of Flow, (GPD)	Weight
Average Day	1.00	2,252,523	0.6757
Maximum Day Extra Capacity	0.40	901,009	0.2703
Subtotal	1.40	3,153,532	0.9460
Fire Protection		180,000	0.0540
Total		3,333,532	1.0000

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

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

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

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

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

	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		
Customer Classification	Thousand Gallons	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3) X 0.3379	(5)	(6)=(5) X 0.3379	(7)	(8)=(7) X 0.3242	(9)=(4)+(6)+(8)
Residential	27.1	0.3461	0.1170	0.4717	0.1593			0.2763
Commercial	11.5	0.1469	0.0496	0.1600	0.0541			0.1037
Industrial	19.2	0.2452	0.0829	0.1431	0.0484			0.1313
Other Public Authority	6.4	0.0817	0.0276	0.0890	0.0301			0.0577
Sales for Resale	13.7	0.1750	0.0591	0.1362	0.0460			0.1051
Private Fire Protection	0.1	0.0013	0.0004			0.2486	0.0806	0.0810
Public Fire Protection	0.3	0.0038	0.0013			0.7514	0.2436	0.2449
Total	78.3	1.0000	0.3379	1.0000	0.3379	1.0000	0.3242	1.0000

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

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

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

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

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum hour ratio of 2.0 and the average daily system sendout for 2007 of 2.252 MGD. The system demand for fire protection is 1,500 gallons per minute.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	1,564	0.3379
Maximum Hour Extra Capacity	1.00	1,564	0.3379
Subtotal	2.00	3,128	0.6758
Fire Protection		1,500	0.3242
Total		4,628	1.0000

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

Customer Classification	Average Hourly Consumption Thousand Gal.	Maximum Hour Extra Capacity		
		Factor*	1,000 Gallons Per Hour	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	27.1	3.5	94.9	0.4717
Commercial	11.5	2.8	32.2	0.1600
Industrial	19.2	1.5	28.8	0.1431
Other Public Authority	6.4	2.8	17.9	0.0890
Sales for Resale	13.7	2.0	27.4	0.1362
Total	77.9		201.2	1.0000

* Ratio of Maximum Hour To Average Hour Minus 1.0.

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

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

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

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES.

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

	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		
Customer Classification	Thousand Gallons	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3) X 0.4100	(5)	(6)=(5) X 0.4100	(7)	(8)=(7) X 0.1800	(9)=(4)+(6)+(8)
Residential	27.1	0.3461	0.1419	0.4717	0.1934			0.3353
Commercial	11.5	0.1469	0.0602	0.1600	0.0656			0.1258
Industrial	19.2	0.2452	0.1005	0.1431	0.0587			0.1592
Other Public Authority	6.4	0.0817	0.0335	0.0890	0.0365			0.0700
Sales for Resale	13.7	0.1750	0.0718	0.1362	0.0558			0.1276
Private Fire Protection	0.1	0.0013	0.0005			0.2486	0.0447	0.0452
Public Fire Protection	0.3	0.0038	0.0016			0.7514	0.1353	0.1369
Total	78.3	1.0000	0.4100	1.0000	0.4100	1.0000	0.1800	1.0000

The weighting of the factors is based on the ratio of the capacity required for a 2 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

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

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES, cont.

The weighting of the factors is based on the ratio of the capacity required for a 2 hour demand of fire flow, as related to total storage capacity.

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

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

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	50.00	0.4100
Extra Capacity Maximum Hour	1.00	50.00	0.4100
Total	2.00	100.00	0.8200

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

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

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

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

	Maximum Daily Consumption		Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		
Customer Classification	Allocation Factor 2	Weighted Factor	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)X 1.0000	(4)	(5)=(4)X 0.0000	(6)	(7)=(6)X 0.0000	(8)=(3)+ (5)+(7)
Residential	0.3781	0.3781	0.3576	0.0000	0.2763	0.0000	0.3781
Commercial	0.1491	0.1491	0.1411	0.0000	0.1037	0.0000	0.1491
Industrial	0.2209	0.2209	0.2090	0.0000	0.1313	0.0000	0.2209
Other Public Authority	0.0832	0.0832	0.0787	0.0000	0.0577	0.0000	0.0832
Sales for Resale	0.1645	0.1645	0.1556	0.0000	0.1051	0.0000	0.1645
Private Fire Protection	0.0011	0.0011	0.0145	0.0000	0.0810	0.0000	0.0011
Public Fire Protection	0.0031	0.0031	0.0435	0.0000	0.2449	0.0000	0.0031
Total	1.0000	1.0000	1.0000	0.0000	1.0000	0.0000	1.0000

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

	Horsepower of Pumps	Weight
Associated with Maximum Day	1,415	1.0000
Associated with Maximum Day and Fire	0	0.0000
Associated with Maximum Hour	0	0.0000
Total	1,415	1.0000

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

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

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

Factors are based on the weighting of the maximum daily consumption with fire, Factor 3, and the maximum hour consumption, Factor 5, for each customer classification, as follows:

	Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		
Customer Classification	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)X 0.0535	(4)	(5)=(4)X 0.9465	(6)=(3)+(5)
Residential	0.3576	0.0192	0.2763	0.2614	0.2806
Commercial	0.1411	0.0075	0.1037	0.0982	0.1057
Industrial	0.2090	0.0112	0.1313	0.1243	0.1355
Other Public Authority	0.0787	0.0042	0.0577	0.0546	0.0588
Sales for Resale	0.1556	0.0083	0.1051	0.0995	0.1078
Private Fire Protection	0.0145	0.0008	0.0810	0.0767	0.0775
Public Fire Protection	0.0435	0.0023	0.2449	0.2318	0.2341
Total	1.0000	0.0535	1.0000	0.9465	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	25,056	0.0535
Distribution Mains	442,870	0.9465
Total	467,926	1.0000

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

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

FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH FIRE HYDRANTS.

Costs are assigned directly to Public Fire Protection.

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

FACTOR 9. ALLOCATION OF COSTS ASSOCIATED WITH METERS.

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

Customer Classification	5/8" Dollar Equivalents	Allocation Factor
(1)	(2)	(3)
Residential	4,310	0.7341
Commercial	746	0.1271
Industrial	412	0.0702
Other Public Authority	319	0.0543
Sales for Resale	84	0.0143
Private Fire	0	0.0000
Total	5,871	1.0000

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

	5/8"	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Total	
Meter Size	Dollar Equivalent	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting
(1)	(2)	(3)	(4)=(2)X(3)	(5)	(6)=(2)X(5)	(7)	(8)=(2)X(7)	(9)	(10)=(2)X(9)	(11)	(12)=(2)X(11)	(13)	(14)
5/8	1.0	4,265	4,265	306	306	2	2	29	29	0	0	4,602	4,602
3/4	1.3	2	3	4	5	0	0	1	1	0	0	7	9
1	1.7	17	29	79	134	4	7	18	31	0	0	118	201
1-1/2	3.5	0	0	0	0	0	0	1	4	0	0	1	4
2	4.3	3	13	50	215	6	26	37	159	4	17	100	430
3	19.0	0	0	2	38	5	95	5	95	1	19	13	247
4	29.3	0	0	0	0	3	88	0	0	0	0	3	88
6	48.4	0	0	1	48	4	194	0	0	1	48	6	290
8	112.9	0	0	0	0	0	0	0	0	0	0	0	0
Total		4,287	4,310	442	746	24	412	91	319	6	84	4,850	5,871

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

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

FACTOR 10. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES.

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

Customer Classification	3/4" Dollar Equivalents	Allocation Factor
(1)	(2)	(3)
Residential	4,293	0.7953
Commercial	513	0.0950
Industrial	59	0.0109
Other Public Authority	142	0.0263
Sales for Resale	15	0.0028
Private Fire Protection	376	0.0697
Total	5,398	1.0000

Schedule C-MEX

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

	3/4"	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Private Fire Protection		Total	
Service Size	Dollar Equivalent	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting
(1)	(2)	(3)	(4)=(2)X(3)	(5)	(6)=(2)X(5)	(7)	(8)=(2)X(7)	(9)	(10)=(2)X(9)	(11)	(12)=(2)X(11)	(13)	(14)=(2)X(11)	(15)	(16)
3/4	1.00	4,267	4,267	310	310	2	2	30	30	0	0	0	0	4,609	4,609
1	1.17	17	20	79	92	4	5	18	21	0	0	0	0	118	138
1-1/2	1.58	0	0	0	0	0	0	1	2	0	0	0	0	1	2
2	2.04	3	6	50	102	6	12	37	75	4	8	2	4	102	207
3	2.73	0	0	2	5	5	14	5	14	1	3	1	3	14	39
4	2.88	0	0	0	0	3	9	0	0	0	0	12	35	15	44
6	4.24	0	0	1	4	4	17	0	0	1	4	21	89	27	114
8	6.98	0	0	0	0	0	0	0	0	0	0	16	112	16	112
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	0	0	0	0
Total		4,287	4,293	442	513	24	59	91	142	6	15	66	376	4,916	5,398

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

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

FACTOR 11. ALLOCATION OF TRANSMISSION AND DISTRIBUTION OPERATION SUPERVISION AND ENGINEERING AND MISCELLANEOUS EXPENSES.

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

Customer Classification	Transmission & Distribution Operating Expenses	Allocation Factor
(1)	(2)	(3)
Residential	$ 25,736	0.2806
Commercial	9,695	0.1057
Industrial	12,428	0.1355
Other Public Authority	5,393	0.0588
Sales for Resale	9,887	0.1078
Private Fire Protection	7,108	0.0775
Public Fire Protection	21,471	0.2341
Total	91,718	1.0000

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

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

Customer Classification	Transmission & Distribution Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Residential	$ 171	0.7143
Commercial	29	0.1193
Industrial	15	0.0632
Other Public Authority	12	0.0492
Sales for Resale	4	0.0186
Private Fire Protection	5	0.0190
Public Fire Protection	4	0.0164
Total	$239	1.0000

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

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

FACTOR 13. ALLOCATION OF BILLING AND COLLECTING COSTS.

Factors are based on the total number of customers.

Customer Classification	Total Customers	Allocation Factor
(1)	(2)	(3)
Residential	4,287	0.8702
Commercial	442	0.0898
Industrial	24	0.0049
Other Public Authority	91	0.0185
Sales for Resale	6	0.0012
Private Fire Protection	76	0.0154
Public Fire Protection	0	0.0000
Total	4,926	1.0000

FACTOR 14. ALLOCATION OF METER READING COSTS.

Factors are based on the number of metered customers.

Customer Classification	Total Metered Customers	Allocation Factor
(1)	(2)	(3)
Residential	4,287	0.8840
Commercial	442	0.0911
Industrial	24	0.0049
Other Public Authority	91	0.0188
Sales for Resale	6	0.0012
Total	4,850	1.0000

MISSOURI-AMERICAN WATER COMPANY
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FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 15. ALLOCATION OF ADMINISTRATIVE AND GENERAL EXPENSES AND CASH WORKING CAPITAL.

Factors are based on the allocation of all other operation and maintenance expenses excluding purchased water, power, chemicals and waste disposal.

Customer Classification	Operation & Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Residential	$339,790	0.5456
Commercial	76,771	0.1233
Industrial	78,305	0.1257
Other Public Authority	36,180	0.0581
Sales for Resale	54,376	0.0873
Private Fire Protection	11,820	0.0190
Public Fire Protection	25,564	0.0410
Total	$622,805	1.0000

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

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

FACTOR 16. ALLOCATION OF LABOR RELATED TAXES AND BENEFITS.

Factors are based on the allocation of direct labor expense.

Customer Classification	Direct Labor Expense	Allocation Factor
(1)	(2)	(3)
Residential	$181,309	0.5081
Commercial	42,417	0.1189
Industrial	44,769	0.1255
Other Public Authority	20,220	0.0567
Sales for Resale	32,590	0.0913
Private Fire Protection	9,690	0.0272
Public Fire Protection	25,803	0.0723
Total	$356,798	1.0000

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

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

Customer Classification	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
Residential	$6,952,911	0.4250
Commercial	2,130,020	0.1302
Industrial	2,707,287	0.1655
Other Public Authority	1,119,065	0.0684
Sales for Resale	1,983,948	0.1213
Private Fire Protection	388,662	0.0238
Public Fire Protection	1,075,943	0.0658
Total	$16,357,838	1.0000

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

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

FACTOR 18. ALLOCATION OF INCOME TAXES AND INCOME AVAILABLE FOR RETURN.

Factors are based on the allocation of the original cost measure of value rate base as shown on the following pages and summarized below.

Customer Classification	Original Cost Measure of Value	Allocation Factor
(1)	(2)	(3)
Residential	$6,512,923	0.4254
Commercial	1,993,407	0.1302
Industrial	2,532,345	0.1654
Other Public Authority	1,047,020	0.0684
Sales for Resale	1,855,512	0.1212
Private Fire Protection	363,506	0.0237
Public Fire Protection	1,005,885	0.0657
Total	$15,310,598	1.0000

FACTOR 19. ALLOCATION OF REGULATORY COMMISSION EXPENSES, ASSESSMENTS AND OTHER WATER REVENUES.

The factors are based on the allocation of the total cost of service, excluding those items being allocated.

Customer Classification	Total Cost of Service	Allocation Factor
(1)	(2)	(3)
Residential	$1,836,254	0.4697
Commercial	499,155	0.1277
Industrial	595,793	0.1524
Other Public Authority	252,238	0.0645
Sales for Resale	429,854	0.1099
Private Fire Protection	83,486	0.0214
Public Fire Protection	212,791	0.0544
Total	$3,909,571	1.0000

MISSOURI-AMERICAN WATER COMPANY
MEXICO 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	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
RATE BASE									
Organization	17	$ 1,964	$ 835	$ 256	$ 325	$ 134	$ 238	$ 47	$ 129
Franchises	17	0	0	0	0	0	0	0	0
Land & Ld Rights SS	2	25,516	9,647	3,804	5,636	2,123	4,197	28	79
Land & Ld Rights P	6	58,808	22,235	8,768	12,991	4,893	9,674	65	182
Land & Ld Rights WT	2	13,920	5,263	2,076	3,075	1,158	2,290	15	43
Land & Ld Rights TD	7	13,118	3,681	1,387	1,778	771	1,414	1,017	3,071
Land & Land Rights AG	15	2,057	1,122	254	259	120	180	39	84
Struct & Imp SS	2	38,471	14,546	5,736	8,498	3,201	6,328	42	119
Struct & Imp P	6	47,177	17,838	7,034	10,421	3,925	7,761	52	146
Struct & Imp Pumps (STL)	6	0	0	0	0	0	0	0	0
Struct & Imp Pump Boosters	6	0	0	0	0	0	0	0	0
Struct & Imp WT	2	3,098,636	1,171,594	462,007	684,489	257,807	509,726	3,409	9,606
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	58,602	16,444	6,194	7,941	3,446	6,317	4,542	13,719
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	84,934	46,340	10,472	10,676	4,935	7,415	1,614	3,482
Gen Structures HVAC	15	0	0	0	0	0	0	0	0
Struct & Imp Leasehold	15	5	3	1	1	0	0	0	0
Struct & Imp Leasehold	15	0	0	0	0	0	0	0	0
Struct & Imp Store,Shop,Gar	15	21,115	11,520	2,603	2,654	1,227	1,843	401	866
Struct & Imp Misc	15	0	0	0	0	0	0	0	0
Collect & Impounding	1	39	14	6	10	3	7	0	0
Lake, River & Other Intakes	2	10,543	3,986	1,572	2,329	877	1,734	12	33
Wells & Springs	2	616,740	233,189	91,956	136,238	51,313	101,454	678	1,912
Supply Mains	2	701,765	265,337	104,633	155,020	58,387	115,440	772	2,175
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	5,089	1,924	759	1,124	423	837	6	16
Power Generation Equip Othe	6	(84)	(32)	(13)	(19)	(7)	(14)	(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	1,203,097	454,891	179,382	265,764	100,098	197,910	1,323	3,730
Pump Equip Elec Pre46 (STL)	6	0	0	0	0	0	0	0	0
Pump Equip Elec Post46 (STL	6	0	0	0	0	0	0	0	0
Pump Equip Elec Boosters Po	6	0	0	0	0	0	0	0	0
Pump Equip Diesel	6	0	0	0	0	0	0	0	0

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

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Public Authorities	Sales for Resale	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Pump Equip Diesel Stratman\	6	0	0	0	0	0	0	0	0
Pump Equip Diesel Ctrl Plt	6	0	0	0	0	0	0	0	0
Pump Equip Hydraulic	6	0	0	0	0	0	0	0	0
Pump Equip Other	6	31,289	11,830	4,665	6,912	2,603	5,147	34	97
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	2,904,244	1,098,095	433,023	641,547	241,633	477,748	3,195	9,003
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	66,429	25,117	9,905	14,674	5,527	10,928	73	206
Dist Reservoirs & Standpipe	5	185,527	62,207	23,339	29,536	12,987	23,673	8,386	25,399
Elevated Tanks & Standpipes	5	51,346	17,216	6,459	8,174	3,594	6,552	2,321	7,029
Ground Level Facilities	5	18,232	6,113	2,294	2,903	1,276	2,326	824	2,496
TD Mains Not Classified by	7	1,623,471	455,546	171,601	219,980	95,460	175,010	125,819	380,055
TD Mains 4 & Less "	4	195,549	54,030	20,278	25,676	11,283	20,552	15,839	47,890
TD Mains 6 to 8" "	4	978,502	270,360	101,471	128,477	56,460	102,841	79,259	239,635
TD Mains 10 to 16" "	3	889,063	317,929	125,447	185,814	69,969	138,338	12,891	38,674
TD Mains 18 & Grtr "	3	734	262	104	153	58	114	11	32
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	22,261	0	0	0	0	0	0	22,261
Services	10	1,745,658	1,388,322	165,838	19,028	45,911	4,888	121,672	0
Meters Bronze Case	9	396,082	290,763	50,342	27,805	21,507	5,664	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	299	220	38	21	16	4	0	0
Meters Other-Rem Rdr Unts	9	0	0	0	0	0	0	0	0
Meter Installations	9	750,002	550,577	95,325	52,650	40,725	10,725	0	0

MISSOURI-AMERICAN WATER COMPANY
MEXICO 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	Fire Protection Private	Fire Protection Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Meter Installation Other	9	0	0	0	0	0	0	0	0
Meter Vaults	9	0	0	0	0	0	0	0	0
Hydrants	8	254,048	0	0	0	0	0	0	254,048
Other P/E Intangible	15	1,127	615	139	142	65	98	21	46
Other P/E SS	15	1,678	915	207	211	97	146	32	69
Other P/E WT Res Hand Equip	2	22,567	8,533	3,365	4,985	1,878	3,712	25	70
Other P/E TD	7	7,382	2,071	780	1,000	434	796	572	1,728
Other P/E CPS	15	(531)	(290)	(65)	(67)	(31)	(46)	(10)	(22)
Office Furniture & Equip	15	10,712	5,845	1,321	1,347	622	935	204	439
Comp & Periph Equip	15	46,625	25,439	5,749	5,861	2,709	4,070	886	1,912
Computer Software	15	39,706	21,664	4,896	4,991	2,307	3,466	754	1,628
Comp Software Personal	15	731	399	90	92	42	64	14	30
Comp Software Other	15	0	0	0	0	0	0	0	0
Data Handling Equipment	15	29,328	16,001	3,616	3,686	1,704	2,560	557	1,202
Other Office Equipment	15	8,527	4,652	1,051	1,072	495	744	162	350
Trans Equip Lt Duty Trks	15	(263)	(143)	(32)	(33)	(15)	(23)	(5)	(11)
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0
Trans Equip Autos	15	(2,012)	(1,098)	(248)	(253)	(117)	(176)	(38)	(82)
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	8,183	4,465	1,009	1,029	475	714	155	336
Tools,Shop,Garage Equip	15	34,822	18,999	4,294	4,377	2,023	3,040	662	1,428
Tools,Shop,Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	20,648	7,807	3,079	4,561	1,718	3,397	23	64
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	(3,867)	(2,110)	(477)	(486)	(225)	(338)	(73)	(159)
Comm Equip Non-Telephone	15	28,062	15,310	3,460	3,527	1,630	2,450	533	1,151
Remote Control & Instr	15	738	403	91	93	43	64	14	30
Comm Equip Telephone	15	(13,670)	(7,458)	(1,685)	(1,718)	(794)	(1,193)	(260)	(560)
Misc Equipment	15	5,059	2,760	624	636	294	442	96	207
Other Tangible Property	17	0	0	0	0	0	0	0	0
Total Utility Plant in Service		16,359,802	6,953,745	2,130,276	2,707,612	1,119,200	1,984,187	388,709	1,076,073
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	29,417	16,050	3,627	3,698	1,709	2,568	559	1,206
Prepayments	15	15,807	8,624	1,949	1,987	918	1,380	300	648
OPEB's Contributed to External Fund	16	50,322	25,569	5,983	6,315	2,853	4,594	1,369	3,638
Pension / OPEB Tracker	16	5,978	3,037	711	750	339	546	163	432
Regulatory Deferrals	17	36,900	15,683	4,804	6,107	2,524	4,476	878	2,428
Less:									
Accumulated Deferred ITC (3%)	17	0	0	0	0	0	0	0	0
Deferred Income Taxes	17	(1,126,938)	(478,949)	(146,727)	(186,508)	(77,083)	(136,698)	(26,821)	(74,153)
Pensions	16	(60,690)	(30,837)	(7,216)	(7,617)	(3,441)	(5,541)	(1,651)	(4,388)
Total Other Rate Base Elements		(1,049,204)	(440,822)	(136,869)	(175,268)	(72,180)	(128,674)	(25,203)	(70,188)
Total Original Cost Measure of Value		$ 15,310,598	$ 6,512,923	$ 1,993,407	$ 2,532,345	$ 1,047,020	$ 1,855,512	$ 363,506	$ 1,005,885

MISSOURI-AMERICAN WATER COMPANY
MEXICO 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	Maximum Daily Use Ratio to Average	Maximum Daily Use Highest Use Day
(1)	(2)	(3)	(4)	(5)
1990	1.859	3.044	1.64	7/15/1990
1991	2.008	2.738	1.36	3/29/1991
1992	2.044	3.182	1.56	7/2/1992
1993	1.989	2.553	1.28	8/20/1993
1994	1.964	2.525	1.29	8/22/1994
1995	2.282	2.917	1.28	8/28/1995
1996	2.186	3.047	1.39	7/18/1996
1997	2.223	2.886	1.30	7/17/1997
1998	2.240	2.868	1.28	5/19/1998
1999	2.223	3.010	1.35	7/28/1999
2000	2.199	2.770	1.26	8/17/2000
2001	2.322	2.955	1.27	8/1/2001
2002	2.245	2.953	1.32	8/5/2002
2003	2.254	2.937	1.30	8/28/2003
2004	2.116	2.745	1.30	8/18/2004
2005	2.105	2.912	1.38	11/7/2005
2006	1.783	2.786	1.56	6/19/2006
2007	2.252	2.889	1.28	8/6/2007

MISSOURI-AMERICAN WATER COMPANY
MEXICO 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)
PRIVATE FIRE PROTECTION					
Fire Lines					
2 -inch		4.00	2	8	
3 -inch		9.00	0	0	
4 -inch		16.00	12	192	
6 -inch		36.00	21	756	
8 -inch		64.00	16	1,024	
10 -inch		100.00	14	1,400	
12 -inch		144.00	1	144	
Private Hydrants		26.50	9.8	260	
Total Private Fire Protection			75.8	3,784	0.2486
PUBLIC FIRE PROTECTION					
Hydrant	Nozzle Sizes				
5 1/4" Valve	2- 2-1/2" & 1- 4 1/2"	26.50	80	2,120	
4 1/2" Valve	2- 2-1/2" & 1- 4 1/2"	20.25	460	9,315	
Total Public Fire Prorection			540	11,435	0.7514
Total Fire Protection			616	15,219	1.0000

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

CALCULATION OF CUSTOMER CHARGE

(1)	Expense Related to Meters	602,739	
(2)	Meter Equivalents X 12	70,452	
(3)	Expense per Bill - Meter related		$8.56
(4)	Expense Related to Services	302,641	
(5)	Service Equivalents X 12	60,264	
(6)	Expense per Bill - Services related		5.02
(7)	Expense Related to Billing and Collecting	339,705	
(8)	Number of Customers X 12	59,110	
(9)	Expense per Bill - Billing and Collecting		5.75
(10)	Total Customer Charge (3)+(6)+(9)		$19.32