

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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 (a)		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	\$ 3,534,915	72.8%	\$ 2,623,077	70.3%	\$ 3,516,932	72.5%	\$ 893,855	34.1%
Commercial	890,338	18.4%	751,605	20.1%	895,587	18.5%	143,982	19.2%
Industrial	19,423	0.4%	21,316	0.6%	24,939	0.5%	3,623	17.0%
Public Authority	58,716	1.2%	48,367	1.3%	59,486	1.2%	11,119	23.0%
Sales for Resale	251,267	5.2%	183,472	4.9%	249,961	5.2%	66,489	36.2%
Private Fire Service	96,776	2.0%	103,873	2.8%	103,873	2.1%	-	0.0%
Public Fire Service	-	0.0%	\$0	0.0%	\$0	0.0%	-	0.0%
Total Sales	4,851,436	100.0%	3,731,710	100.0%	4,850,778	100.0%	1,119,068	30.0%
Other Revenues	36,929		36,929		36,929		-	0.0%
Total	\$ 4,888,365		\$ 3,768,639		\$ 4,887,707		\$ 1,119,068	29.7%

(a) Cost of Service is net of revenue contribution from St. Louis Metro Area District.

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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	1,186	864	224	5	12	79	0	2
Purchased Water	1	102,457	65,705	24,385	686	1,332	9,805	102	441
TOTAL SS EXPENSE - OPERATION		103,643	66,569	24,608	692	1,344	9,884	103	443
Misc Exp Oper SS	2	0	0	0	0	0	0	0	0
Misc Exp Oper SS	2	472	344	89	2	5	31	0	1
Rents Oper SS	2	150	109	28	1	2	10	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
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	756	551	143	3	8	50	0	1
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0
Infiltr Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Infiltr 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	6,901	5,025	1,302	30	72	458	3	12
Misc Plant Maint SS	2	1,882	1,225	317	7	17	112	1	3
TOTAL SS EXPENSE - MAINTENANCE		9,962	7,253	1,879	44	104	661	4	17
TOTAL SS EXPENSE		113,604	73,822	26,487	736	1,448	10,545	107	460
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	(1,385)	(974)	(252)	(6)	(14)	(89)	(10)	(40)
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Purch Fuel/Power for Pump	1	119,367	76,550	28,409	800	1,552	11,423	119	513
Labor & Exp Oper Pump	6	61,804	43,473	11,254	260	618	3,962	433	1,805
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	47	33	9	0	0	3	0	1
Rents Oper P	6	0	0	0	0	0	0	0	0
TOTAL PUMPING EXPENSE - OPERATION		179,833	119,082	39,420	1,054	2,156	15,299	543	2,279

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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
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	10,708	7,532	1,950	45	107	686	75	313
Pump Equip Maint P	6	452	318	82	2	5	29	3	13
TOTAL PUMPING EXPENSES - MAINTENANCE		11,160	7,850	2,032	47	112	715	78	326
TOTAL PUMPING EXPENSES		190,993	126,932	41,452	1,101	2,268	16,015	621	2,605
WATER TREATMENT									
Super & Eng Oper WT	2	4	3	1	0	0	0	0	0
Chemicals	1	117,548	75,384	27,976	788	1,528	11,249	118	505
Labor & Exp Oper WT	2	0	0	0	0	0	0	0	0
Labor & Exp Oper WT	2	5,934	4,321	1,119	26	62	394	2	10
Misc Exp Oper WT	2	13,022	9,481	2,456	57	135	865	5	22
Misc Exp Oper WT	1	0	0	0	0	0	0	0	0
Misc Exp Oper WT	2	1,601	1,166	302	7	17	106	1	3
Rents Oper WT	2	0	0	0	0	0	0	0	0
TOTAL WT EXPENSE - OPERATION		138,109	90,354	31,854	878	1,742	12,615	126	540
Super & Eng Maint WT	2	787	573	148	3	8	52	0	1
Struct & Improve Maint WT	2	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	105	76	20	0	1	7	0	0
WT Equip Maint WT	2	0	0	0	0	0	0	0	0
TOTAL WT EXPENSE - MAINTENANCE		8,500	6,189	1,603	37	88	564	3	14
TOTAL WT EXPENSE		9,392	6,838	1,771	41	98	624	4	16
TOTAL WT EXPENSE		147,501	97,192	33,625	919	1,840	13,238	130	556
TRANSMISSION AND DISTRIBUTION EXPENSES									
Super & Eng Oper TD	11	22	12	4	0	0	1	1	4
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	7,333	3,980	1,191	26	65	400	325	1,347
TD Lines Exp	7	19	10	3	0	0	1	1	3
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

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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	59,273	32,174	9,626	207	522	3,230	2,626	10,889
Misc Exp Oper TD	11	51,976	28,213	8,441	182	457	2,833	2,303	9,548
Misc Exp Oper TD	11	6,456	3,504	1,048	23	57	352	286	1,186
Rents Oper TD	11	0	0	0	0	0	0	0	0
TOTAL T & D EXPENSE OPERATION		125,079	67,893	20,313	438	1,101	6,817	5,541	22,977
Super & Eng Maint TD	12	0	0	0	0	0	0	0	0
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	6,955	3,775	1,130	24	61	379	308	1,278
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	0	0	0	0	0	0	0	0
Services Maint TD	10	0	0	0	0	0	0	0	0
Meters Maint TD	9	40	31	7	0	1	1	0	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	2,192	0	0	0	0	0	0	2,192
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Misc Plant Maint TD	12	0	0	0	0	0	0	0	0
Mat and Sup Maint TD	12	25,156	10,422	3,112	68	171	1,039	843	9,501
Misc Maint TD	12	0	0	0	0	0	0	0	0
Amort Def Maint TD	5	2,590	1,672	534	11	29	176	33	135
TOTAL T & D EXPENSE - MAINTENANCE		36,933	15,900	4,783	104	282	1,594	1,183	13,106
TOTAL T & D EXPENSE		162,011	83,793	25,096	541	1,383	8,411	6,724	36,083
CUSTOMER ACCOUNTS									
Supervision CA	13	0	0	0	0	0	0	0	0
Meter Reading Exp CA	14	23,168	21,122	1,849	30	151	16	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	36,655	32,824	2,874	48	235	26	649	0
Cust Rec & Collection CA	13	25,274	22,633	1,981	33	162	18	447	0
Uncollectible Accts	13	52,703	47,196	4,132	69	337	37	933	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	3,164	2,833	248	4	20	2	56	0
Cust Serv & Info Exp CA	13	0	0	0	0	0	0	0	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		140,964	126,609	11,084	183	904	99	2,085	0

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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	86,442	60,458	11,843	251	709	3,293	1,936	7,953
Other Supplies & Exp AG	15	2,603	1,821	357	8	21	99	58	239
Other Supplies & Exp AG	15	31,212	21,830	4,276	91	256	1,189	699	2,871
Other Supplies & Exp AG	15	17,408	12,175	2,385	50	143	663	390	1,601
Mgmt Fees-Admin	15	195,382	136,650	26,767	567	1,602	7,444	4,377	17,975
Mgmt Fees-Customer Service	13	74,536	66,747	5,844	97	477	52	1,319	0
Mgmt Fees-Belleville Lab	2	7,295	5,312	1,376	32	76	484	3	12
Mgmt Fees-Employee	15	32,092	22,445	4,397	93	263	1,223	719	2,952
Outside Services AG	15	35,769	25,017	4,900	104	293	1,363	801	3,291
Outside Services AG	15	99,126	69,329	13,580	287	813	3,777	2,220	9,120
Property Insurance	15	0	0	0	0	0	0	0	0
Ins Gen Liab Oper AG	15	33,000	23,080	4,521	96	271	1,257	739	3,036
Ins Work Comp AG	16	10,173	7,101	1,453	32	85	420	214	869
Ins Other Oper AG	15	7,411	5,183	1,015	21	61	282	166	682
Property Insurance	15	1,754	1,227	240	5	14	67	39	161
Injuries & Damages	16	128	89	18	0	1	5	3	11
Employee Pension & Benefits	16	87,170	60,845	12,448	270	732	3,600	1,831	7,444
Employee Pension & Benefits	16	24,493	17,096	3,498	76	206	1,012	514	2,092
Employee Pension & Benefits	16	9,557	6,671	1,365	30	80	395	201	816
Reg Commission Exp	15	5,963	4,171	817	17	49	227	134	549
Rents AG	15	527	369	72	2	4	20	12	49
Goodwill Advertising Exp	15	414	290	57	1	3	16	9	38
Misc Exp AG	15	28,283	19,781	3,875	82	232	1,078	634	2,602
Research & Development	15	0	0	0	0	0	0	0	0
TOTAL A & G OPERATIONS		790,739	567,685	105,103	2,211	6,392	27,967	17,018	64,364
General Plant Maint AG	15	0	0	0	0	0	0	0	0
General Plant Maint AG	15	4,342	3,037	595	13	36	165	97	399
TOTAL A & G EXPENSE - MAINTENANCE		4,342	3,037	595	13	36	165	97	399
TOTAL A & G EXPENSE		795,081	570,722	105,698	2,224	6,428	28,132	17,115	64,763
Total Operation & Maintenance Expenses		1,550,154	1,079,069	243,442	5,704	14,250	76,440	26,782	104,467

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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)	Public (10)
DEPRECIATION EXPENSE									
Struct & Imp SS	2	463	337	87	2	5	31	0	1
Struct & Imp P	6	318	224	58	1	3	20	2	9
Struct & Imp WT	2	14,149	10,302	2,669	62	147	939	6	24
Struct & Imp TD	7	7,736	4,199	1,256	27	68	422	343	1,421
Struct & Imp Offices	15	1,598	1,118	219	5	13	61	36	147
Struct & Imp Store, Shop, Gar	15	514	359	70	1	4	20	12	47
Struct & Imp Misc	15	12,661	8,848	1,733	37	104	482	283	1,164
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Wells & Springs	2	3,937	2,867	743	17	41	261	2	7
Supply Mains	2	2,748	2,001	518	12	29	182	1	5
Power Generation Equip Othe	6	0	0	0	0	0	0	0	0
Pump Equip Electric	6	46,308	32,573	8,433	194	463	2,968	324	1,352
Pump Equip Diesel	6	313	220	57	1	3	20	2	9
Pump Equip Hydraulic	6	1,990	1,400	362	8	20	128	14	58
Pump Equip Other	6	1,685	1,185	307	7	17	108	12	49
WT Equip Non-Media	2	68,613	49,957	12,940	302	714	4,556	27	117
WT Equip Filter Media	2	1,934	1,408	365	9	20	128	1	3
Dist Reservoirs & Standpipe	5	75,621	48,821	15,601	325	839	5,135	953	3,947
Elevated Tanks & Standpipes	5	1,973	1,274	407	8	22	134	25	103
Ground Level Facilities	5	2,549	1,646	526	11	28	173	32	133
TD Mains Not Classified by	7	132,504	71,923	21,519	464	1,166	7,221	5,870	24,341
TD Mains 4 & Less	4	4,967	2,427	775	16	42	255	282	1,170
TD Mains 6 to 8"	4	7,357	3,595	1,148	24	62	377	418	1,733
TD Mains 10 to 16"	3	88,716	62,048	16,066	373	887	5,660	710	2,972
TD Mains 18 & Grtr	3	110	77	20	0	1	7	1	4
Fire Mains	8	1,455	0	0	0	0	0	0	1,455
Services	10	33,351	28,575	3,175	63	303	63	1,171	0
Meters Bronze Case	9	17,213	13,443	3,117	57	377	219	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	1,254	979	227	4	27	16	0	0
Meters Other-Rem Rdr Units	9	213	166	39	1	5	3	0	0
Meter Installations	9	30,062	23,478	5,444	99	658	382	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	17,447	0	0	0	0	0	0	0
Utility Plant Acquisition Adjustment	17	0	0	0	0	0	0	0	17,447
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0
Other P/E TD	11	394	214	64	1	3	21	17	72
Other P/E CPS	15	0	0	0	0	0	0	0	0
Office Furniture & Equip	15	1,416	990	194	4	12	54	32	130
Comp & Periph Equip	15	4,935	3,452	676	14	40	188	111	454
Computer Software	15	15,823	11,067	2,168	46	130	603	354	1,456

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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	1,565	1,095	214	5	13	60	35	144
Data Handling Equipment	15	14,400	10,071	1,973	42	118	549	323	1,325
Other Office Equipment	15	1,728	1,209	237	5	14	66	39	159
Trans Equip Lt Duty Trks	15	0	0	0	0	0	0	0	0
Trans Equip Hvy Duty Trks	15	22	15	3	0	0	1	0	2
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	82	57	11	0	1	3	2	8
Tools, Shop, Garage Equip	15	2,674	1,870	366	8	22	102	60	246
Tools, Shop, Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	3,353	2,441	632	15	35	223	1	6
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	30	21	4	0	0	1	1	3
Comm Equip Non- Telephone	15	2,376	1,662	326	7	19	91	53	219
Remote Control & Instr	15	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)
Comm Equip Telephone	15	29	20	4	0	0	1	1	3
Misc Equipment	15	16,052	11,227	2,199	47	132	612	360	1,477
Other Tangible Property	15	0	0	0	0	0	0	0	0
Total Depreciation Expense		644,627	420,862	106,952	2,325	6,608	32,545	11,914	63,421
Amort-Other UP	18	1,557	978	264	6	16	83	33	177
Amort-Intangible Fin	2	1,954	1,423	369	9	20	130	1	3
Taxes Other Than Income									
Utility Reg Assessment Fee	19	26,083	16,972	4,317	97	258	1,351	519	2,569
Property Taxes	18	554,626	348,472	94,009	2,052	5,657	29,562	11,924	62,950
FUTA	16	412	288	59	1	3	17	9	35
FICA	16	21,440	14,965	3,062	66	180	885	450	1,831
SUTA	16	824	575	118	3	7	34	17	70
Other Taxes & Licenses	15	1,442	1,009	198	4	12	55	32	133
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
Total Taxes, Other Than Income		604,827	382,280	101,762	2,223	6,118	31,904	12,952	67,588
Income Taxes									
Utility Income Available for Return	18	760,375	477,744	128,884	2,813	7,756	40,528	16,348	86,303
Revenue Contribution	19	1,947,954	1,223,899	330,178	7,207	19,869	103,826	41,881	221,093
		(623,083)	(405,440)	(103,120)	(2,305)	(6,169)	(32,276)	(12,399)	(61,374)
Total Cost of Service		4,888,365	3,180,815	808,730	17,982	48,469	253,180	97,511	481,678
Less: Other Water Revenues	19	36,929	24,030	6,112	137	366	1,913	735	3,638
Total Other Water Revenues		36,929	24,030	6,112	137	366	1,913	735	3,638
Total Cost of Service Related to Sales of Water		\$ 4,851,436	\$ 3,156,785	\$ 802,618	\$ 17,845	\$ 48,104	\$ 251,267	\$ 96,776	\$ 478,041
Reallocation of Public Fire	20	0	378,130	87,721	1,578	10,613	0	0	(478,041)
Total		\$ 4,851,436	\$ 3,534,915	\$ 890,338	\$ 19,423	\$ 58,716	\$ 251,267	\$ 96,776	\$ -

**MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS

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

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

Customer Classification (1)	Average Daily Consumption, Thousand Gallons (2)	Allocation Factor (3)
Residential	1,334	0.6413
Commercial	495	0.2380
Industrial	14	0.0067
Other Public Authority	27	0.0130
Sales for Resale	199	0.0957
Private Fire Protection	2	0.0010
Public Fire Protection	9	0.0043
Total	2,080	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 (1)	Average Daily Consumption		Maximum Day Extra Capacity		Allocation Factor (6)=(3)+(5)
	Allocation Factor 1 (2)	Weighted Factor (3)=(2)x 0.4000	Allocation Factor (4)	Weighted Factor (5)=(4)x 0.6000	
Residential	0.6413	0.2565	0.7862	0.4716	0.7281
Commercial	0.2380	0.0952	0.1556	0.0934	0.1886
Industrial	0.0067	0.0027	0.0028	0.0017	0.0044
Other Public Authority	0.0130	0.0052	0.0086	0.0052	0.0104
Sales for Resale	0.0957	0.0383	0.0468	0.0281	0.0664
Private Fire Protection	0.0010	0.0004			0.0004
Public Fire Protection	0.0043	0.0017			0.0017
Total	1.0000	0.4000	1.0000	0.6000	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	1,334	1.5	2,001	0.7862
Commercial	495	0.8	396	0.1556
Industrial	14	0.5	7	0.0028
Other Public Authority	27	0.8	22	0.0086
Sales for Resale	199	0.6	119	0.0468
Total	2,069		2,545	1.0000

The weighting of the factors is based on the maximum day ratio of 2.20, 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	0.4000
Maximum Day Extra Capacity	1.50	0.6000
Total	2.50	1.0000

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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 0.3843	Allocation Factor (4)	Weighted Factor (5)=(4) X 0.5763	Allocation Factor (6)	Weighted Factor (7)=(6) X 0.0394	
Residential	0.6413	0.2464	0.7862	0.4530			0.6994
Commercial	0.2380	0.0914	0.1556	0.0897			0.1811
Industrial	0.0067	0.0026	0.0028	0.0016			0.0042
Other Public Authority	0.0130	0.0050	0.0086	0.0050			0.0100
Sales for Resale	0.0957	0.0368	0.0468	0.0270			0.0638
Private Fire Protection	0.0010	0.0004			0.1940	0.0076	0.0080
Public Fire Protection	0.0043	0.0017			0.8060	0.0318	0.0335
Total	<u>1.0000</u>	<u>0.3843</u>	<u>1.0000</u>	<u>0.5763</u>	<u>1.0000</u>	<u>0.0394</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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 2.50 and the average daily system sendout for 2007 of 2.338 MGD. The system demand for fire protection is 2,000 Gallons per minute for 2 hours.

	<u>Ratio</u>	<u>Rate of Flow, (GPD)</u>	<u>Weight</u>
Average Day	1.00	2,338,000	0.3843
Maximum Day Extra Capacity	<u>1.50</u>	<u>3,507,000</u>	<u>0.5763</u>
Subtotal	<u><u>2.50</u></u>	5,845,000	0.9606
Fire Protection		<u>240,000</u>	<u>0.0394</u>
Total		<u><u>6,085,000</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		
	Thousand Gallons (2)	Allocation Factor (3)	Weighted Factor (4)=(3) X 0.2363	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.4727		Allocation Factor (7)	Weighted Factor (8)=(7) X 0.2910	Allocation Factor (9)=(4)+(6)+(8)
Residential	55.6	0.6413	0.1516	0.7131	0.3371				0.4887
Commercial	20.6	0.2376	0.0561	0.2114	0.0999				0.1560
Industrial	0.6	0.0069	0.0016	0.0033	0.0016				0.0032
Other Public Authority	1.1	0.0127	0.0030	0.0114	0.0054				0.0084
Sales for Resale	8.3	0.0957	0.0226	0.0608	0.0287				0.0513
Private Fire Protection	0.1	0.0012	0.0003				0.1940	0.0565	0.0568
Public Fire Protection	0.4	0.0046	0.0011				0.8060	0.2345	0.2356
Total	86.7	1.0000	0.2363	1.0000	0.4727		1.0000	0.2910	1.0000

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

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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 3.0 and the average daily system sendout for 2007 of 2.338 MGD. The system demand for fire protection is 2,000 gallons per minute.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	1,624	0.2363
Maximum Hour			
Extra Capacity	2.00	3,248	0.4727
Subtotal	3.00	4,872	0.7090
Fire Protection		2,000	0.2910
Total		6,872	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	55.6	3.5	194.6	0.7131
Commercial	20.6	2.8	57.7	0.2114
Industrial	0.6	1.5	0.9	0.0033
Other Public Authority	1.1	2.8	3.1	0.0114
Sales for Resale	8.3	2.0	16.6	0.0608
Total	86.2		272.9	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).

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES.

Customer Classification	Average Hourly Consumption				Maximum Hour				
	Thousand Gallons	Allocation		Weighted Factor	Extra Capacity		Fire Protection		
		Factor	(3)		Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	
(1)	(2)			(4)=(3) X	(5)	(6)=(5) X	(7)	(8)=(7) X	(9)=(4)+(6)+(8)
				0.3123		0.6247		0.0630	
Residential	55.6		0.6413	0.2002	0.7131	0.4454			0.6456
Commercial	20.6		0.2376	0.0742	0.2114	0.1321			0.2063
Industrial	0.6		0.0069	0.0022	0.0033	0.0021			0.0043
Other Public Authority	1.1		0.0127	0.0040	0.0114	0.0071			0.0111
Sales for Resale	8.3		0.0957	0.0299	0.0608	0.0380			0.0679
Private Fire Protection	0.1		0.0012	0.0004			0.1940	0.0122	0.0126
Public Fire Protection	0.4		0.0046	0.0014			0.8060	0.0508	0.0522
Total	86.7		1.0000	0.3123	1.0000	0.6247	1.0000	0.0630	1.0000

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

$$\text{Fire Protection Weight} = \frac{2,000 \text{ GPM} \times 60 \text{ Min.} \times 2 \text{ Hrs.}}{3,810,000 \text{ Gallons}} = 0.0630$$

$$\text{General Service Weight} = 1.0000 - 0.0630 = 0.9370$$

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	33.33	0.3123
Extra Capacity Maximum Hour	<u>2.00</u>	<u>66.67</u>	<u>0.6247</u>
Total	<u><u>3.00</u></u>	<u><u>100.00</u></u>	<u><u>0.9370</u></u>

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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 0.1358	(4)	(5)=(4)X 0.8642	(6)	(7)=(6)X 0.0000	(8)=(3)+ (5)+(7)
Residential	0.7281	0.0989	0.6994	0.6045	0.4887	0.0000	0.7034
Commercial	0.1886	0.0256	0.1811	0.1565	0.1560	0.0000	0.1821
Industrial	0.0044	0.0006	0.0042	0.0036	0.0032	0.0000	0.0042
Other Public Authority	0.0104	0.0014	0.0100	0.0086	0.0084	0.0000	0.0100
Sales for Resale	0.0664	0.0090	0.0638	0.0551	0.0513	0.0000	0.0641
Private Fire Protection	0.0004	0.0001	0.0080	0.0069	0.0568	0.0000	0.0070
Public Fire Protection	0.0017	0.0002	0.0335	0.0290	0.2356	0.0000	0.0292
Total	<u>1.0000</u>	<u>0.1358</u>	<u>1.0000</u>	<u>0.8642</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:

	Horsepower of Pumps	Weight
Associated with Maximum Day	165	0.1358
Associated with Maximum Day and Fire	1,050	0.8642
Associated with Maximum Hour	<u>0</u>	<u>0.0000</u>
Total	<u>1,215</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 0.2569	(4)	(5)=(4)X 0.7431	(6)=(3)+(5)
Residential	0.6994	0.1796	0.4887	0.3632	0.5428
Commercial	0.1811	0.0465	0.1560	0.1159	0.1624
Industrial	0.0042	0.0011	0.0032	0.0024	0.0035
Other Public Authority	0.0100	0.0026	0.0084	0.0062	0.0088
Sales for Resale	0.0638	0.0164	0.0513	0.0381	0.0545
Private Fire Protection	0.0080	0.0021	0.0568	0.0422	0.0443
Public Fire Protection	0.0335	0.0086	0.2356	0.1751	0.1837
Total	<u>1.0000</u>	<u>0.2569</u>	<u>1.0000</u>	<u>0.7431</u>	<u>1.0000</u>

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

	Total Footage of Mains	Weight
Transmission Mains	111,937	0.2569
Distribution Mains	<u>323,740</u>	<u>0.7431</u>
Total	<u>435,677</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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 <u> </u> (1)	Allocation Factor <u> </u> (3)
Public Fire Protection	<u>1.0000</u>
Total	<u><u>1.0000</u></u>

FACTOR 9. ALLOCATION OF COSTS ASSOCIATED WITH METERS.

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

Customer Classification <u> </u> (1)	5/8" Dollar Equivalents <u> </u> (2)	Allocation Factor <u> </u> (3)
Residential	5,277	0.7810
Commercial	1,224	0.1811
Industrial	22	0.0033
Other Public Authority	148	0.0219
Sales for Resale	86	0.0127
Private Fire	<u>0</u>	<u>0.0000</u>
Total	<u><u>6,757</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size (1)	5/8" Dollar Equivalent (2)	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Total	
		Number of Meters (3)	Weighting (4)=(2)X(3)	Number of Meters (5)	Weighting (6)=(2)X(5)	Number of Meters (7)	Weighting (8)=(2)X(7)	Number of Meters (9)	Weighting (10)=(2)X(9)	Number of Meters (11)	Weighting (12)=(2)X(11)	Number of Meters (13)	Weighting (14)
5/8	1.0	4,696	4,696	257	257	2	2	15	15	0	0	4,970	4,970
3/4	1.3	0	0	0	0	0	0	0	0	0	0	0	0
1	1.7	301	512	77	131	0	0	4	7	0	0	382	650
1-1/2	3.5	11	39	36	126	2	7	7	25	0	0	56	197
2	4.3	7	30	51	219	3	13	8	34	0	0	69	296
3	19.0	0	0	11	209	0	0	1	19	3	57	15	285
4	29.3	0	0	3	88	0	0	0	0	1	29	4	117
6	48.4	0	0	4	194	0	0	1	48	0	0	5	242
8	112.9	0	0	0	0	0	0	0	0	0	0	0	0
Total		5,015	5,277	439	1,224	7	22	36	148	4	86	5,501	6,757

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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 <u>(1)</u>	3/4" Dollar Equivalents <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	5,079	0.8568
Commercial	564	0.0952
Industrial	11	0.0019
Other Public Authority	54	0.0091
Sales for Resale	11	0.0019
Private Fire Protection	<u>208</u>	<u>0.0351</u>
Total	<u><u>5,927</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

Number of Services (3)	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Private Fire Protection		Total	
	Number of Services (5)	Weighting (4)=(2)X(3) (4)	Number of Services (5)	Weighting (6)=(2)X(5) (6)	Number of Services (7)	Weighting (8)=(2)X(7) (8)	Number of Services (9)	Weighting (10)=(2)X(9) (10)	Number of Services (11)	Weighting (12)=(2)X(11) (12)	Number of Services (13)	Weighting (14)=(2)X(11) (14)	Number of Services (15)	Weighting (16) (16)
4,696	257	4,696	257	257	2	2	15	15	0	0	0	0	4,970	4,970
301	77	352	77	90	0	0	4	5	0	0	0	0	382	447
11	36	17	36	57	2	3	7	11	0	0	0	0	56	88
7	51	14	51	104	3	6	8	16	0	0	3	6	72	146
0	11	0	11	30	0	0	1	3	3	8	1	3	16	44
0	3	0	3	9	0	0	0	0	1	3	8	23	12	35
0	4	0	4	17	0	0	1	4	0	0	32	136	37	157
0	0	0	0	0	0	0	0	0	0	0	3	21	3	21
0	0	0	0	0	0	0	0	0	0	0	2	19	2	19
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5,015	439	5,079	439	564	7	11	36	54	4	11	49	208	5,550	5,927

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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	\$ 3,990	0.5428
Commercial	1,194	0.1624
Industrial	26	0.0035
Other Public Authority	65	0.0088
Sales for Resale	401	0.0545
Private Fire Protection	326	0.0443
Public Fire Protection	1,350	0.1837
Total	7,352	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	\$ 3,806	0.4143
Commercial	1,137	0.1237
Industrial	24	0.0027
Other Public Authority	62	0.0068
Sales for Resale	380	0.0413
Private Fire Protection	308	0.0335
Public Fire Protection	3,470	0.3777
Total	\$9,187	1.0000

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	5,015	0.8955
Commercial	439	0.0784
Industrial	7	0.0013
Other Public Authority	36	0.0064
Sales for Resale	4	0.0007
Private Fire Protection	99	0.0177
Public Fire Protection	0	0.0000
Total	<u>5,600</u>	<u>1.0000</u>

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	5,015	0.9117
Commercial	439	0.0798
Industrial	7	0.0013
Other Public Authority	36	0.0065
Sales for Resale	4	0.0007
Total	<u>5,501</u>	<u>1.0000</u>

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	\$290,709	0.6994
Commercial	56,974	0.1370
Industrial	1,206	0.0029
Other Public Authority	3,411	0.0082
Sales for Resale	15,830	0.0381
Private Fire Protection	9,327	0.0224
Public Fire Protection	38,245	0.0920
Total	<u>\$415,702</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	\$210,558	0.6980
Commercial	43,068	0.1428
Industrial	922	0.0031
Other Public Authority	2,542	0.0084
Sales for Resale	12,466	0.0413
Private Fire Protection	6,346	0.0210
Public Fire Protection	25,753	0.0854
Total	<u>\$301,655</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	\$15,290,437	0.6282
Commercial	4,127,779	0.1696
Industrial	89,616	0.0037
Other Public Authority	248,484	0.0102
Sales for Resale	1,297,562	0.0533
Private Fire Protection	523,799	0.0215
Public Fire Protection	2,763,503	0.1135
Total	<u>\$24,341,180</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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	\$14,231,455	0.6283
Commercial	3,839,603	0.1695
Industrial	83,324	0.0037
Other Public Authority	231,153	0.0102
Sales for Resale	1,206,769	0.0533
Private Fire Protection	487,510	0.0215
Public Fire Protection	2,570,813	0.1135
Total	<u>\$22,650,627</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	\$3,565,112	0.6507
Commercial	906,716	0.1655
Industrial	20,173	0.0037
Other Public Authority	54,331	0.0099
Sales for Resale	283,878	0.0518
Private Fire Protection	109,258	0.0199
Public Fire Protection	539,934	0.0985
Total	<u>\$5,479,402</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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)
RATE BASE									
Organization	17	\$ 2,237	\$ 1,405	\$ 379	\$ 8	\$ 23	\$ 119	\$ 48	\$ 254
Franchises	17	13	8	2	0	0	1	0	1
Land & Ld Rights SS	2	1,735	1,263	327	8	18	115	1	3
Land & Ld Rights P	6	0	0	0	0	0	0	0	0
Land & Ld Rights WT	2	432	315	82	2	4	29	0	1
Land & Ld Rights TD	7	35,650	19,351	5,790	125	314	1,943	1,579	6,549
Land & Land Rights AG	15	142	100	20	0	1	5	3	13
Struct & Imp SS	2	10,386	7,562	1,959	46	108	690	4	18
Struct & Imp P	6	10,959	7,709	1,996	46	110	702	77	320
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	722,319	525,921	136,229	3,178	7,512	47,962	289	1,228
Struct & Imp WT Nth Pit (ST)	2	0	0	0	0	0	0	0	0
Struct & Imp WT Ctrl Pit 1	2	0	0	0	0	0	0	0	0
Struct & Imp WT Ctrl Pit 3	2	0	0	0	0	0	0	0	0
Struct & Imp WT Sth Pit (ST)	2	0	0	0	0	0	0	0	0
Struct & Imp WT Meramec (ST)	2	0	0	0	0	0	0	0	0
Struct & Imp TD	7	263,899	143,244	42,857	924	2,322	14,382	11,691	48,478
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	28,237	19,749	3,868	82	232	1,076	633	2,598
Gen Structures HVAC	15	0	0	0	0	0	0	0	0
Struct & Imp Leasehold	15	6	4	1	0	0	0	0	1
Struct & Imp Leasehold	15	0	0	0	0	0	0	0	0
Struct & Imp Store, Shop, Gar	15	18,339	12,827	2,512	53	150	699	411	1,687
Struct & Imp Misc	15	502,780	351,644	68,881	1,458	4,123	19,156	11,262	46,256
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Wells & Springs	2	147,217	107,189	27,765	648	1,531	9,775	59	250
Supply Mains	2	124,456	90,617	23,472	548	1,294	8,264	50	212
Supply Mains Nth Pit (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Ctrl Pit (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Sth Pit (STL)	2	0	0	0	0	0	0	0	0
Supply Mains Meramec Pit (S	2	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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)
Power Generation Equip	6	0	0	0	0	0	0	0	0
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	1,632,547	1,148,333	297,287	6,857	16,325	104,646	11,428	47,670
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	12,290	8,645	2,238	52	123	788	86	359
Pump Equip Diesel Stratman\	6	0	0	0	0	0	0	0	0
Pump Equip Diesel Ctrl Pit	6	0	0	0	0	0	0	0	0
Pump Equip Hydraulic	6	80,056	56,311	14,578	336	801	5,132	560	2,338
Pump Equip Other	6	67,255	47,307	12,247	282	673	4,311	471	1,964
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	1,799,125	1,309,943	339,315	7,916	18,711	119,462	720	3,059
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	67,163	48,901	12,667	296	698	4,460	27	114
Dist Reservoirs & Standpipe	5	3,137,460	2,025,544	647,258	13,491	34,826	213,034	39,532	163,775
Elevated Tanks & Standpipes	5	48,205	31,121	9,945	207	535	3,273	607	2,516
Ground Level Facilities	5	108,188	69,846	22,319	465	1,201	7,346	1,363	5,647
TD Mains Not Classified by	7	5,403,805	2,933,185	877,578	18,913	47,553	294,507	239,389	992,679
TD Mains 4 & Less "	4	220,566	107,791	34,408	706	1,853	11,315	12,528	51,965
TD Mains 6 to 8"	4	2,223,689	1,086,717	346,895	7,116	18,679	114,075	126,306	523,901
TD Mains 10 to 16"	3	3,997,196	2,795,639	723,892	16,788	39,972	255,021	31,978	133,906
TD Mains 18 & Grtr "	3	5,118	3,580	927	21	51	327	41	171
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

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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)
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	80,288	0	0	0	0	0	0	80,288
Services	10	567,813	486,503	54,056	1,079	5,167	1,079	19,930	0
Meters Bronze Case	9	656,335	512,597	118,862	2,166	14,374	8,335	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	(4,363)	(3,406)	(790)	(14)	(96)	(55)	0	0
Meters Other-Rem Rdr Units	9	8,564	6,688	1,551	28	188	109	0	0
Meter Installations	9	1,040,731	812,811	188,476	3,434	22,792	13,217	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
Hydrants	8	593,057	0	0	0	0	0	0	593,057
Other P/E Intangible	2	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	2	17,459	12,712	3,293	77	182	1,159	7	30
Other P/E CPS	2	95,543	69,565	18,019	420	994	6,344	38	162
Office Furniture & Equip	15	8,537	5,971	1,170	25	70	325	191	785
Comp & Periph Equip	15	33,711	23,577	4,618	98	276	1,284	755	3,101
Computer Software	15	42,515	29,735	5,825	123	349	1,620	952	3,911
Comp Software Personal	15	9,089	6,357	1,245	26	75	346	204	836
Comp Software Other	15	0	0	0	0	0	0	0	0
Data Handling Equipment	15	157,811	110,373	21,620	458	1,294	6,013	3,535	14,519
Other Office Equipment	15	22,131	15,478	3,032	64	181	843	496	2,036
Trans Equip Lt Duty Trks	15	23,497	16,434	3,219	68	193	895	526	2,162
Trans Equip Hvy Duty Trks	15	244	171	33	1	2	9	5	22
Trans Equip Autos	15	(1,924)	(1,345)	(264)	(6)	(16)	(73)	(43)	(177)
Trans Equip Other	15	(17,258)	(12,070)	(2,364)	(50)	(142)	(658)	(387)	(1,588)
Stores Equipment	15	1,452	1,015	199	4	12	55	33	134
Tools, Shop, Garage Equip	15	27,793	19,438	3,808	81	228	1,059	623	2,557
Tools, Shop, Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	49,089	35,742	9,258	216	511	3,260	20	83
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	(177)	(124)	(24)	(1)	(1)	(7)	(4)	(16)
Comm Equip Non-Telephone	15	7,079	4,951	970	21	58	270	159	651
Remote Control & Instr	15	(12)	(9)	(2)	(0)	(0)	(0)	(0)	(1)
Comm Equip Telephone	15	215	150	29	1	2	8	5	20
Misc Equipment	15	252,741	176,767	34,626	733	2,072	9,629	5,661	23,252
Other Tangible Property	17	0	0	0	0	0	0	0	0
Total Utility Plant in Service		24,343,430	15,291,850	4,128,161	89,624	248,507	1,297,682	523,847	2,763,758

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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)
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	38,575	26,979	5,285	112	316	1,470	864	3,549
Prepayments	15	18,002	12,591	2,466	52	148	686	403	1,656
OPEB's Contributed to External Fund	16	49,428	34,501	7,058	153	415	2,041	1,038	4,221
Pension / OPEB Tracker	16	5,295	3,696	756	16	44	219	111	452
Regulatory Deferrals	17	67,900	42,655	11,516	251	693	3,619	1,460	7,707
Less:									
Accumulated Deferred ITC (3%)	17	0	0	0	0	0	0	0	0
Deferred Income Taxes	17	(1,802,884)	(1,132,572)	(305,769)	(6,671)	(18,389)	(96,094)	(38,762)	(204,627)
Pensions	16	(69,119)	(48,245)	(9,870)	(214)	(581)	(2,855)	(1,451)	(5,903)
Total Other Rate Base Elements		(1,692,803)	(1,060,395)	(288,558)	(6,300)	(17,354)	(90,914)	(36,337)	(192,945)
Total Original Cost Measure of Value		\$ 22,650,627	\$ 14,231,455	\$ 3,839,603	\$ 83,324	\$ 231,153	\$ 1,206,769	\$ 487,510	\$ 2,570,813

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE DISTRICT

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

Year	Average Daily Send out (MGD)	Maximum Daily Use		
		MGD	Ratio to Average	Highest Use Day
(1)	(2)	(3)	(4)	(5)
1990	N/A	2.867	N/A	N/A
1991	N/A	2.950	N/A	N/A
1992	N/A	2.700	N/A	N/A
1993	N/A	2.310	N/A	N/A
1994	1.710	3.200	1.87	N/A
1995	1.627	3.319	2.04	N/A
1996	1.764	3.200	1.81	N/A
1997	1.860	3.106	1.67	7/26/1997
1998	1.719	3.360	1.95	7/19/1998
1999	1.893	4.200	2.22	7/18/1999
2000	2.229	4.582	2.06	7/16/2000
2001	2.146	4.783	2.23	7/22/2001
2002	2.349	5.088	2.17	7/26/2002
2003	2.488	6.626	2.66	8/23/2003
2004	2.087	4.630	2.22	8/18/2004
2005	2.238	5.328	2.38	8/2/2005
2006	2.480	5.945	2.40	7/19/2006
2007	2.338	5.486	2.35	8/6/2007

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER 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	3	12	
3 -inch	9.00	1	9	
4 -inch	16.00	8	128	
6 -inch	36.00	32	1,152	
8 -inch	64.00	3	192	
10 -inch	100.00	2	200	
12 -inch	144.00	0	0	
Private Hydrants	26.50	49.9	1,322	
Total Private Fire Protection		98.9	3,015	0.1940
<u>PUBLIC FIRE PROTECTION</u>				
Hydrant	Nozzle Sizes			
5 1/4" Valve	1- 2-1/2" & 1- 4 1/2"	26.50	422	11,183
4 1/2" Valve	1-2 1/2"	6.25	215	1,344
Total Public Fire Protection		637	12,527	0.8060
Total Fire Protection		736	15,542	1.0000

MISSOURI-AMERICAN WATER COMPANY
PARKVILLE WATER DISTRICT

CALCULATION OF CUSTOMER CHARGE

(1) Expense Related to Meters	723,011	
(2) Meter Equivalents X 12	81,084	
(3) Expense per Bill - Meter related		\$8.92
(4) Expense Related to Services	93,397	
(5) Service Equivalents X 12	68,628	
(6) Expense per Bill - Services related		1.36
(7) Expense Related to Billing and Collecting	468,485	
(8) Number of Customers X 12	67,199	
(9) Expense per Bill - Billing and Collecting		6.97
(10) Total Customer Charge (3)+(6)+(9)		\$17.25