

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)
COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2007

Customer Classification (1)	Cost of Service**		Revenues, Present Rates		Revenues, Proposed Rates		Proposed Increase	
	Amount (Schedule B) (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
Res/Com/Ind/OPA - Rate A	\$ 149,043,172	86.1%	\$ 116,500,747	87.5%	\$ 148,912,303	86.1%	\$ 32,411,556	27.8%
Sales for Resale - Rate B	2,651,717	1.5%	2,341,267	1.8%	2,649,597	1.5%	308,330	13.2%
Large Industrial - Rate J	7,968,164	4.6%	6,320,529	4.7%	7,970,104	4.6%	1,649,575	26.1%
Private Fire - Rate F	1,503,496	0.9%	1,634,891	1.2%	1,634,891	0.9%	-	0.0%
Public Fire - Rate E	12,011,995	6.9%	6,537,318	4.8%	\$12,011,857	6.9%	5,474,539	83.7%
Total Sales	173,178,545	100.0%	133,334,752	100.0%	173,178,752	100.0%	39,844,000	29.9%
Other Revenues*	4,587,717		4,587,717		4,587,717		-	0.0%
Total	\$ 177,766,262		\$ 137,922,469		\$ 177,766,469		\$ 39,844,000	28.9%

* Includes Rate G and H Contract Sales.

** Cost of Service includes a revenue contribution to the Brunswick, Parkville Water, Warren County Sewer and Cedar Hill Sewer Districts.

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Res/Com/Ind/OPA Rate A (4)	Sales for Resale Rate B (5)	Large Industrial Rate J (6)	Private - Rate F (7)	Fire Protection Public - Rate E (8)
OPERATION AND MAINTENANCE EXPENSES							
SOURCE OF SUPPLY EXPENSES							
Super & Eng Oper SS	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor & Exp Oper SS	2	315,671	277,570	10,259	26,674	253	915
Labor & Exp Oper SS	2	100,542	88,407	3,268	8,496	80	292
Purchased Water	1	231,552	194,782	8,452	26,675	347	1,297
TOTAL SS EXPENSE - OPERATION		647,765	560,758	21,979	61,845	680	2,504
Misc Exp Oper SS	2	363,105	319,278	11,801	30,682	290	1,053
Misc Exp Oper SS	2	1,412	1,242	46	119	1	4
Rents Oper SS	2	0	0	0	0	0	0
Super & Eng Maint SS	2	0	0	0	0	0	0
Struct & Improve Maint SS	2	4,691	4,125	152	396	4	14
Struct & Improve Maint SS	2	0	0	0	0	0	0
Collect & Impound Maint SS	2	125	110	4	11	0	0
Lake, River & Oth Maint SS	2	41,892	36,836	1,361	3,540	34	121
Lake, River & Oth Maint SS	2	0	0	0	0	0	0
Wells & Springs Maint SS	2	0	0	0	0	0	0
Wells & Springs Maint SS	2	0	0	0	0	0	0
Infillt Gall & Tunnels Maint SS	2	0	0	0	0	0	0
Supply Mains Maint SS	2	0	0	0	0	0	0
Misc Plant Maint SS	2	64,352	56,585	2,091	5,438	51	187
Misc Plant Maint SS	2	230,638	202,800	7,496	19,489	185	669
TOTAL SS EXPENSE - MAINTENANCE		706,216	620,975	22,952	59,675	565	2,048
TOTAL SS EXPENSE		1,353,981	1,181,733	44,931	121,520	1,245	4,552
POWER AND PUMPING EXPENSES							
Super & Eng Oper P	6	0	0	0	0	0	0
Fuel for Power Prod	1	0	0	0	0	0	0
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0
Purch Fuel/Power for Pump	1	6,503,678	5,470,894	237,384	749,224	9,756	36,421
Labor & Exp Oper Pump	6	1,141,108	994,704	36,515	95,168	3,309	11,411
Labor & Exp Oper Pump	6	276	241	9	23	1	3
Expenses Transferred	6	0	0	0	0	0	0
Misc Exp Oper P	6	32,935	28,709	1,054	2,747	96	329
Rents Oper P	6	0	0	0	0	0	0
TOTAL PUMPING EXPENSE - OPERATION		7,677,997	6,494,548	274,962	847,162	13,161	48,164

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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)	Res/Com/Ind/OPA Rate A (4)	Sales for Resale Rate B (5)	Large Industrial Rate J (6)	Private - Rate F (7)	Fire Protection Public - Rate E (8)
Super & Eng Maint P	6	22,374	19,503	716	1,866	65	224
Struct & Improve Maint P	6	526,827	459,235	16,858	43,937	1,528	5,268
Power Prod Equip Maint P	6	365,753	318,827	11,704	30,504	1,061	3,658
Pump Equip Maint P	6	113,843	99,237	3,643	9,495	330	1,138
Pump Equip Maint P	6	202	176	6	17	1	2
TOTAL PUMPING EXPENSES - MAINTENANCE		1,028,999	896,978	32,928	85,818	2,984	10,290
TOTAL PUMPING EXPENSES		8,706,996	7,391,526	307,890	932,980	16,145	58,454
WATER TREATMENT							
Super & Eng Oper WT	2	90,512	79,587	2,942	7,648	72	262
Chemicals	1	7,046,488	5,927,506	257,197	811,755	10,570	39,460
Labor & Exp Oper WT	2	1,951,654	1,716,089	63,429	164,915	1,561	5,660
Labor & Exp Oper WT	2	131,393	115,534	4,270	11,103	105	381
Misc Exp Oper WT	2	0	0	0	0	0	0
Misc Exp Oper WT	1	447,401	376,354	16,330	51,541	671	2,505
Misc Exp Oper WT	2	20,948	18,420	681	1,770	17	61
Rents Oper WT	2	(95)	(83)	(3)	(8)	(0)	(0)
TOTAL WT EXPENSE - OPERATION		9,688,302	8,233,406	344,845	1,048,724	12,996	48,330
Super & Eng Maint WT	2	1,431,056	1,258,328	46,509	120,924	1,145	4,150
Struct & Improve Maint WT	2	33,481	29,440	1,088	2,829	27	97
WT Equip Maint WT	2	0	0	0	0	0	0
WT Equip Maint WT	2	561,257	493,513	18,241	47,426	449	1,628
WT Equip Maint WT	2	395,156	347,461	12,843	33,391	316	1,146
TOTAL WT EXPENSE - MAINTENANCE		2,420,950	2,128,742	78,681	204,570	1,937	7,021
TOTAL WT EXPENSE		12,109,252	10,362,148	423,526	1,253,294	14,933	55,350
TRANSMISSION AND DISTRIBUTION EXPENSES							
Super & Eng Oper TD	11	1,225,547	1,134,244	5,638	27,820	21,692	36,154
Storage Facility Exp	5	3,503	2,785	99	246	82	291
Storage Facility Exp	5	40	32	1	3	1	3
TD Lines Exp	7	1,290,465	1,183,227	8,259	30,197	15,098	53,683
TD Lines Exp	7	1,407,072	1,290,144	9,005	32,925	16,463	58,534
Meter Expense	9	578,079	550,678	0	22,140	5,261	0
Meter Expense	9	0	0	0	0	0	0
Customer Install Exp	10	534,418	502,780	0	909	30,729	0
Customer Install Exp	10	0	0	0	0	0	0
Misc Exp Oper TD	11	409,652	379,133	1,884	9,299	7,251	12,085
Misc Exp Oper TD	11	0	0	0	0	0	0
Misc Exp Oper TD	11	696,530	644,639	3,204	15,811	12,329	20,548
Rents Oper TD	11	65,471	60,593	301	1,486	1,159	1,931
TOTAL T & D EXPENSE OPERATION		6,210,776	5,748,254	28,392	140,837	110,064	183,229

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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)	Res/Com/Ind/OPA Rate A (4)	Sales for Resale Rate B (5)	Large Industrial Rate J (6)	Private - Rate F (7)	Fire Protection Public - Rate E (8)
Super & Eng Maint TD	12	109,584	60,238	318	1,425	1,238	46,365
Struct & Improve Maint TD	12	25,676	14,114	74	334	290	10,864
Struct & Improve Maint TD	12	0	0	0	0	0	0
Dist Res Stand Maint TD	5	27,695	22,012	787	1,947	648	2,301
TD Main Maint TD	7	35,552	32,598	228	832	416	1,479
TD Main Maint TD	7	2,045,015	1,875,074	13,088	47,853	23,927	85,073
Fire Main Maint TD	8	653	0	0	0	0	653
Fire Main Maint TD	8	1,416,667	0	0	0	0	1,416,667
Services Maint TD	10	472,855	444,862	0	804	27,189	0
Services Maint TD	10	0	0	0	0	0	0
Meters Maint TD	9	305,822	291,326	0	11,713	2,783	0
Meters Maint TD	9	0	0	0	0	0	0
Hydrants Maint TD	8	546,244	0	0	0	0	0
Hydrants Maint TD	8	0	0	0	0	0	546,244
Misc Plant Maint TD	7	4,593,923	4,212,168	0	0	0	0
Mat and Sup Maint TD	7	959,393	879,668	29,401	107,498	53,749	191,107
Misc Maint TD	12	(71,931)	(39,540)	6,140	22,450	11,225	39,911
Amort Def Maint TD	5	1,190,230	945,995	(209)	(935)	(813)	(30,434)
Permits TD	12	69,097	37,983	33,803	83,673	27,851	98,908
TOTAL T & D EXPENSE - MAINTENANCE		11,726,476	8,776,498	200	898	781	29,235
				83,830	278,491	149,284	2,438,373
TOTAL T & D EXPENSE		17,937,252	14,524,751	112,222	419,328	259,349	2,621,602
CUSTOMER ACCOUNTS							
Supervision CA	13	20,764	20,499	0	12	253	0
Meter Reading Exp CA	14	1,695,228	1,694,211	0	1,017	0	0
Meter Reading Exp CA	14	0	0	0	0	0	0
Meter Reading Exp CA	14	6	6	0	0	0	0
Cust Rec & Collection CA	13	732,982	723,600	0	440	8,942	0
Cust Rec & Collection CA	13	1,634,584	1,613,661	0	981	19,942	0
Uncollectible Accts	13	1,649,135	1,628,026	0	989	20,119	0
Misc Cust Accts Exp CA	13	110,366	108,953	0	66	1,346	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	98,854	97,589	0	59	1,206	0
Cust Serv & Info Exp CA	13	0	0	0	0	0	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		5,941,920	5,886,545	0	3,565	51,810	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)	Res/Com/Ind/OPA Rate A (4)	Sales for Resale Rate B (5)	Large Industrial Rate J (6)	Private - Rate F (7)	Fire Protection Public - Rate E (8)
ADMINISTRATIVE AND GENERAL EXPENSES							
Salaries AG	15	4,050,023	3,484,640	46,980	138,916	40,905	338,582
Other Supplies & Exp AG	15	945	813	11	32	10	79
Other Supplies & Exp AG	15	628,014	540,343	7,285	21,541	6,343	52,502
Other Supplies & Exp AG	15	1,056,563	909,067	12,256	36,240	10,671	88,329
Mgmt Fees-Admin	15	12,881,406	11,083,162	149,424	441,832	130,102	1,076,886
Mgmt Fees-Customer Service	13	4,914,145	4,851,244	0	2,948	59,953	0
Mgmt Fees-Bellefonte Lab	2	480,958	422,906	15,631	40,641	385	1,395
Mgmt Fees- Employee	16	2,115,798	1,872,693	28,140	83,362	20,523	111,079
Outside Services AG	15	1,632,051	1,404,217	18,932	55,979	16,484	136,439
Outside Services AG	15	295,303	254,079	3,426	10,129	2,983	24,687
Property Insurance	15	0	0	0	0	0	0
Ins Gen Liab Oper AG	15	2,197,464	1,890,698	25,491	75,373	22,194	183,708
Ins Work Comp AG	16	856,298	757,909	11,389	33,738	8,306	44,956
Ins Other Oper AG	15	488,598	420,390	5,668	16,759	4,935	40,847
Property Insurance	15	144,145	124,022	1,672	4,944	1,456	12,051
Injuries & Damages	16	42,822	37,902	570	1,687	415	2,248
Employee Pension & Benefits	16	5,749,080	5,088,511	76,463	226,514	55,766	301,827
Employee Pension & Benefits	16	2,226,628	1,970,788	29,614	87,729	21,598	116,898
Employee Pension & Benefits	16	832,913	737,211	11,078	32,817	8,079	43,728
Reg Commission Exp	15	393,129	338,248	4,560	13,484	3,971	32,866
Rents AG	15	290,422	249,879	3,369	9,961	2,933	24,279
Goodwill Advertising Exp	15	11,835	10,183	137	406	120	989
Misc Exp AG	15	1,140,548	981,327	13,230	39,121	11,520	95,350
Research & Development	15	0	0	0	0	0	0
TOTAL A & G OPERATIONS		42,429,087	37,430,231	465,325	1,374,155	429,651	2,729,724
General Plant Maint AG	15	(1,414,130)	(1,216,717)	(16,404)	(48,505)	(14,283)	(118,221)
General Plant Maint AG	15	172,689	149,582	2,003	5,923	1,744	14,437
TOTAL A & G EXPENSE - MAINTENANCE		(1,241,441)	(1,068,136)	(14,401)	(42,581)	(12,539)	(103,784)
TOTAL A & G EXPENSE		41,187,646	36,362,095	450,925	1,331,574	417,113	2,625,939
Total Operation & Maintenance Expenses		87,237,047	75,708,800	1,339,494	4,062,262	760,594	5,365,897

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COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref	Cost of Service	Res/Com/Ind/OPA		Sales for Resale		Large Industrial		Fire Protection	
			Rate A	Rate B	Rate J	Private - Rate F	Public - Rate E			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)			
DEPRECIATION EXPENSE										
Struct & Imp SS	2	150,681	132,494	4,897	12,733	121	437			
Struct & Imp P	6	36,555	31,865	1,170	3,049	106	366			
Struct & Imp Pumps (STL)	6	86,425	75,337	2,766	7,208	251	864			
Struct & Imp Pump Boosters	6	51,382	44,790	1,644	4,285	149	514			
Struct & Imp WT	2	176,490	155,188	5,736	14,913	141	512			
Struct & Imp WT Nth Plt (ST	2	132,435	116,450	4,304	11,191	106	384			
Struct & Imp WT Ctrl Plt 1	2	44,013	38,701	1,430	3,719	35	128			
Struct & Imp WT Ctrl Plt 3	2	385,547	339,011	12,530	32,579	308	1,118			
Struct & Imp WT Sth Plt (ST	2	51,486	45,272	1,673	4,351	41	149			
Struct & Imp WT Meramec (ST	2	149,975	131,873	4,874	12,673	120	435			
Struct & Imp TD	7	164,310	150,656	1,052	3,845	1,922	6,835			
Struct & Imp TD Spec Cross	7	53	49	0	1	1	2			
Struct & Imp AG	15	1,626	1,399	19	56	16	136			
Struct & Imp Offices	15	72,272	62,183	838	2,479	730	6,042			
Gen Structures HVAC	15	2,425	2,086	28	83	24	203			
Struct & Imp Leasehold	15	0	0	0	0	0	0			
Struct & Imp Leasehold	15	17,316	14,899	201	594	175	1,448			
Struct & Imp Store, Shop, Gar	15	7,569	6,512	88	260	76	633			
Struct & Imp Misc	15	35,141	30,235	408	1,205	355	2,938			
Collect & Impounding	1	0	0	0	0	0	0			
Lake, River & Other Intakes	2	0	0	0	0	0	0			
Wells & Springs	2	0	0	0	0	0	0			
Infiltration Galleries & Tunnels	2	12,124	10,661	394	1,024	10	35			
Supply Mains	2	11	10	0	1	0	0			
Supply Mains Nth Plt (STL)	2	3,963	3,485	129	335	3	11			
Supply Mains Ctrl Plt (STL)	2	62,872	55,283	2,043	5,313	50	182			
Supply Mains Sth Plt (STL)	2	5,456	4,797	177	461	4	16			
Supply Mains Meramec Plt (S	2	21,022	18,485	683	1,776	17	61			
Power Generation Equip	6	26,508	23,107	848	2,211	77	265			
Power Generation Equip Othe	6	0	0	0	0	0	0			
Boiler Plant Equipment P	6	0	0	0	0	0	0			
Pump Equip Steam	6	0	0	0	0	0	0			
Pump Equip Electric	6	107,994	94,138	3,456	9,007	313	1,080			
Pump Equip Elec Pre46 (STL)	6	24,374	21,247	780	2,033	71	244			
Pump Equip Elec Post46 (STL	6	646,639	563,675	20,692	53,930	1,875	6,466			
Pump Equip Elec Boosters Po	6	36,936	32,197	1,182	3,080	107	369			
Pump Equip Diesel	6	0	0	0	0	0	0			
Pump Equip Diesel Stratman)	6	0	0	0	0	0	0			
Pump Equip Diesel Ctrl Plt	6	46,525	40,556	1,489	3,880	135	465			
Pump Equip Hydraulic	6	717	625	23	60	2	7			
Pump Equip Other	6	2,642	2,303	85	220	8	26			
Pump Equip WT	6	15,421	13,442	493	1,286	45	154			
Pump Equip TD	6	69	60	2	6	0	1			
WT Equip Non-Media	2	367,641	323,267	11,948	31,066	294	1,066			

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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)	Res/Com/Ind/OPA Rate A (4)	Sales for Resale Rate B (5)	Large Industrial Rate J (6)	Fire Protection		(8)
						Private - Rate F (7)	Public - Rate E (8)	
WT Equip Non-Med North (STL)	2	229,229	201,561	7,450	19,370	183		665
WT Equip Non Media Ctrl 1 &	2	62,789	55,210	2,041	5,306	50		182
WT Equip Non Media Ctrl 3 (	2	653,013	574,194	21,223	55,180	522		1,894
WT Equip Non Media Sth (STL)	2	112,376	98,812	3,652	9,496	90		326
WT Equip Non Media Mer (STL)	2	206,957	181,977	6,726	17,488	166		600
WT Equip Filter Media	2	22,874	20,113	743	1,933	18		66
Dist Reservoirs & Standpipe	5	36,579	29,073	1,039	2,572	856		3,040
Elevated Tanks & Standpipes	5	60,963	48,453	1,731	4,286	1,427		5,066
Ground Level Facilities	5	216,886	172,381	6,160	15,247	5,075		18,023
TD Mains Not Classified by	7	517,937	474,896	3,315	12,120	6,060		21,546
TD Mains 4 & Less "	4	10,009	9,343	0	84	128		453
TD Mains 6 to 8 "	4	152,951	142,780	0	1,285	1,958		6,929
TD Mains 6 to 10in (TN)"	4	2,570	2,399	0	22	33		116
TD Mains 10 to 16 "	3	253,070	215,616	7,972	20,752	1,923		6,808
TD Mains 18 & Gnr "	3	145,449	123,923	4,582	11,927	1,105		3,913
TD Mains AC 4 (STL) "	4	42,667	39,830	0	358	546		1,933
TD Mains CI <10 1900-28 (S"	4	41,913	39,126	0	352	536		1,899
TD Mains CI <10 1929-56 (S"	4	256,699	239,629	0	2,156	3,286		11,628
TD Mains CI <10 1957-93 (S"	4	802,183	748,838	0	6,738	10,268		36,339
TD Mains CI 12 (STL) "	3	194,560	165,765	6,129	15,954	1,479		5,234
TD Mains CI 16 (STL) "	3	287,021	244,542	9,041	23,536	2,181		7,721
TD Mains DI 6-8 (STL) "	4	2,159,955	2,016,318	0	18,144	27,647		97,846
TD Mains DI 12 (STL) "	3	986,678	840,650	31,080	80,908	7,499		26,542
TD Mains DI 16 & >(STL) "	3	1,670,905	1,423,611	52,634	137,014	12,699		44,947
TD Mains Galve 1 (STL) "	4	632	590	0	5	8		29
TD Mains LJ 20 (STL) "	3	67,652	57,640	2,131	5,547	514		1,820
TD Mains PL 6-8in (STL) "	4	0	0	0	0	0		0
TD Mains PL 12in (STL) "	3	0	0	0	0	0		0
Fire Mains	8	4,538	0	0	0	0		4,538
Services	10	181,367	170,630	0	308	10,429		0
Meters Bronze Case	9	272,504	259,587	0	10,437	2,480		0
Meters Plastic Case	9	1,602	1,526	0	61	15		0
Meters Other	9	494,504	471,065	0	18,940	4,500		0
Meters Other-Rem Rdr Units	9	102,984	98,103	0	3,944	937		0
Meter Installations	9	159,000	151,463	0	6,090	1,447		0
Meter Installation Other	9	252,075	240,127	0	9,654	2,294		0
Hydrants	8	774,609	0	0	0	0		774,609
Utility Plant Acquisition Adjustment	17	0	0	0	0	0		0
Other P/E Intangible	15	715	615	8	25	7		60
Other P/E WT Res Hand Equip	2	0	0	0	0	0		0
Other P/E TD	7	0	0	0	0	0		0
Other P/E CPS	15	0	0	0	0	0		0
Office Furniture & Equip	15	65,816	56,628	763	2,257	665		5,502
Comp & Periph Equip	15	799,478	687,871	9,274	27,422	8,075		66,836
Computer Software	15	1,073,981	924,053	12,458	36,838	10,847		89,785
Comp Software Personal	15	29,984	25,798	348	1,028	303		2,507

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Res/Com/Ind/OPA Rate A (4)	Sales for Resale Rate B (5)	Large Industrial Rate J (6)	Fire Protection Private -Rate F (7)		Public -Rate E (8)
Comp Software Other	15	15	13	0	1	0	0	1
Data Handling Equipment	15	974	838	11	33	10	81	81
Other Office Equipment	15	11,675	10,045	135	400	118	976	976
Trans Equip Lt Duty Trks	15	0	0	0	0	0	0	0
Trans Equip Hvy Duty Trks	15	344,589	296,484	3,997	11,819	3,480	28,808	28,808
Trans Equip Autos	15	0	0	0	0	0	0	0
Trans Equip Other	15	0	0	0	0	0	0	0
Stores Equipment	15	3,092	2,660	36	106	31	258	258
Tools, Shop, Garage Equip	15	99,902	85,956	1,159	3,427	1,009	8,352	8,352
Tools, Shop, Garage Equip Oth	15	204,344	175,818	2,370	7,009	2,064	17,083	17,083
Laboratory Equipment	2	46,446	40,840	1,509	3,925	37	135	135
Laboratory Equip Other	2	9,774	8,594	318	826	8	28	28
Power Operated Equipment	15	61,511	52,924	714	2,110	621	5,142	5,142
Comm Equip Non-Telephone	15	55,508	47,759	644	1,904	561	4,640	4,640
Remote Control & Instr	15	29,998	25,810	348	1,029	303	2,508	2,508
Comm Equip Telephone	15	7,278	6,262	84	250	74	608	608
Misc Equipment	15	38,847	33,424	451	1,332	392	3,248	3,248
Other Tangible Property	17	44,153	37,720	658	1,978	384	3,413	3,413
Total Depreciation Expense		17,312,395	14,666,220	291,019	851,842	145,038	1,358,276	

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Res/Com/Ind/OPA Rate A (4)	Sales for Resale Rate B (5)	Large Industrial Rate J (6)	Private - Rate F (7)	Fire Protection Public - Rate E (8)
Amort-Other UP	18	102,658	87,690	1,530	4,579	893	7,966
Amort-Intangible Fin	2	128,846	113,294	4,187	10,887	103	374
Taxes Other Than Income							
Utility Reg Assessment Fee	19	954,562	821,592	14,605	43,910	8,305	66,151
Property Taxes	18	8,386,754	7,163,965	124,963	374,049	72,965	650,812
FUTA	16	32,383	28,662	431	1,276	314	1,700
FICA	16	1,577,115	1,395,904	20,976	62,138	15,298	82,799
SUTA	16	66,150	58,549	880	2,606	642	3,473
Other Taxes & Licenses	15	95,080	81,807	1,103	3,261	960	7,949
Gross Receipts Tax	19	0	0	0	0	0	0
Total Taxes, Other Than Income		11,112,044	9,550,479	162,956	487,241	98,484	812,883
Income Taxes	18	16,653,316	14,225,263	248,134	742,738	144,884	1,292,297
Utility Income Available for Return	18	43,191,219	36,893,939	643,549	1,926,328	375,764	3,351,639
Revenue Contribution	19	2,028,737	1,746,134	31,040	93,322	17,650	140,592
Total Cost of Service		177,766,262	152,991,820	2,721,909	8,179,199	1,543,409	12,329,924
Less: Other Water Revenues	19	1,555,597	1,338,902	23,801	71,557	13,534	107,803
Contract Sales	19	3,032,120	2,609,746	46,391	139,478	26,379	210,126
Total Other Water Revenues		4,587,717	3,948,648	70,192	211,035	39,913	317,929
Total Cost of Service Related to Sales of Water		\$ 173,178,545	\$ 149,043,172	\$ 2,651,717	\$ 7,968,164	\$ 1,503,496	\$ 12,011,995

MISSOURI-AMERICAN WATER COMPANY

ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

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)
Res/Com/Ind/OPA - Rate A	117,494	0.8412
Sales for Resale - Rate B	5,101	0.0365
Large Industrial - Rate J	16,090	0.1152
Private Fire - Rate F	214	0.0015
Public Fire - Rate E	779	0.0056
Total	139,678	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 0.5263	Allocation Factor (4)	Weighted Factor (5)=(4)x 0.4737	
Res/Com/Ind/OPA - Rate A	0.8412	0.4428	0.9215	0.4365	0.8793
Sales for Resale - Rate B	0.0365	0.0192	0.0280	0.0133	0.0325
Large Industrial - Rate J	0.1152	0.0606	0.0505	0.0239	0.0845
Private Fire - Rate F	0.0015	0.0008			0.0008
Public Fire - Rate E	0.0056	0.0029			0.0029
Total	1.0000	0.5263	1.0000	0.4737	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

ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

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 (1)	Average Daily Consumption, Thousand Gal. (2)	Maximum Day Extra Capacity		
		Factor* (3)	Rate of Flow, Thousand Gal. Per Day (4)=(2)x(3)	Allocation Factor (5)
Res/Com/Ind/OPA - Rate A	117,494	1.0	117,494	0.9215
Sales for Resale - Rate B	5,101	0.7	3,571	0.0280
Large Industrial - Rate J	16,090	0.4	6,436	0.0505
	<u>138,685</u>		<u>127,501</u>	<u>1.0000</u>

The weighting of the factors is based on the maximum day ratio of 1.90, based on a review of maximum day ratios experienced during the period 1999 through 2005 (see Schedule D).

	Maximum Day Ratio	Weight
Average Day	1.00	0.5263
Maximum Day Extra Capacity	0.90	0.4737
Total	<u>1.90</u>	<u>1.0000</u>

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY

ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

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	Average Daily Consumption		Maximum Day Extra Capacity		Fire Protection		Allocation Factor
	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	
(1)	(2)	(3)=(2) X 0.5101	(4)	(5)=(4) X 0.4591	(6)	(7)=(6) X 0.0308	(8)=(3)+(5)+(7)
Res/Com/Ind/OPA - Rate A	0.8412	0.4290	0.9215	0.4230			0.8520
Sales for Resale - Rate B	0.0365	0.0186	0.0280	0.0129			0.0315
Large Industrial - Rate J	0.1152	0.0588	0.0505	0.0232			0.0820
Private Fire - Rate F	0.0015	0.0008			0.2204	0.0068	0.0076
Public Fire - Rate E	0.0056	0.0029			0.7796	0.0240	0.0269
Total	1.0000	0.5101	1.0000	0.4591	1.0000	0.0308	1.0000

MISSOURI-AMERICAN WATER COMPANY

ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

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 1.90 and the average daily system sendout for 2007 of 198.435 MGD. The system demand for fire protection is 20,000 Gallons per minute for 10 hours.

	<u>Ratio</u>	<u>Rate of Flow, (GPD)</u>	<u>Weight</u>
Average Day	1.00	198,434,660	0.5101
Maximum Day Extra Capacity	<u>0.90</u>	<u>178,591,194</u>	<u>0.4591</u>
Subtotal	<u>1.90</u>	377,025,854	0.9692
Fire Protection		<u>12,000,000</u>	<u>0.0308</u>
Total		<u>389,025,854</u>	<u>1.0000</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

ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

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 0.3780	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.5671		Allocation Factor (7)	Weighted Factor (8)=(7) X 0.0549	Allocation Factor (9)=(4)+(6)+(8)
Res/Com/Ind/OPA - Rate A	4,895.6	0.9783	0.3697	0.9942	0.5638				0.9335
Sales for Resale - Rate B	0.0	0.0000	0.0000	0.0000	0.0000				0.0000
Large Industrial - Rate J	67.0	0.0134	0.0051	0.0058	0.0033				0.0084
Private Fire - Rate F	8.9	0.0018	0.0007				0.2204	0.0121	0.0128
Public Fire - Rate E	32.5	0.0065	0.0025				0.7796	0.0428	0.0453
Total	5,004.0	1.0000	0.3780	1.0000	0.5671		1.0000	0.0549	1.0000

The maximum hour extra capacity factors in column 5 are determined as follows:

Schedule C -SLM

MISSOURI-AMERICAN WATER COMPANY

ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

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 2.5 and the average daily system sendout for 2007 of 198.435 MGD. The system demand for fire protection is 20,000 gallons per minute.

	<u>Ratio</u>	<u>Rate of Flow, (GPM)</u>	<u>Weight</u>
Average Hour	1.00	137,802	0.3780
Maximum Hour Extra Capacity	<u>1.50</u>	<u>206,703</u>	<u>0.5671</u>
Subtotal	<u>2.50</u>	344,505	0.9451
Fire Protection		<u>20,000</u>	<u>0.0549</u>
Total		<u>364,505</u>	<u>1.0000</u>

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

Customer Classification	Average Hourly Consumption Thousand Gal.	Maximum Hour Extra Capacity		
		Factor*	1,000 Gallons Per Hour	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Res/Com/Ind/OPA - Rate A	4,895.6	3.5	17,134.6	0.9942
Sales for Resale - Rate B	0.0	2.5	0.0	0.0000
Large Industrial - Rate J	<u>67.0</u>	1.5	<u>100.6</u>	<u>0.0058</u>
Total	<u>4,962.6</u>		<u>17,235.2</u>	<u>1.0000</u>

* Ratio of Maximum Hour To Average Hour Minus 1.0.

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

MISSOURI-AMERICAN WATER COMPANY

ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

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

$$\text{Fire Protection Weight} = \frac{20,000 \text{ GPM} \times 60 \text{ Min.} \times 10 \text{ Hrs.}}{115,372,000 \text{ Gallons}} = 0.1040$$

$$\text{General Service Weight} = 1.0000 - 0.1040 = 0.8960$$

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	40.00	0.3584
Extra Capacity Maximum Hour	1.50	60.00	0.5376
Total	2.50	100.00	0.8960

Customer Classification	Average Hourly Consumption Thousand Gal.	Maximum Hour Extra Capacity		
		1,000 Gallons		Allocation
		Factor*	Per Hour	Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Res/Com/Ind/OPA - Rate A	4,895.6	3.5	17,134.6	0.9176
Sales for Resale - Rate B	212.5	2.5	531.3	0.0285
Large Industrial - Rate J	670.4	1.5	1,005.6	0.0539
	5,778.5		18,671.5	1.0000

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY

ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

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 0.7061	(4)	(5)=(4)X 0.2886	(6)	(7)=(6)X 0.0053	(8)=(3)+ (5)+(7)
Res/Com/Ind/OPA - Rate A	0.8793	0.6209	0.8520	0.2458	0.9335	0.0050	0.8717
Sales for Resale - Rate B	0.0325	0.0229	0.0315	0.0091	0.0000	0.0000	0.0320
Large Industrial - Rate J	0.0845	0.0597	0.0820	0.0237	0.0084	0.0000	0.0834
Private Fire - Rate F	0.0008	0.0006	0.0076	0.0022	0.0128	0.0001	0.0029
Public Fire - Rate E	0.0029	0.0020	0.0269	0.0078	0.0453	0.0002	0.0100
Total	1.0000	0.7061	1.0000	0.2886	1.0000	0.0053	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	44,414	0.7061
Associated with Maximum Day and Fire	18,150	0.2886
Associated with Maximum Hour	335	0.0053
Total	62,899	1.0000

MISSOURI-AMERICAN WATER COMPANY

ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

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 Factor
	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
(1)	(2)	(3)=(2)X 0.2032	(4)	(5)=(4)X 0.7968	(6)=(3)+(5)
Res/Com/Ind/OPA - Rate A	0.8520	0.1731	0.9335	0.7438	0.9169
Sales for Resale - Rate B	0.0315	0.0064	0.0000	0.0000	0.0064
Large Industrial - Rate J	0.0820	0.0167	0.0084	0.0067	0.0234
Private Fire - Rate F	0.0076	0.0015	0.0128	0.0102	0.0117
Public Fire - Rate E	0.0269	0.0055	0.0453	0.0361	0.0416
Total	<u>1.0000</u>	<u>0.2032</u>	<u>1.0000</u>	<u>0.7968</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	4,910,092	0.2032
Distribution Mains	<u>19,258,742</u>	<u>0.7968</u>
Total	<u>24,168,834</u>	1.0000

MISSOURI-AMERICAN WATER COMPANY

ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

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

FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH FIRE HYDRANTS.

Costs are assigned directly to Rate E.

Customer Classification	Allocation Factor
(1)	(3)
Public Fire - Rate E	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)
Res/Com/Ind/OPA - Rate A	366,422	0.9526
Sales for Resale - Rate B	0	0.0000
Large Industrial - Rate J	14,731	0.0383
Private Fire - Rate F	3,494	0.0091
Public Fire - Rate E		
Total	384,647	1.0000

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size (1)	5/8" Dollar Equivalent (2)	Rate A		Rate B		Rate J		Rate F		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 Services (13)	Weighting (14)=(2)X(11)	Number of Meters (15)	Weighting (16)
5/8	1.0	321,286	321,286	0	0	0	0	36	36	321,322	321,322
3/4	1.2	18,143	21,772	0	0	1	1	2,723	3,268	20,867	25,041
1	1.9	4,858	9,230	0	0	3	6	31	59	4,892	9,295
1-1/2	5.0	482	2,410	0	0	11	55	4	20	497	2,485
2	6.5	811	5,272	0	0	45	293	17	111	873	5,676
3	36.6	29	1,061	0	0	30	1,098		0	59	2,159
4	78.8	25	1,970	0	0	53	4,176		0	78	6,146
6	147.8	14	2,069	0	0	35	5,173		0	49	7,242
8	193.1	7	1,352	0	0	13	2,510		0	20	3,862
10	283.8	0	0	0	0	5	1,419		0	5	1,419
12	400.0	0	0	0	0	0	0		0	0	0
Total		345,655	366,422	0	0	196	14,731	2,811	3,494	348,662	384,647

MISSOURI-AMERICAN WATER COMPANY

ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

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)
Res/Com/Ind/OPA - Rate A	347,788	0.9408
Sales for Resale - Rate B	0	0.0000
Large Industrial - Rate J	636	0.0017
Private Fire - Rate F	21,261	0.0575
Total	369,685	1.0000

MISSOURI-AMERICAN WATER COMPANY

ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

Service Size (1)	3/4" Dollar Equivalent (2)	Rate A		Rate B		Rate J		Rate F		Total	
		Number of Services (3)	Weighting (4)=(2)X(3)	Number of Services (5)	Weighting (6)=(2)X(5)	Number of Services (7)	Weighting (8)=(2)X(7)	Number of Services (13)	Weighting (14)=(2)X(11)	Number of Services (15)	Weighting (16)
3/4	1.00	339,429	339,429	0	0	1	1	0	0	339,430	339,430
1	1.17	4,858	5,684	0	0	3	4	0	0	4,861	5,688
1-1/2	1.58	482	762	0	0	11	17	0	0	493	779
2	2.04	811	1,654	0	0	45	92	146	298	1,002	2,044
3	2.73	29	79	0	0	30	82	1	3	60	164
4	2.88	25	72	0	0	53	153	520	1,498	598	1,723
6	4.24	14	59	0	0	35	148	2,156	9,141	2,205	9,348
8	6.98	7	49	0	0	13	91	1,311	9,151	1,331	9,291
10	9.50	0	0	0	0	5	48	40	380	45	428
12	12.16	0	0	0	0	0	0	65	790	65	790
Total		345,655	347,788	0	0	196	636	4,239	21,261	350,090	369,685

MISSOURI-AMERICAN WATER COMPANY

ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

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)
Res/Com/Ind/OPA - Rate A	\$ 3,529,645	0.9255
Sales for Resale - Rate B	17,365	0.0046
Large Industrial - Rate J	86,420	0.0227
Private Fire - Rate F	67,634	0.0177
Public Fire - Rate E	112,512	0.0295
Total	<u>3,813,576</u>	<u>1.0000</u>

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

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

Customer Classification	Transmission & Distribution Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Res/Com/Ind/OPA - Rate A	\$ 2,665,873	0.5497
Sales for Resale - Rate B	14,102	0.0029
Large Industrial - Rate J	63,149	0.0130
Private Fire - Rate F	54,963	0.0113
Public Fire - Rate E	2,052,417	0.4231
Total	<u>\$4,850,504</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY

ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

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)
Res/Com/Ind/OPA - Rate A	345,655	0.9872
Sales for Resale - Rate B	0	0.0000
Large Industrial - Rate J	196	0.0006
Private Fire - Rate F	4,256	0.0122
Public Fire - Rate E	0	0.0000
Total	<u>350,107</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)
Res/Com/Ind/OPA - Rate A	345,655	0.9994
Sales for Resale - Rate B	0	0.0000
Large Industrial - Rate J	196	0.0006
	<u>345,851</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY

ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

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)
Res/Com/Ind/OPA - Rate A	\$27,377,169	0.8604
Sales for Resale - Rate B	369,206	0.0116
Large Industrial - Rate J	1,091,493	0.0343
Private Fire - Rate F	322,138	0.0101
Public Fire - Rate E	2,660,275	0.0836
Total	<u>\$31,820,281</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY

ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

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)
Res/Com/Ind/OPA - Rate A	\$19,488,929	0.8851
Sales for Resale - Rate B	292,775	0.0133
Large Industrial - Rate J	867,871	0.0394
Private Fire - Rate F	213,480	0.0097
Public Fire - Rate E	1,156,320	0.0525
Total	<u>\$22,019,374</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)
Res/Com/Ind/OPA - Rate A	\$471,298,906	0.8543
Sales for Resale - Rate B	8,227,483	0.0149
Large Industrial - Rate J	24,704,808	0.0448
Private Fire - Rate F	4,813,003	0.0087
Public Fire - Rate E	42,634,147	0.0773
Total	<u>\$551,678,347</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY

ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

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)
Res/Com/Ind/OPA - Rate A	\$428,985,813	0.8542
Sales for Resale - Rate B	7,465,215	0.0149
Large Industrial - Rate J	22,409,670	0.0446
Private Fire - Rate F	4,392,240	0.0087
Public Fire - Rate E	38,970,545	0.0776
Total	<u>\$502,223,484</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)
Res/Com/Ind/OPA - Rate A	\$150,085,846	0.8607
Sales for Resale - Rate B	2,671,704	0.0153
Large Industrial - Rate J	8,028,483	0.0460
Private Fire - Rate F	1,513,484	0.0087
Public Fire - Rate E	12,090,316	0.0693
Total	<u>\$174,389,833</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Res/Com/Ind/OPA Rate A (4)	Sales for Resale Rate B (5)	Large Industrial Rate J (6)	Fire Protection (7)		(8)
						Private-Rate F	Public - Rate E	
Rate Base								
Organization	17	\$	187,642	\$	3,273	\$	1,911	\$
Franchises	17	12,572	10,741	187	563	109		16,978
Land & Ld Rights SS	2	96,707	85,035	3,143	8,172	77		972
Land & Ld Rights P	6	285,782	249,116	9,145	23,834	829		280
Land & Ld Rights WT	2	1,376,780	1,210,602	44,745	116,338	1,101		2,858
Land & Ld Rights TD	7	4,365,688	4,002,900	27,940	102,157	51,079		3,993
Land & Land Rights AG	15	0	0	0	0	0		181,613
Struct & Imp SS	2	3,172,260	2,789,369	103,098	268,056	2,538		0
Struct & Imp P	6	1,729,977	1,508,021	55,359	144,280	5,017		9,200
Struct & Imp Pumps (STL)	6	2,456,124	2,141,003	78,596	204,841	7,123		17,300
Struct & Imp Pump Boosters	6	2,138,655	1,864,266	68,437	178,364	6,202		24,561
Struct & Imp WT	2	10,903,208	9,587,191	354,354	921,321	8,723		21,387
Struct & Imp WT Nth Plt (ST	2	5,637,642	4,957,178	183,223	476,381	4,510		31,619
Struct & Imp WT Ctrl Plt 1	2	486,968	428,191	15,826	41,149	390		16,349
Struct & Imp WT Ctrl Plt 3	2	12,941,170	11,379,171	420,588	1,093,529	10,353		1,412
Struct & Imp WT Sth Plt (ST	2	1,851,498	1,628,023	60,174	156,452	1,481		37,529
Struct & Imp WT Meramec (ST	2	4,930,201	4,335,126	160,232	416,602	3,944		5,369
Struct & Imp TD	7	3,268,393	2,996,790	20,918	76,480	38,240		14,298
Struct & Imp TD Spec Cross	7	(81,503)	(74,730)	(522)	(1,907)	(954)		135,965
Struct & Imp AG	7	65,973	60,490	422	1,544	772		(3,391)
Struct & Imp Offices	15	2,832,564	2,437,138	32,858	97,157	28,609		2,744
Gen Structures HVAC	15	97,688	84,051	1,133	3,351	987		236,802
Struct & Imp Leasehold	15	(128,508)	(110,568)	(1,491)	(4,408)	(1,298)		8,167
Struct & Imp Leasehold	15	(123,092)	(105,908)	(1,428)	(4,222)	(1,243)		(10,743)
Struct & Imp Store,Shop,Gar	15	297,116	255,638	3,447	10,191	3,001		(10,290)
Struct & Imp Misc	15	1,170,551	1,007,142	13,578	40,150	11,823		24,839
Collect & Impounding	1	0	0	0	0	0		97,858
Lake, River & Other Intakes	2	0	0	0	0	0		0
Wells & Springs	2	652,265	573,537	21,199	55,116	522		0
Infiltration Galleries & Tunnels	2	0	0	0	0	0		1,892
Supply Mains	2	2,910	2,559	95	246	2		0
Supply Mains Nth Plt (STL)	2	75,954	66,787	2,469	6,418	61		8
Supply Mains Ctrl Plt (STL)	2	1,935,720	1,702,078	62,911	163,568	1,549		220
Supply Mains Sth Plt (STL)	2	5,102	4,486	166	431	4		5,614
Supply Mains Meramec Plt (S	2	590,214	518,975	19,182	49,873	472		15
Power Generation Equip	2	1,341,895	1,179,928	43,612	113,390	1,074		1,712
Power Generation Equip Othe	6	(60,320)	(52,581)	(1,930)	(5,031)	(175)		3,891
Boiler Plant Equipment P	6	0	0	0	0	0		(603)
Pump Equip Steam	6	0	0	0	0	0		0
Pump Equip Electric	6	3,681,424	3,209,097	117,806	307,031	10,676		0
Pump Equip Elec Pre46 (STL)	6	835,591	728,385	26,739	69,688	2,423		36,814
Pump Equip Elec Pos46 (STL)	6	12,820,242	11,175,405	410,248	1,069,208	37,179		8,356
Pump Equip Elec Boosters Po	6	(248,378)	(216,511)	(7,948)	(20,715)	(720)		128,202
Pump Equip Diesel	6	0	0	0	0	0		(2,484)
Pump Equip Diesel Stratman	6	60,383	52,636	1,932	5,036	175		0
								604

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Res/Com/Ind/OPA Rate A (4)	Sales for Resale Rate B (5)	Large Industrial Rate J (6)	Fire Protection	
						Private-Rate F (7)	Public - Rate E (8)
Pump Equip Diesel Ctrl Plt	6	534,123	465,595	17,092	44,546	1,549	5,341
Pump Equip Hydraulic	6	28,860	25,157	924	2,407	84	289
Pump Equip Other	6	88,452	77,104	2,830	7,377	257	885
Pump Equip WT	6	620,452	540,848	19,854	51,746	1,799	6,205
Pump Equip TD	6	2,147	1,872	69	179	6	21
WT Equip Non-Media	2	13,378,803	11,763,982	434,811	1,130,509	10,703	38,799
WT Equip Non-Med North (STL)	2	4,120,078	3,622,784	133,903	348,147	3,296	11,948
WT Equip Non Media Ctrl 1 &	2	(37,515)	(32,987)	(1,219)	(3,170)	(30)	(109)
WT Equip Non Media Ctrl 3 (	2	13,227,398	11,630,851	429,890	1,117,715	10,582	38,359
WT Equip Non Media Sth (STL)	2	1,926,013	1,693,543	62,595	162,748	1,541	5,585
WT Equip Non Media Mer (STL)	2	2,861,730	2,516,319	93,006	241,816	2,289	8,299
WT Equip Filter Media	2	790,855	695,398	25,703	66,827	633	2,293
Dist Reservoirs & Standpipe	5	923,399	733,917	26,225	64,915	21,608	76,734
Elevated Tanks & Standpipes	5	1,821,819	1,447,982	51,740	128,074	42,631	151,393
Ground Level Facilities	5	4,466,437	3,549,924	126,847	313,991	104,515	371,161
TD Mains Not Classified by	7	41,756,234	38,286,291	267,240	977,096	488,548	1,737,059
TD Mains 4 & Less "	4	392,701	366,586	0	3,299	5,027	17,789
TD Mains 6 to 8" "	4	7,008,169	6,542,125	0	58,869	89,705	317,470
TD Mains 10 to 16" "	3	10,736,748	9,147,709	338,208	880,413	81,599	288,819
TD Mains 18 & Grtr "	3	6,316,018	5,381,247	198,955	517,913	48,002	169,901
TD Mains AC 4 (STL) "	4	1,189,070	1,109,997	0	9,988	15,220	53,865
TD Mains CI <10 1900-28 (S"	4	871,689	813,721	0	7,322	11,158	39,488
TD Mains CI <10 1929-56 (S"	4	2,246,198	2,096,825	0	18,868	28,751	101,753
TD Mains CI <10 1957-93 (S"	4	13,133,919	12,260,514	0	110,325	168,114	594,967
TD Mains CI 12 (STL) "	3	4,761,330	4,056,653	149,982	390,429	36,186	128,080
TD Mains CI 16 (STL) "	3	6,125,897	5,219,264	192,966	502,324	46,557	164,787
TD Mains DI 6-8 (STL) "	4	143,674,820	134,120,445	0	1,206,868	1,839,038	6,508,469
TD Mains DI 12 (STL) "	3	35,704,771	30,420,465	1,124,700	2,927,791	271,356	960,458
TD Mains DI 16 & >(STL)	3	60,797,106	51,799,135	1,915,109	4,985,363	462,058	1,635,442
TD Mains Galve 1 (STL) "	4	(56,336)	(52,589)	0	(473)	(721)	(2,552)
TD Mains LJ 20 (STL) "	3	1,816,289	1,547,478	57,213	148,936	13,804	48,858
TD Mains PL 6-8in (STL) "	4	5,099,546	4,760,426	0	42,836	65,274	231,009
TD Mains PL 12in (STL) "	3	778,388	663,186	24,519	63,828	5,916	20,939
TD Mains DI 4in (STL) "	4	204,390	190,798	0	1,717	2,616	9,259
Fire Mains	8	256,945	0	0	0	0	256,945
Services	10	3,615,312	3,401,286	0	6,146	207,880	0
Meters Bronze Case	9	13,591,332	12,947,103	0	520,548	123,681	0
Meters Plastic Case	9	0	0	0	0	0	0
Meters Other	9	12,395,387	11,807,845	0	474,743	112,798	0
Meters Other-Rem Rdr Units	9	2,049,950	1,952,782	0	78,513	18,655	0
Meter Installations	9	4,409,224	4,200,227	0	168,873	40,124	0
Meter Installation Other	9	5,281,751	5,031,396	0	202,291	48,064	0
Meter Vaults	9	46	44	0	2	0	0
Hydrants	8	26,397,247	0	0	0	0	26,397,247

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Res/Com/Ind/OPA Rate A (4)	Sales for Resale Rate B (5)	Large Industrial Rate J (6)	Private -Rate F (7)	Fire Protection Public - Rate E (8)
Other P/E Intangible	15	(306,586)	(263,787)	(3,556)	(10,516)	(3,097)	(25,631)
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0
Other P/E TD	7	2,677	2,455	17	63	31	111
Other P/E CPS	15	137,001	117,876	1,589	4,699	1,384	11,453
Office Furniture & Equip	15	1,516,067	1,304,424	17,586	52,001	15,312	126,743
Comp & Periph Equip	15	4,825,036	4,151,461	55,970	165,499	48,733	403,373
Computer Software	15	3,317,854	2,854,681	38,487	113,802	33,510	277,373
Comp Software Other	15	130,220	112,041	1,511	4,467	1,315	10,886
Comp Software Personal	15	0	0	0	0	0	0
Data Handling Equipment	15	13,769	11,847	160	472	139	1,151
Other Office Equipment	15	92,581	79,656	1,074	3,176	935	7,740
Trans Equip Lt Duty Trks	15	(818,759)	(704,460)	(9,498)	(28,083)	(8,269)	(68,448)
Trans Equip Hwy Duty Trks	15	264,832	227,861	3,072	9,084	2,675	22,140
Trans Equip Autos	15	(208,154)	(179,096)	(2,415)	(7,140)	(2,102)	(17,402)
Trans Equip Other	15	95,028	81,762	1,102	3,259	960	7,944
Stores Equipment	15	428,828	368,964	4,974	14,709	4,331	35,850
Tools Shop Garage Equip	15	1,125,696	968,549	13,058	38,611	11,370	94,108
Tools Shop Garage Equip Oth	15	1,752,744	1,508,061	20,332	60,119	17,703	146,529
Laboratory Equipment	2	450,639	396,247	14,646	38,079	361	1,307
Laboratory Equip Other	2	83,728	73,622	2,721	7,075	67	243
Power Operated Equipment	15	239,677	206,218	2,780	8,221	2,421	20,037
Comm Equip Non-Telephone	15	475,346	408,987	5,514	16,304	4,801	39,739
Remote Control & Instr	15	604,798	520,368	7,016	20,745	6,108	50,561
Comm Equip Telephone	15	66,166	56,929	768	2,269	668	5,531
Misc Equipment	15	617,125	530,974	7,159	21,167	6,233	51,592
Other Tangible Property	17	583,517	498,499	8,694	26,142	5,077	45,106
Total Utility Plant in Service		552,494,081	471,995,787	8,239,638	24,741,353	4,820,100	42,697,203
Other Rate Base Items							
Add:							
Other Utility Plant Adjustments	17	0	0	0	0	0	0
Cash Working Capital	15	5,561,000	4,784,684	64,508	190,742	56,166	464,900
Materials and Supplies	15	2,874,757	2,473,441	33,347	98,604	29,035	240,330
Prepayments	15	1,186,831	1,021,149	13,767	40,708	11,987	99,219
OPEB's Contributed to External Fund	16	188,952	167,241	2,513	7,445	1,833	9,920
Premature Retirement	16	389,990	345,180	5,187	15,366	3,783	20,474
Regulatory Deferrals	17	1,542,600	1,317,843	22,985	69,108	13,421	119,243
Less: Accumulated Amortization	17	0	0	0	0	0	0
Accumulated Deferred ITC (3%)	17	0	0	0	0	0	0
Deferred Income Taxes	17	(57,458,503)	(49,086,799)	(856,132)	(2,574,141)	(499,889)	(4,441,542)
Pensions	16	(4,556,224)	(4,032,714)	(60,598)	(179,515)	(44,195)	(239,202)
Total Other Rate Base Elements		(50,270,597)	(43,009,974)	(774,423)	(2,331,683)	(427,860)	(3,726,658)
Total Original Cost Measure of Value		\$ 502,223,484	\$ 428,985,813	\$ 7,465,215	\$ 22,409,670	\$ 4,392,240	\$ 38,970,545

MISSOURI-AMERICAN WATER COMPANY

ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

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	146	584	
3 -inch	9.00	-	0	
4 -inch	16.00	520	8,320	
6 -inch	36.00	2,156	77,616	
8 -inch	64.00	1,311	83,904	
10 -inch	100.00	40	4,000	
12 -inch	144.00	64	9,216	
20 -inch	400.00	19	7,520	
Private Hydrants	18.06	-	0	
Total Rate F		4,256	191,160	0.2204
<u>PUBLIC FIRE PROTECTION</u>				
Hydrant	Nozzle Sizes			
4 1/4" Valve	2- 2-1/2" & 1- 4.5"	18.06	1,180	21,314
4 1/2" Valve	2- 2-1/2" & 1- 4.5"	20.25	30,147	610,477
6" Valve	2- 2-1/2" & 1- 4.5"	32.75	258	8,450
6" Valve	2- 2-1/2"	12.50	2,762	34,525
4 1/2" Valves	1- 2-	20.25	52	1,053
5 1/4 Valves	1- 2-	26.50	14	371
Total Rate E		34,413	676,190	0.7796
Total Fire Protection		38,669	867,350	1.0000

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO AREA DISTRICT (ST. LOUIS COUNTY, ST. CHARLES AND WARREN COUNTY WATER DISTRICTS)

CALCULATION OF CUSTOMER CHARGE

(1) Expense Related to Meters	9,796,802	
(2) Meter Equivalents X 12	4,573,836	
(3) Expense per Bill - Meter related		\$2.12
(4) Expense Related to Services	5,077,653	
(5) Service Equivalents X 12	4,181,088	
(6) Expense per Bill - Services related		1.14
(7) Expense Related to Billing and Collecting	18,029,996	
(8) Number of Bills	1,708,911	
(9) Expense per Bill - Billing and Collecting		10.55
(10) Total Customer Charge (3)+(6)+(9)		\$13.81