

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

Missouri Public Service Commission
Company: Missouri-American Water Company
District: Cedar Hill Sewer

Case No. SR-2010-XXXX
Schedule CAS-2-CDH
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Line No.	Description	Schedule	Amount
1	Rate Base	CAS-3-CDH	\$1,850,629
2	Operating Income at Present Rates	CAS-8-CDH	(180,628)
3	Earned Rate of return		-9.76%
4	Requested Rate of Return	Chao Testimony	8.91%
5	Required Operating Income		164,891
6	Operating Income Deficiency		345,519
7	Gross Revenue Conversion Factor		1.63994
8	Revenue Deficiency		566,631
9	Adjusted Operating Revenues	CAS-8-CDH	298,656
10	Total Revenue Requirement		\$865,287
11	Gross Revenue Conversion Factor		\$1,000,000
12	Revenue		10,280
13	Uncollectibles	1.02800%	10,280
14	PSC Assessment	0.00000%	0,000
15	Before Tax Amount		989,720
16	State Income Taxes	5.21327%	51,597
17	Federal Income Taxes	33.17536%	328,343
18	Total Taxes and Expenses		390,220
19	Net Amount		\$609,780
20	Conversion Factor		1.63994

Rate Base Summary
Test Year Ended June 30, 2009

Case No. SR-2010-XXXX
 Schedule CAS-3-CDH
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Missouri Public Service Commission
 Company: Missouri-American Water Company
 District: Cedar Hill Sewer

Line #	Rate Base Component	Supporting Reference	Per Books 06/30/09	Adjustments	Pro Forma Rate Base
1					
2					
3					
4					
5	Utility Plant in Service	CAS-4-CDH	2,902,815	360,069	3,262,883
6					
7	Accumulated Provision for Depreciation	CAS-5-CDH	(324,396)	(76,527)	(400,923)
8					
9	Accumulated Amortization	W/P's	0	0	0
10					
11	Utility Plant Acquisition Adjustments	W/P's	0	0	0
12					
13	Net Utility Plant		<u>2,578,419</u>	<u>283,541</u>	<u>2,861,960</u>
14					
15					
16	Less:				
17	Customer Advances	CAS-6-CDH	0	0	0
18	Contributions in Aid of Construction	CAS-6-CDH	857,520	(13,316)	844,204
19	Accumulated Deferred ITC (3%)	W/P's	0	0	0
20	Deferred Income Taxes	W/P's	207,830	18,168	225,998
21	Pension Liability	W/P's	6,935	(7)	6,928
22					
23					
24	Subtotal		<u>1,072,285</u>	<u>4,845</u>	<u>1,077,130</u>
25					
26					
27	Add:				
28	Cash Working Capital	CAS-7-CDH	62,000	0	62,000
29	Materials and Supplies	W/P's	0	0	0
30	Prepayments	W/P's	1,739	0	1,739
31	OPEB's Contributed to External Fund	W/P's	0	0	0
32	Pension/OPEB Tracker	W/P's	2,264	(205)	2,059
33	Regulatory Deferrals	W/P's	0	0	0
34					
35	Subtotal		<u>66,003</u>	<u>(205)</u>	<u>65,798</u>
36					
37	Total Original Cost Rate Base		<u>1,572,137</u>	<u>278,491</u>	<u>1,850,629</u>
38					
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**Utility Plant in Service
For the Test Year Ended June 30, 2009**

Missouri Public Service Commission
Company: Missouri-American Water Company
District: Cedar Hill Sewer

Case No. SR-2010-XXXX
Schedule CAS-4-CDH
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Line #	Acct No	Account Description Sewer Plant	Per Books 06/30/09	Pro Forma Adjustments	Pro Forma UPIS
1		Other Including Allocated Plant			
2		WW Struct & Imp Coll	\$71,866	\$38,233	\$110,099
3		WW Collection Sewers Forced	132,894	0	132,894
4	351	WW Collecting Mains	0	0	0
5	352.1	WW Services Sewer	309,222	321,836	631,058
6	352.2	WW Power Gen Equip Collecting	0	0	0
7	353	WW Communication Equipment	20,928	0	20,928
8	356	WW Collecting Mains	18,240	0	18,240
9	357	WW Pump Equip Other Power	5,160	0	5,160
10	363	WW Land & Ld Rights Gen	126,846	0	126,846
11	365	WW Struct & Imp TDP	0	0	0
12	370.1	WW Collecting Mains Other	596,288	0	596,288
13	371	WW Plant Sewers	1,395,246	0	1,395,246
14	372	WW Outfall Sewer Lines	194,073	0	194,073
15	373	WW Trans Equipment	14,701	0	14,701
16	374		17,351	0	17,351
17	392				
18					
19					
20					
21					
22					
23					
24					
25					
26		Total Plant in Service	<u>\$2,902,815</u>	<u>\$360,069</u>	<u>\$3,262,883</u>
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**Accumulated Depreciation and Amortization
Test Year Ended June 30, 2006**

Case No. SR-2010-XXXX
Schedule CAS-5-CDH
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Missouri Public Service Commission
Company: Missouri-American Water Company
District: Cedar Hill Sewer

Line #	Acct No	Account Description	Per Books 06/30/09	Pro Forma Adjustments	Pro Forma Reserve
		<u>Sewer Plant</u>			
		Other Including Allocated Plant			
1		WW Struct & Imp Coll	\$24,732	\$21,293	\$46,025
2	351	WW Collection Sewers Forced	8,748	2,491	11,239
3	352.1	WW Collecting Mains	0	0	0
4	352.2	WW Services Sewer	53,472	(12,112)	41,360
5	353	WW Pump Equip Elect	0	0	0
6	363	WW Land & Ld Rights Gen	396	387	783
7	370.1	WW Struct & Imp TDP	0	0	0
8	371	WW TD Equipment	17,068	11,180	28,248
9	372	WW Outfall Sewer Lines	171,994	51,220	223,214
10	374	WW Office Furniture & Equip	466	222	687
11	391 WW	WW Trans Equipment	0	0	0
12	392 WW	WW Tool Shop & Garage	12,271	401	12,672
13	394 WW	WW Laboratory Equipment	22,365	0	22,365
14	395 WW	WW Misc Equipment	1,591	789	2,380
15	398 WW		11,294	656	11,950
16					
17					
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19					
20					
21		Total Plant in Service	<u>\$324,396</u>	<u>\$76,527</u>	<u>\$400,923</u>
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**Customer Advances and Contributions in Aid of Construction
For the Test Year Ended June 30, 2009**

Line #	Acct No	Account Description	Per Books 06/30/09	Pro Forma Adjustments	Pro Forma Balance
1		<u>Customer Advances</u>			
2	252.11	Advances for Construction - Mains	0	0	0
3		Advances for Construction - Extensions	0	0	0
4		Advances for Construction - Services	0	0	0
5		Advances for Construction - Hydrants	0	0	0
6		Advances for Construction - WIP	0	0	0
7		Advances for Construction - Taxable Extensions	0	0	0
8	252.71	Total Customer Advances	<u>0</u>	<u>0</u>	<u>0</u>
9					
10					
11					
12					
13					
14					
15		<u>Contributions in Aid of Construction</u>			
16	271.11	Contributions in Aid - NT Mains	130,000	0	130,000
17	271.12	Contributions in Aid - NT Extension Deposit	0	0	0
18	271.21	Contributions in Aid - NT Services	208,467	1,177	209,644
19	271.30	Contributions in Aid - NT Meters	0	0	0
20		Contributions in Aid - NT Hydrants	0	0	0
21		Contributions in Aid - NT Other	527,356	0	527,356
22		Contributions in Aid - WIP	0	0	0
23	271.71	Contributions in Aid - Taxable Mains	0	0	0
24	271.12	Contributions in Aid - Taxable Extension Deposit	0	0	0
25	271.27	Contributions in Aid - Taxable Services	99,825	0	99,825
26	271.37	Contributions in Aid - Taxable Meters	0	0	0
27	271.47	Contributions in Aid - Taxable Hydrants	0	0	0
28		Contributions in Aid - Taxable WIP	0	0	0
29		Contributions in Aid - Tax Services SIT	0	0	0
30	Various	Accumulated Amortization - CIAC	(99,337)	(14,493)	(113,830)
31	Various	Accumulated Amortization - CIAC Taxable	(8,792)	0	(8,792)
32		Total Contributions in Aid of Construction	<u>857,520</u>	<u>(13,316)</u>	<u>844,204</u>
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Working Capital
For the Test Year Ended June 30, 2009

Missouri Public Service Commission
Company: Missouri-American Water Company
District: Cedar Hill Sewer

Case No. SR-2010-XXXX
Schedule CAS-7-CDH
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Line #	Expense Category	Proforma Expense	Average Daily Expense	Revenue Lag	Expense (Lead)/Lag	Net (Lead)/Lag	Cash Requirement
1							
2							
3							
4	Base Payroll	143,610	393	65.70	12.00	53.70	21,130
5	Tax Withholding	68,236	187	65.70	15.50	50.20	9,385
6	Fuel and Power	25,437	70	65.70	20.52	45.19	3,149
7	Chemicals	0	0	65.70	0.00	65.70	0
8	Purchased Water	0	0	65.70	0.00	65.70	0
9	Service Company Charges	37,050	102	65.70	(10.98)	76.68	7,783
10	Group Insurance	11,247	31	65.70	(9.38)	75.08	2,314
11	OPEB's	1,439	4	65.70	(1.39)	67.09	264
12	Pensions	44,226	121	65.70	(1.39)	67.09	8,130
13	ESOP	0	0	65.70	0.00	65.70	0
14	Insurance Other than Group	6,416	18	65.70	(32.94)	98.64	1,734
15	Uncollectables	2,999	8	65.70	66.26	(0.56)	(5)
16	Rents	12	0	65.70	0.00	65.70	2
17	401(k)	1,552	4	65.70	17.50	48.20	205
18	Other O&M	81,870	224	65.70	26.05	39.65	8,894
19	Total O&M Expenses	424,095					62,985
20							
21	Depreciation Expense	118,094	324	65.70	65.70	0.00	0
22	Property Taxes	36,661	100	65.70	0.00	65.70	6,599
23	Public Service Commission Fee	33,521	92	65.70	(45.00)	110.70	10,167
24	Franchise and Environment Tax	660	2	65.70	29.63	36.08	65
25	FICA Taxes	123	0	65.70	10.79	54.91	19
26	FUTA Taxes	14,950	41	65.70	0.61	65.09	2,666
27	SUTA Taxes	349	1	65.70	2.54	63.16	60
28	Federal Income Tax - Current	(149,854)	(411)	65.70	29.64	36.06	(14,806)
29	State Income Tax - Current	(23,548)	(65)	65.70	29.64	36.06	(2,327)
30	Deferred Income Taxes	24,224	66	65.70	66.26	(0.56)	(37)
31	Interest Expense	52,156	143	65.70	91.00	(25.30)	(3,615)
32	Preferred Dividends	487	1	65.70	45.00	20.70	28
33	Total Working Capital Requirement	531,918					61,804
34							
35	Total Cash and Working Capital Requirement Used						62,000
36							
37							
38							
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All Lead/Lags are based on internal study.

Statement of Income Per Books and Pro Forma
 For the Test Year Ended June 30, 2009

Missouri Public Service Commission
 Company: Missouri-American Water Company
 District: Cedar Hill Sewer

Line #	Schedule Reference	Test year Ended 6/30/09	Adjustments	Pro Forma Present Rates	Adjustments	Pro Forma Proposed Rates
5	Operating Revenues	\$295,296	\$3,360	\$298,656	\$566,631	\$865,287
8	Operating Expenses					
9	Operating and Maintenance	282,598	141,497	424,095	5,825	429,920
10	Depreciation Expense	97,935	7,215	105,150		105,150
11	Amortization Expense	12,944	0	12,944		12,944
13	Taxes other Than Income Taxes					
14	Property Taxes	(24)	36,685	36,661		36,661
15	Payroll Taxes	9,848	5,574	15,422		15,422
16	PSC Fees	2,052	31,469	33,521	0	33,521
17	Other	628	32	660		660
19	Utility Operating Income Before Income Taxes	(110,685)	(219,112)	(329,797)	560,806	231,009
21	Income Taxes					
22	Federal Income Tax	3,372	(153,226)	(149,854)	186,050	36,196
23	State Income Tax	477	(24,025)	(23,548)	29,236	5,688
24	Deferred Income Taxes	(6,607)	30,831	24,224	0	24,224
25	Amortization of Investment Tax Credit	9		9		9
27	Utility Operating Income	(\$107,936)	(\$72,692)	(\$180,628)	\$345,520	\$164,892

**Adjustment to Revenues Per Books and Pro Forma
For the Test Year Ended June 30, 2009**

**Missouri Public Service Commission
Company: Missouri-American Water Company
District: Cedar Hill Sewer**

**Case No. SR-2010-XXXX
Schedule CAS-9-CDH
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Line #	Test year Ending 06/30/09	Eliminate Unbilled Revenue	Bill Analysis And Other Adjustments	Bill Analysis at Rates	Normalizaton & Annual Adjustments	Other Adjustments	Pro Forma Present Rate Revenue
5	\$0			\$0	\$0		\$0
6	20		(20)	0	0		0
7	0			0			0
8	0			0			0
9	0			0			0
10	0			0			0
11	0			0			0
12	0			0			0
13							
14	20	0	(20)	0	0	0	0
15							
16							
17	295,194	5,929	0	301,123	0	(2,549)	298,574
18							
19							
20	0		0	0		0	0
21							
22	0	0	0	0	0	0	0
23							
24	295,214	5,929	(20)	301,123	0	(2,549)	298,574
25							
26							
27	0			0		0	0
28	0			0		0	0
29	0			0		0	0
30	62			62		0	62
31	20			20			20
32							
33	82	0	0	82	0	0	82
34							
35							
36	\$295,296	\$5,929	(\$20)	\$301,205	\$0	(\$2,549)	\$298,656
37							
38							
39							
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Summary of Operations and Maintenance Expenses and General Taxes
 For the Test Year Ended June 30, 2009

Missouri Public Service Commission
 Company: Missouri-American Water Company
 District: Cedar Hill Sewer

Line #	Expense Description	Schedule Reference	Test Year Expense	Adjustment	Pro forma Present Rates
1	The schedule below provides a summary list of the operating and maintenance expenses for the test year and pro forma at present rates as indicated.				
2	Each pro forma adjustment is keyed to a schedule as shown on Schedule CAS-11-CDH which provides additional detail and support.				
7	Labor	CAS-11-CDH	\$123,694	\$88,152	\$211,846
8	Purchased Water	CAS-11-CDH	0	0	0
9	Fuel and Power	CAS-11-CDH	22,493	2,944	25,437
10	Chemicals	CAS-11-CDH	83	(83)	0
11	Waste Disposal	CAS-11-CDH	33,261	(15,121)	18,140
12	Support Services	CAS-11-CDH	37,189	(139)	37,050
13	Group Insurance	CAS-11-CDH	12,686	31,737	44,423
14	Pensions	CAS-11-CDH	10,045	34,181	44,226
15	Regulatory Expense	CAS-11-CDH	658	86	744
16	Insurance, Other than Group	CAS-11-CDH	6,719	(303)	6,416
17	Customer Accounting	CAS-11-CDH	7,255	236	7,491
18	Rents	CAS-11-CDH	12	0	12
19	General Office Expense	CAS-11-CDH	15,286	0	15,286
20	Miscellaneous	CAS-11-CDH	805	1,130	1,935
21	Maintenance - Other	CAS-11-CDH	12,412	(1,323)	11,089
22	Total Operations and Maintenance		282,598	141,497	424,095
24	Depreciation	CAS-11-CDH	97,935	7,215	105,150
25	Amortization	CAS-11-CDH	12,944	0	12,944
26	Total Depreciation and Amortization		110,879	7,215	118,094
28	Property Taxes	CAS-11-CDH	(24)	36,685	36,661
29	Payroll Taxes	CAS-11-CDH	9,848	5,574	15,422
30	PSC Fees	CAS-11-CDH	2,052	31,469	33,521
31	Other General Taxes	CAS-11-CDH	628	32	660
32	Total Taxes Other Than Income Taxes		12,504	73,760	86,264
34					3,372
35					477
36					(6,607)
37					9
38					(2,749)

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

Line #		At Present Rates		At Proposed Rates	
		Federal	State	Federal	State
1					
2					
3					
4					
5					
6					
7					
8					
9					
10	Utility Operating Income Before Income Taxes	(\$329,797)	(\$329,797)	\$231,009	\$231,009
11					
12	Interest Expense Deduction	58,850	58,850	58,850	58,850
13					
14	Taxable Income	(388,647)	(388,647)	172,159	172,159
15					
16	Addback (Deducts):				
17	Tax over Book Depreciation	(63,133)	(63,133)	(63,133)	(63,133)
18	Non-deductible Meals	77	77	77	77
19	Amortization Preferred Stock Expense	2	2	2	2
20	Non-deductible Reserve Deficiency	0	0	0	0
21					
22	Total Addbacks (Deducts)	<u>(63,055)</u>	<u>(63,055)</u>	<u>(63,055)</u>	<u>(63,055)</u>
23					
24	Taxable Income	(451,702)	(451,702)	109,104	109,104
25					
26	Effective Tax Rate (1)	33.1754%	5.2133%	33.1754%	5.2133%
27					
28	Proforma Income Tax at Present / Proposed Rates	(149,854)	(23,548)	36,196	5,688
29					
30	Per Books Amount / Present Rates	3,372	477	(149,854)	(23,548)
31					
32	Proforma adjustment	<u>(\$153,226)</u>	<u>(\$24,025)</u>	<u>\$186,050</u>	<u>\$29,236</u>
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The Company's federal and state income taxes will be affected by all of the pro forma adjustments made at present and proposed rates.

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

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

Missouri Public Service Commission
 Company: Missouri-American Water Company
 District: Cedar Hill Sewer

Case No. SR-2010-XXXX
 Schedule CAS-13-CDH
 Page 1 of 1

Line	Class/ Description	Present Pro Forma Rates		Proposed Pro Forma Rates			Percentage Change
		Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	Dollar Change	
1	Monthly Billing:						
2	Residential	0	(\$27)	0	(\$27)	\$0	-1.60%
3	Commercial	1,112	4,241	1,112	5,358	1,117	26.34%
4	Industrial	0	0	0	0	0	0.00%
5	Other Public Authority	0	0	0	0	0	0.00%
6	Other Water Utilities	0	0	0	0	0	0.00%
7	Miscellaneous	0	0	0	0	0	0.00%
8	Private Fire	0	(81)	0	(81)	0	0.00%
9	Public Fire	0	0	0	0	0	0.00%
10	Residential Flat Rate:	0	271,658	0	342,760	71,102	26.17%
11	Commercial Flat Rate:	0	22,783	0	28,746	5,963	26.17%
12	Total	1,112	298,574	1,112	376,756	\$78,182	26.19%
13							
14	Miscellaneous Revenues:						
15	Reconnect Charges		0		0	0	0.00%
16	Returned Check Charge		0		0	0	0.00%
17	Application Fee		0		0	0	0.00%
18	Miscellaneous Other Revenue		62		62	0	0.00%
19	Rents from Water Property		20		20	0	0.00%
20	Misc Sales		0		0	0	0.00%
21							
22							
23							
24							
25							
26			\$298,656		\$376,838	78,182	26.18%
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