

**Overall Revenue Requirement Summary
For the Test Year Ended December 31, 2007**

Case No. SR-2008-XXXX
Schedule CAS-2-WCS
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Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer

Line No.	Description	Schedule	Amount
1	Rate Base	CAS-3-WCS	\$3,084,190
2	Operating Income at Present Rates	CAS-8-WCS	(168,065)
3	Earned Rate of return		-5.45%
4	Requested Rate of Return	Rungren Testimony	8.60%
5	Required Operating Income		265,240
6	Operating Income Deficiency		433,305
7	Gross Revenue Conversion Factor		1.63671
8	Revenue Deficiency		709,194
9	Adjusted Operating Revenues	CAS-8-WCS	134,662
10	Total Revenue Requirement		\$843,856
11	Gross Revenue Conversion Factor		\$1,000,000
12	Revenue		8,329
13	Uncollectibles	0.83290%	0.000
14	PSC Assessment	0.00000%	991,671
15	Before Tax Amount		51,698
16	State Income Taxes	5.21327%	328,990
17	Federal Income Taxes	33.17536%	389,017
18	Total Taxes and Expenses		\$610,983
19	Net Amount		1,63671
20	Conversion Factor		1.63671

Rate Base Summary
Test Year Ended December 31, 2007

Case No. SR-2008-XXXX
 Schedule CAS-3-WCS
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Missouri Public Service Commission
 Company: Missouri-American Water Company
 District: Warren County Sewer

Line #	Rate Base Component	Supporting Reference	Per Books 12/31/07	Adjustments	Pro Forma Rate Base
1					
2					
3					
4					
5	Utility Plant in Service	CAS-4-WCS	3,462,023	331,557	3,793,580
6					
7	Accumulated Provision for Depreciation	CAS-5-WCS	(363,796)	(108,771)	(472,567)
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>3,098,227</u>	<u>222,785</u>	<u>3,321,013</u>
14					
15					
16	Less:				
17	Customer Advances	CAS-6-WCS	0	41,143	41,143
18	Contributions in Aid of Construction	CAS-6-WCS	3,922	5,579	9,500
19	Accumulated Deferred ITC (3%)	W/P's	0	0	0
20	Deferred Income Taxes	W/P's	213,985	(32,722)	181,263
21	Pension Liability	W/P's	7,959	(2,902)	5,057
22					
23					
24	Subtotal		<u>225,866</u>	<u>11,098</u>	<u>236,963</u>
25					
26					
27	Add:				
28	Cash Working Capital	CAS-7-WCS	0	0	0
29	Materials and Supplies	W/P's	0	0	0
30	Prepayments	W/P's	1,317	0	1,317
31	OPEB's Contributed to External Fund	W/P's	0	0	0
32	Pension/OPEB Tracker	W/P's	(362)	(814)	(1,176)
33	Regulatory Deferrals	W/P's	0	0	0
34					
35	Subtotal		<u>955</u>	<u>(814)</u>	<u>141</u>
36					
37	Total Original Cost Rate Base		<u>2,873,316</u>	<u>210,874</u>	<u>3,084,190</u>
38					
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**Utility Plant in Service
For the Test Year Ended December 31, 2007**

Case No. SR-2008-XXXX
Schedule CAS-4-WCS
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Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer

Line #	Acct No	Account Description Sewer Plant	Per Books 12/31/07	Pro Forma Adjustments	Pro Forma UPIS
1					
2					
3					
4		Other Including Allocated Plant	\$147,761	\$331,557	\$479,318
5	351	WW Struct & Imp Coll	856,647	0	856,647
6	352.1	WW Collection Sewers Forced	13,401	0	13,401
7	352.2	WW Collecting Mains	541,754	0	541,754
8	353	WW Services Sewer	45,693	0	45,693
9	356	WW Power Gen Equip Collecting	0	0	0
10	357	WW Communication Equipment	0	0	0
11	363	WW Collecting Mains	382,808	0	382,808
12	365	WW Pump Equip Other Power	0	0	0
13	370.1	WW Land & Ld Rights Gen	0	0	0
14	371	WW Struct & Imp TDP	56,372	0	56,372
15	372	WW Collecting Mains Other	1,417,586	0	1,417,586
16	373	WW Plant Sewers	0	0	0
17	374	WW Outfall Sewer Lines	0	0	0
18	392	WW Trans Equipment	0	0	0
19					
20					
21					
22					
23					
24					
25					
26		Total Plant in Service	<u>\$3,462,023</u>	<u>\$331,557</u>	<u>\$3,793,580</u>
27					
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**Accumulated Depreciation and Amortization
Test Year Ended June 30, 2006**

Case No. SR-2008-XXXX
Schedule CAS-5-WCS
Page 1 of 1

Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer

Line #	Acct No	Account Description	Per Books 12/31/07	Pro Forma Adjustments	Pro Forma Reserve
		<u>Sewer Plant</u>			
1		Other Including Allocated Plant			
2	351	WW Struct & Imp Coll	\$193,652	\$96,025	\$289,677
3	352.1	WW Collection Sewers Forced	0	(112)	(112)
4	352.2	WW Collecting Mains	0	0	0
5	353	WW Services Sewer	0	0	0
6	363	WW Pump Equip Elect	0	0	0
7	370.1	WW Land & Ld Rights Gen	8,047	201	8,248
8	371	WW Struct & Imp TDP	119,413	8,127	127,540
9	372	WW TD Equipment	27,922	685	28,607
10	374	WW Outfall Sewer Lines	0	0	0
11	391 WW	WW Office Furniture & Equip	0	0	0
12	392 WW	WW Trans Equipment	0	0	0
13	394 WW	WW Tool Shop & Garage	0	0	0
14	395 WW	WW Laboratory Equipment	0	0	0
15	398 WW	WW Misc Equipment	14,762	3,845	18,607
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17					
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		Total Plant in Service	<u>\$363,796</u>	<u>\$108,771</u>	<u>\$472,567</u>

**Customer Advances and Contributions in Aid of Construction
For the Test Year Ended December 31, 2007**

Case No. SR-2008-XXXX
Schedule CAS-6-WCS
Page 1 of 1

Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer

Line #	Acct No	Account Description	Per Books 12/31/07	Pro Forma Adjustments	Pro Forma Balance
1					
2					
3		<u>Customer Advances</u>			
4	252.11	Advances for Construction - Mains	0	41,143	41,143
5		Advances for Construction - Extensions	0	0	0
6		Advances for Construction - Services	0	0	0
7		Advances for Construction - Hydrants	0	0	0
8		Advances for Construction - WIP	0	0	0
9	252.71	Advances for Construction - Taxable Extensions	0	0	0
10		Total Customer Advances	<u>0</u>	<u>41,143</u>	<u>41,143</u>
11					
12					
13					
14					
15		<u>Contributions in Aid of Construction</u>			
16	271.11	Contributions in Aid - NT Mains	0	0	0
17	271.12	Contributions in Aid - NT Extension Deposit	0	920	920
18	271.21	Contributions in Aid - NT Services	0	4,762	4,762
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	0	0	0
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	3,981	0	3,981
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	(19)	(103)	(122)
31	Various	Accumulated Amortization - CIAC Taxable	(40)	0	(40)
32		Total Contributions in Aid of Construction	<u>3,922</u>	<u>5,579</u>	<u>9,500</u>
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Working Capital
For the Test Year Ended December 31, 2007

Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer

Case No. SR-2008-XXXX
Schedule CAS-7-WCS
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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	33,805	93	39.87	13.00	26.87	2,489
5	Tax Withholding	16,062	44	39.87	16.56	23.31	1,026
6	Fuel and Power	13,577	37	39.87	37.20	2.67	99
7	Chemicals	0	0	39.87	39.87	0.00	0
8	Purchased Water	0	0	39.87	42.45	(2.58)	0
9	Service Company Charges	22,269	61	39.87	(3.48)	43.35	2,645
10	Group Insurance	3,655	10	39.87	(7.50)	47.37	474
11	OPEB's	737	2	39.87	3.41	36.46	74
12	Pensions	7,377	20	39.87	17.58	22.29	450
13	ESOP	0	0	39.87	17.58	22.29	0
14	Insurance Other than Group	3,487	10	39.87	42.44	(2.57)	(25)
15	Uncollectables	1,121	3	39.87	39.87	0.00	0
16	Rents	39	0	39.87	(9.96)	49.83	5
17	401(k)	1,193	3	39.87	38.82	1.05	3
18	Other O&M	103,643	284	39.87	21.41	18.46	5,242
19	Total O&M Expenses	206,965					12,482
20							
21	Depreciation Expense	157,577	432	39.87	39.87	0.00	0
22	Property Taxes	30,031	82	39.87	182.50	(142.63)	(11,735)
23	Public Service Commission Fee	9,347	26	39.87	(31.63)	71.50	1,831
24	Franchise and Environment Tax	106	0	39.87	(77.50)	117.37	34
25	FICA Taxes	129	0	39.87	16.19	23.68	8
26	FUTA Taxes	3,474	10	39.87	76.38	(36.51)	(347)
27	SUTA Taxes	296	1	39.87	76.38	(36.51)	(30)
28	Federal Income Tax - Current	(53,253)	(146)	39.87	37.00	2.87	(419)
29	State Income Tax - Current	(8,368)	(23)	39.87	58.95	(19.08)	437
30	Deferred Income Taxes	(43,629)	(120)	39.87	39.87	0.00	0
31	Interest Expense	99,003	271	39.87	108.85	(68.98)	(18,710)
32	Preferred Dividends	925	3	39.87	45.63	(5.76)	(15)
33	Total Working Capital Requirement	402,603					(16,464)
34							
35	Total Cash and Working Capital Requirement Used						0
36							
37							
38							
39							
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**Statement of Income Per Books and Pro Forma - Warren County Sewer
For the Test Year Ended December 31, 2007**

Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer

Case No. SR-2008-XXXX
Schedule CAS-8-WCS
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Line #		Schedule Reference	Test year Ended 12/31/07	Adjustments	Pro Forma Present Rates
5	Operating Revenues	CAS-9-WCS	\$88,977	\$45,685	\$134,662
8	Operating Expenses				
9	Operating and Maintenance	CAS-10-WCS	213,550	(6,583)	206,967
10	Depreciation Expense	CAS-10-WCS	93,296	64,024	157,320
11	Amortization Expense	CAS-10-WCS	257	0	257
13	Taxes other Than Income Taxes				
14	Property Taxes	CAS-10-WCS	0	30,031	30,031
15	Payroll Taxes	CAS-10-WCS	6,452	(2,553)	3,899
16	PSC Fees	CAS-10-WCS	532	8,817	9,349
17	Other	CAS-10-WCS	73	33	106
19	Utility Operating Income Before Income Taxes		(225,183)	(48,084)	(273,267)
21	Income Taxes				
22	Federal Income Tax	CAS-12-WCS	(7,413)	(45,840)	(53,253)
23	State Income Tax	CAS-12-WCS	(913)	(7,455)	(8,368)
24	Deferred Income Taxes		(9,588)	(34,041)	(43,629)
25	Amortization of Investment Tax Credit		48		48
27	Utility Operating Income		(\$207,317)	\$39,252	(\$168,065)

**Adjustment to Revenue Per Books and Pro Forma
For the Test Year Ended December 31, 2007**

Missouri Public Service Commission
Company: Missouri-American Water Company
District: Warren County Sewer

Case No. SR-2008-XXXX
Schedule CAS-9-WCS
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Line #	Test year Ending 12/31/07	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	0			0	0		0
7	0			0	0		0
8	0			0	0		0
9	0			0	0		0
10	0			0	0		0
11	0			0	0		0
12	0			0	0		0
13							
14	0	0	0	0	0	0	0
15							
16							
17	88,933	(888)	0	88,045		46,573	134,618
18							
19							
20	0	0	0	0	0	0	0
21							
22	0	0	0	0	0	0	0
23							
24	88,933	(888)	0	88,045	0	46,573	134,618
25							
26							
27	0			0			0
28	0			0			0
29	0			0			0
30	40			40			40
31	4			4			4
32							
33	44	0	0	44	0	0	44
34							
35							
36	\$88,977	(\$888)	\$0	\$88,089	\$0	\$46,573	\$134,662
37							
38							
39							
40							

Summary of Operations and Maintenance Expenses and General Taxes
 For the Test Year Ended December 31, 2007

Missouri Public Service Commission
 Company: Missouri-American Water Company
 District: Warren County Sewer

Line #	Expense Description	Schedule Reference	Test Year Expense	Adjustment	Pro forma Present Rates
1	Labor	CAS-11-WCS	\$81,597	(\$31,729)	\$49,868
2	Purchased Water	CAS-11-WCS	0	0	0
3	Fuel and Power	CAS-11-WCS	12,321	1,257	13,578
4	Chemicals	CAS-11-WCS	0	0	0
5	Waste Disposal	CAS-11-WCS	1,800	22,202	23,802
6	Support Services	CAS-11-WCS	26,172	(3,903)	22,269
7	Group Insurance	CAS-11-WCS	4,392	6,027	10,419
8	Pensions	CAS-11-WCS	8,210	(833)	7,377
9	Regulatory Expense	CAS-11-WCS	72	364	436
10	Insurance, Other than Group	CAS-11-WCS	4,583	(1,096)	3,487
11	Customer Accounting	CAS-11-WCS	2,321	542	2,863
12	Rents	CAS-11-WCS	3	38	41
13	General Office Expense	CAS-11-WCS	2,219	462	2,681
14	Miscellaneous	CAS-11-WCS	58,684	237	58,921
15	Maintenance - Other	CAS-11-WCS	11,376	(150)	11,226
16	Total Operations and Maintenance		<u>213,550</u>	<u>(6,583)</u>	<u>206,967</u>
17	Depreciation	CAS-11-WCS	93,296	64,024	157,320
18	Amortization	CAS-11-WCS	257	0	257
19	Total Depreciation and Amortization		<u>93,553</u>	<u>64,024</u>	<u>157,577</u>
20	Property Taxes	CAS-11-WCS	0	30,031	30,031
21	Payroll Taxes	CAS-11-WCS	6,452	(2,553)	3,899
22	PSC Fees	CAS-11-WCS	532	8,817	9,349
23	Other General Taxes	CAS-11-WCS	73	33	106
24	Total Taxes Other Than Income Taxes		<u>7,057</u>	<u>36,328</u>	<u>43,385</u>

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. Each pro forma adjustment is keyed to a schedule as shown on Schedule CAS-11-WCS which provides additional detail and support.

**Proforma State and Federal Income Taxes at Present and Proposed Rates
For the Test Year Ended December 31, 2007**

Line #

1 The Company's federal and state income taxes will be affected by all of the pro forma adjustments made
 2 at present and proposed rates.

	At Present Rates		At Proposed Rates	
	Federal	State	Federal	State
Utility Operating Income Before Income Taxes	(\$273,267)	(\$273,267)	\$430,020	\$430,020
Interest Expense Deduction	1,005	1,005	1,005	1,005
Taxable Income	(274,272)	(274,272)	429,015	429,015
Addback (Deducts):				
Tax over Book Depreciation	113,707	113,707	113,707	113,707
Non-deductible Meals	43	43	43	43
Amortization Preferred Stock Expense	1	1	1	1
Non-deductible Reserve Deficiency	0	0	0	0
Total Addbacks (Deducts)	<u>113,751</u>	<u>113,751</u>	<u>113,751</u>	<u>113,751</u>
Taxable Income	(160,521)	(160,521)	542,766	542,766
Effective Tax Rate (1)	33.1754%	5.2133%	33.1754%	5.2133%
Proforma Income Tax at Present / Proposed Rates	(53,253)	(8,368)	180,065	28,296
Per Books Amount / Present Rates	(7,413)	(913)	(53,253)	(8,368)
Proforma adjustment	<u>(\$45,840)</u>	<u>(\$7,455)</u>	<u>\$233,318</u>	<u>\$36,664</u>

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

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