

Exhibit No.:  
Issues: Cost Allocation/Rate Design  
Witness: Paul R. Herbert  
Exhibit Type: First Supplement to Direct Testimony  
Sponsoring Party: Missouri-American Water Company  
Case No.: WR-2010-0131  
                  SR-2010-0135  
Date: December 17, 2009

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. WR-2010-0131  
CASE NO. SR-2010-0135


FIRST SUPPLEMENT TO DIRECT TESTIMONY  
OF  
PAUL R. HERBERT  
ON BEHALF OF  
MISSOURI-AMERICAN WATER COMPANY

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

<b>IN THE MATTER OF MISSOURI-AMERICAN ) WATER COMPANY FOR AUTHORITY TO ) FILE TARIFFS REFLECTING INCREASED ) RATES FOR WATER AND SEWER ) SERVICE )</b>	<b>CASE NO. WR-2010-0131 CASE NO. SR-2010-0135</b>
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**AFFIDAVIT OF PAUL R. HERBERT**

Paul R. Herbert, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony entitled "First Supplement to Direct Testimony of Paul R. Herbert"; that said testimony and schedules were prepared by him and/or under his direction and supervision; that if inquiries were made as to the facts in said testimony and schedules, he would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of his knowledge.

  
\_\_\_\_\_  
Paul R. Herbert

**Commonwealth of Pennsylvania  
County of Cumberland  
SUBSCRIBED and sworn to  
Before me this 16th day of December 2009.**

  
\_\_\_\_\_  
Notary Public

**My commission expires: February 20, 2011**

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Cheryl Ann Rutter, Notary Public  
East Pennsboro Twp., Cumberland County  
My Commission Expires Feb. 20, 2011  
Member, Pennsylvania Association of Notaries

1. **Q. Please state your name and address.**

A. My name is Paul R. Herbert. My business address is 207 Senate Avenue, Camp Hill, Pennsylvania.

2. **Q. Are you the same Paul R. Herbert that previously filed direct testimony in this proceeding?**

A. Yes, I am.

3. **Q. What is the purpose of your First Supplement to Direct Testimony in this proceeding?**

A. The purpose of this testimony is to present and explain a revision to the Missouri-American Water Company's (or MAWC or Company) cost of service allocation study for the St. Joseph District and proposed rate designs set forth in Schedule PRH-1. This revision is attached to this Testimony as Schedule PRH-1 Revised.

4. **Q. Was Schedule No. PRH-1 Revised prepared by you or under your direction and supervision?**

A. Yes, it was.

5. **Q. Briefly describe the change in the revised cost allocation studies.**

A. During the course of review of the submitted cost of service study, an error was found in the study for the operating district of St. Joseph (SJO). The average daily consumption for Factor 1 for the Industrial class was overstated. The revised cost of service study for the St. Joseph District is attached PRH-1 Revised. The costs of service studies for the other districts remain unchanged.

## **CUSTOMER RATE DESIGN**

**6. Q. How does this affect the rate design for the St. Joseph District?**

A. The Company has prepared a revised Schedules CAS-13 and CAS-14 for the St. Joseph District. Schedule CAS-14-SJO, Revised, shows the revised comparison of present and proposed rates, for each customer classification. The revenues generated under the revised proposed rates are summarized in Schedule CAS-13-SJO, Revised. These revenues are brought forward to column 6 of Schedule A of the Schedule PRH-1 Revised.

MISSOURI-AMERICAN WATER COMPANY

St. Louis, Missouri

COST OF SERVICE

ALLOCATION STUDY

FOR THE TEST YEAR ENDED JUNE 30, 2009

**St. Joseph District  
Revised**

GANNETT FLEMING, INC. - VALUATION AND RATE DIVISION

Harrisburg, Pennsylvania

Calgary, Alberta

Valley Forge, Pennsylvania

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT  
REVISED

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES  
FOR THE TEST YEAR ENDED JUNE 30, 2009

Customer Classification (1)	Cost of Service		Revenues, Present Rates		Revenues, Proposed Rates		Proposed Increase	
	Amount (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
Residential	\$ 12,034,982	47.6%	\$ 10,070,185	50.2%	\$ 13,071,743	51.6%	\$ 3,001,558	29.8%
Commercial	3,994,902	15.8%	3,755,412	18.7%	\$ 4,455,413	17.6%	700,001	18.6%
Industrial	3,630,847	14.3%	2,988,266	14.9%	\$ 3,824,379	15.1%	836,113	28.0%
Large Industrial	2,182,096	8.5%	436,579	2.2%	\$ 442,864	1.8%	6,285	1.4%
Public Authority	745,283	2.9%	670,067	3.3%	\$ 816,659	3.2%	146,592	21.9%
Sales for Resale	2,420,031	9.6%	1,900,568	9.5%	\$ 2,393,067	9.4%	492,499	25.9%
Private Fire Service	323,798	1.3%	250,593	1.2%	\$ 323,632	1.3%	73,039	29.1%
Public Fire Service	-	0.0%	\$0	0.0%	\$ -	0.0%	-	-
Total Sales	25,331,939	100.0%	20,071,670	100.0%	25,327,757	100.0%	5,256,087	26.2%
Other Revenues	316,832		256,717		\$316,832		60,115	23.4%
Total	\$ 25,648,771		\$ 20,328,387		\$ 25,644,589		\$ 5,316,202	26.2%

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT  
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Large Industrial (7)	Public Authorities (8)	Sales for Resale (9)	Private (10)	Fire Protection Public (11)
<b>OPERATION AND MAINTENANCE EXPENSES</b>										
<b>SOURCE OF SUPPLY EXPENSES</b>										
Super & Eng Oper SS	2	0	0	0	0	0	0	0	0	0
Labor & Exp Oper SS - Labor	2	0	0	0	0	0	0	0	0	0
Labor & Exp Oper SS	2	75,386	26,249	12,416	14,700	8,813	2,465	10,448	68	226
Purchased Water	1	0	0	0	0	0	0	0	0	0
<b>TOTAL SS EXPENSE - OPERATION</b>		<b>75,386</b>	<b>26,249</b>	<b>12,416</b>	<b>14,700</b>	<b>8,813</b>	<b>2,465</b>	<b>10,448</b>	<b>68</b>	<b>226</b>
Misc Exp Oper SS	2	0	0	0	0	0	0	0	0	0
Misc Exp Oper SS	2	0	0	0	0	0	0	0	0	0
Rents Oper SS	2	0	0	0	0	0	0	0	0	0
Super & Eng Maint SS	2	0	0	0	0	0	0	0	0	0
Struct & Improve Maint SS - Labor	2	0	0	0	0	0	0	0	0	0
Struct & Improve Maint SS	2	0	0	0	0	0	0	0	0	0
Collect & Impound Maint SS - Labor	2	0	0	0	0	0	0	0	0	0
Collect & Impound Maint SS	2	0	0	0	0	0	0	0	0	0
Lake, River & Oth Maint SS - Labor	2	0	0	0	0	0	0	0	0	0
Lake, River & Oth Maint SS	2	0	0	0	0	0	0	0	0	0
Wells & Springs Maint SS - Labor	2	0	0	0	0	0	0	0	0	0
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0	0
Infit Gall & Tunnels Maint SS - Labor	2	0	0	0	0	0	0	0	0	0
Infit Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0	0
Supply Mains Maint SS - Labor	2	0	0	0	0	0	0	0	0	0
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0	0
Misc Plant Maint SS - Labor	2	98	34	16	19	11	3	14	0	0
Misc Plant Maint SS	2	8,874	3,090	1,462	1,730	1,037	290	1,230	8	27
<b>TOTAL SS EXPENSE - MAINTENANCE</b>		<b>8,972</b>	<b>3,124</b>	<b>1,478</b>	<b>1,750</b>	<b>1,049</b>	<b>293</b>	<b>1,244</b>	<b>8</b>	<b>27</b>
<b>TOTAL SS EXPENSE</b>		<b>84,358</b>	<b>29,374</b>	<b>13,894</b>	<b>16,450</b>	<b>9,861</b>	<b>2,759</b>	<b>11,692</b>	<b>76</b>	<b>253</b>
<b>POWER AND PUMPING EXPENSES</b>										
Super & Eng Oper P	6	45,080	15,377	7,271	8,543	5,108	1,443	6,054	289	996
Fuel for Power Prod	1	0	0	0	0	0	0	0	0	0
Labor & Exp Oper Pwr Prod - Labor	6	(13,139)	(4,482)	(2,119)	(2,490)	(1,489)	(420)	(1,765)	(84)	(290)
Purch Fuel/Power for Pump	1	812,971	243,322	125,848	173,244	123,978	25,040	116,824	1,057	3,658
Labor & Exp Oper Pump - Labor	6	524,913	179,048	84,668	99,471	59,473	16,797	70,496	3,359	11,601
Labor & Exp Oper Pump	6	240	82	39	45	27	8	32	2	5
Misc Exp Oper P	6	11,167	3,909	1,801	2,116	1,265	357	1,500	71	247
Rents Oper P	6	0	0	0	0	0	0	0	0	0
<b>TOTAL PUMPING EXPENSE - OPERATION</b>		<b>1,381,232</b>	<b>437,156</b>	<b>217,508</b>	<b>280,930</b>	<b>188,362</b>	<b>43,224</b>	<b>193,141</b>	<b>4,694</b>	<b>16,217</b>
Super & Eng Maint P	6	46,570	15,865	7,512	8,825	5,276	1,490	6,254	298	1,029
Struct & Improve Maint P - Labor	6	0	0	0	0	0	0	0	0	0
Struct & Improve Maint P	6	0	0	0	0	0	0	0	0	0
Power Prod Equip Maint P - Labor	6	0	0	0	0	0	0	0	0	0
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT  
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Large Industrial (7)	Public Authorities (8)	Sales for Resale (9)	Private (10)	Fire Protection Public (11)
Pump Equip Maint P - Labor	6	0	0	0	0	0	0	0	0	0
Pump Equip Maint P	6	2,410	822	389	457	273	77	324	15	53
TOTAL PUMPING EXPENSES - MAINTENANCE		48,980	16,707	7,901	9,282	5,549	1,567	6,578	313	1,082
TOTAL PUMPING EXPENSES		1,430,212	453,863	225,409	290,211	193,912	44,791	199,719	5,007	17,299
<b>WATER TREATMENT</b>										
Super & Eng Oper WT	2	71,966	25,059	11,853	14,033	8,413	2,353	9,974	65	216
Chemicals	1-	729,631	218,379	112,947	455,484	111,269	22,473	104,848	949	3,283
Labor & Exp Oper WT - Labor	2	0	0	0	0	0	0	0	0	0
Labor & Exp Oper WT	2	69,967	24,363	11,524	13,644	8,179	2,288	9,697	63	210
Misc Exp Oper WT	2	0	0	0	0	0	0	0	0	0
Misc Exp Oper WT	1	296,974	88,884	45,972	63,285	45,289	9,147	42,675	386	1,336
Misc Exp Oper WT	2	21,857	7,541	3,567	4,223	2,532	708	3,002	19	65
Rents Oper WT	2	0	0	0	0	0	0	0	0	0
TOTAL WT EXPENSE - OPERATION		1,190,195	364,225	185,862	250,670	175,681	36,969	170,197	1,482	5,110
Super & Eng Maint WT	2	38	13	6	7	4	1	5	0	0
Struct & Improve Maint WT - Labor	2	0	0	0	0	0	0	0	0	0
Struct & Improve Maint WT	2	0	0	0	0	0	0	0	0	0
WT Equip Maint WT - Labor	2	0	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	41,861	14,576	6,895	8,153	4,894	1,369	5,802	38	126
TOTAL WT EXPENSE - MAINTENANCE		41,899	14,589	6,901	8,170	4,898	1,370	5,807	38	126
TOTAL WT EXPENSE		1,232,094	378,814	192,762	258,840	180,579	38,339	176,004	1,520	5,236
<b>TRANSMISSION AND DISTRIBUTION EXPENSES</b>										
Super & Eng Oper TD	11	23,408	13,820	3,776	1,360	328	679	405	890	2,151
Storage Facility Exp - Labor	5	0	0	0	0	0	0	0	0	0
Storage Facility Exp	5	0	0	0	0	0	0	0	0	0
TD Lines Exp - Labor	7	278,663	116,760	54,088	24,550	6,214	10,756	7,385	13,153	45,756
TD Lines Exp	7	8,551	3,583	1,660	753	191	330	227	404	1,404
Meter Expense - Labor	9	120,894	95,724	16,804	3,748	737	2,781	1,100	0	0
Meter Expense	9	19	15	3	1	0	0	0	0	0
Customer Install Exp - Labor	10	105,012	86,918	10,207	767	42	1,008	147	5,923	0
Customer Install Exp	10	0	0	0	0	0	0	0	0	0
Misc Exp Oper TD - Labor	11	19,616	11,581	3,164	1,140	275	569	339	745	1,803
Misc Exp Oper TD	11	0	0	0	0	0	0	0	0	0
Misc Exp Oper TD	11	56,196	33,178	9,064	3,265	787	1,630	972	2,135	5,164
Rents Oper TD	11	211	125	34	12	3	6	4	8	19
M & S Oper TD Mains	11	0	0	0	0	0	0	0	0	0
TOTAL T & D EXPENSE OPERATION		612,570	361,704	98,801	35,595	8,576	17,759	10,579	23,258	56,298
Super & Eng Maint TD	12	13,379	5,239	1,731	682	171	329	207	355	4,654
Struct & Improve Maint TD - Labor	12	16	6	2	1	0	0	0	0	6
Struct & Improve Maint TD	12	0	0	0	0	0	0	0	0	0
Dist Res Stand Maint TD - Labor	5	195	60	27	28	25	5	22	6	21
TD Main Maint TD - Labor	7	105,803	44,331	20,536	9,321	2,359	4,084	2,804	4,994	17,373



MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT  
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Large Industrial (7)	Public Authorities (8)	Sales for Resale (9)	Private (10)	Fire Protection Public (11)
TD Main Maint TD	7	4,096	1,716	795	361	91	158	109	193	673
Fire Main Maint TD - Labor	8	202	0	0	0	0	0	0	0	202
Fire Main Maint TD	8	0	0	0	0	0	0	0	0	0
Services Maint TD - Labor	10	7,712	6,383	750	56	3	74	11	435	0
Services Maint TD	10	0	0	0	0	0	0	0	0	0
Meters Maint TD - Labor	9	38,566	30,536	5,361	1,196	235	887	351	0	0
Meters Maint TD	9	0	0	0	0	0	0	0	0	0
Hydrants Maint TD - Labor	8	55,505	0	0	0	0	0	0	0	55,505
Hydrants Maint TD	8	0	0	0	0	0	0	0	0	0
Misc Plant Maint TD - Labor	12	1,628	637	211	84	21	40	25	43	566
Mat and Sup Maint TD	12	143,262	56,101	18,538	7,407	1,834	3,524	2,221	3,796	49,841
Misc Maint TD	12	0	0	0	0	0	0	0	0	0
Amort Der Maint TD	5	913,786	279,619	128,021	133,321	118,975	25,403	101,156	28,419	98,872
TOTAL T & D EXPENSE - MAINTENANCE		1,284,149	424,629	175,972	152,467	123,715	34,506	106,905	38,242	227,713
TOTAL T & D EXPENSE		1,896,719	786,333	274,773	188,062	132,292	52,265	117,484	61,499	284,011
CUSTOMER ACCOUNTS										
Supervision CA	13	37,660	33,386	3,348	143	4	241	23	516	0
Meter Reading Exp CA - Labor	14	280,702	252,267	25,319	1,095	28	1,825	168	0	0
Meter Reading Exp CA	14	6,611	5,941	596	26	1	43	4	0	0
Meter Reading Exp CA	14	3,008	2,703	271	12	0	20	0	0	0
Cust Rec & Collection CA - Labor	13	26,925	23,869	2,384	102	3	172	16	369	0
Cust Rec & Collection CA	13	141,144	125,124	12,548	536	14	903	85	1,934	0
Uncollectible Accts	13	240,328	213,051	21,365	913	24	1,538	144	3,292	0
Misc Cust Accts Exp CA - Labor	13	6,827	6,052	607	26	1	44	4	94	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	38,160	33,829	3,392	145	4	244	23	523	0
Cust Serv & Info Exp CA	13	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER ACCOUNTING EXPENSE		781,365	696,222	69,841	2,998	78	5,030	469	6,727	0
ADMINISTRATIVE AND GENERAL EXPENSES										
Salaries AG	15	319,764	160,010	43,872	32,520	21,072	7,706	21,488	6,459	26,636
Other Supplies & Exp AG	15	100	50	14	10	7	2	7	2	8
Other Supplies & Exp AG	15	122,113	61,105	16,754	12,419	8,047	2,843	8,206	2,467	10,172
Other Supplies & Exp AG	15	68,151	34,103	9,350	6,931	4,491	1,642	4,580	1,377	5,877
Mgmt Fees-Admin	13	1,438,598	719,875	197,376	146,305	94,804	34,670	96,674	29,060	119,835
Mgmt Fees-Customer Service	13	477,485	423,290	42,448	1,814	48	3,056	286	6,542	0
Mgmt Fees-Bellefonte Lab	2	59,331	20,659	9,772	11,570	6,936	1,940	8,223	53	178
Mgmt Fees- Employee	16	50,920	26,891	7,246	4,934	2,602	1,273	3,020	184	4,043
Outside Services AG	15	91,454	45,764	12,547	9,301	6,027	2,204	6,146	1,847	7,618
Outside Services AG	15	302,045	151,143	41,441	30,718	19,905	7,279	20,297	6,101	25,160
Ins Gen Liab Oper AG	15	202,193	101,177	27,741	20,563	13,324	4,873	13,587	4,084	16,843
Ins Work Comp AG	16	86,074	45,456	12,248	8,341	4,398	2,152	5,104	1,541	6,834
Ins Other Oper AG	15	62,506	31,278	8,576	6,357	4,119	1,506	4,200	1,263	5,207
Property Insurance	15	19,013	9,514	2,609	1,934	1,253	458	1,278	384	1,584
Injuries & Damages	16	1,795	948	255	174	92	45	106	32	143

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT  
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Industrial	Large Industrial	Public Authorities	Sales for Resale	Private	Fire Protection
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Employee Pension & Benefits	16	619,799	327,316	88,197	60,058	31,672	15,495	36,754	11,094	49,212
Employee Pension & Benefits	16	451,777	238,583	64,288	43,777	11,294	11,294	26,790	8,087	35,871
Employee Pension & Benefits	16	72,580	38,330	10,328	7,033	3,709	1,815	4,304	1,299	5,763
Reg Commission Exp	19	40,672	17,493	6,080	5,735	3,477	1,139	3,868	525	2,356
Rents AG	15	46,762	23,400	6,416	4,756	3,082	1,127	3,142	945	3,895
Goodwill Advertising Exp	15	326	163	45	33	21	8	22	7	27
Misc Exp AG	15	296,552	148,395	40,687	30,159	19,543	7,147	19,928	5,990	24,703
Research & Development	15	0	0	0	0	0	0	0	0	0
TOTAL A & G OPERATIONS		4,830,010	2,624,942	648,290	445,442	271,715	109,775	288,012	90,070	351,764
General Plant Maint AG - Labor	15	0	0	0	0	0	0	0	0	0
Maint Exp ARO/Net Neg Sal AG	18	(29,090)	(11,307)	(4,582)	(4,605)	(2,662)	(890)	(3,133)	(314)	(1,597)
General Plant Maint AG	15	24,902	12,461	3,417	2,533	1,641	600	1,673	503	2,074
TOTAL A & G EXPENSE - MAINTENANCE		(4,188)	1,154	(1,165)	(2,072)	(1,021)	(290)	(1,460)	189	477
TOTAL A & G EXPENSE		4,825,822	2,626,095	647,125	443,370	270,694	109,485	286,552	90,259	352,242
Total Operation & Maintenance Expenses		10,250,570	4,970,702	1,423,803	1,199,931	787,416	252,668	791,920	165,088	659,041
DEPRECIATION EXPENSE										
Struct & Imp SS	2	51,415	17,903	8,468	10,026	5,010	1,681	7,126	46	154
Struct & Imp P	6	299,080	102,016	48,242	56,676	33,886	9,571	40,166	1,914	6,610
Struct & Imp WT	2	807,884	281,305	133,058	157,537	94,442	26,418	111,973	727	2,424
Struct & Imp TD	7	8,578	3,594	1,665	756	191	331	227	405	1,409
Struct & Imp AG	15	659	330	90	67	43	16	44	13	55
Struct & Imp Offices	15	0	0	0	0	0	0	0	0	0
Struct & Imp Store, Shop, Gar	15	9,138	4,573	1,254	929	602	220	614	185	761
Struct & Imp Misc	15	36,869	18,449	5,058	3,750	2,430	889	2,478	745	3,071
Collect & Impounding	1	0	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	334	116	55	65	39	11	46	0	1
Wells & Springs	2	755	263	124	147	88	25	105	0	2
Supply Mains	2	161,049	56,077	26,525	31,405	18,827	5,266	22,321	145	483
Power Generation Equip	6	409	140	66	78	46	13	55	3	9
Pump Equip Electric	6	119,430	40,738	19,264	22,632	13,531	3,822	16,039	764	2,639
Pump Equip Diesel	6	9,070	3,094	1,463	1,719	1,028	290	1,218	58	200
Pump Equip Other	6	60	20	10	11	7	2	8	0	1
Pump Equip WT	6	945	322	152	179	107	30	127	6	21
WT Equip Non-Media	2	560,232	195,073	92,270	109,245	65,491	18,320	77,648	504	1,681
WT Equip Non Media Ctr 1 &	2	100	35	16	20	12	3	14	0	0
WT Equip Filler Media	2	758	264	125	148	89	25	105	1	2
Dist Reservoirs & Standpipe	5	39,045	11,948	5,470	5,697	5,084	1,085	4,322	1,214	4,225
Elevated Tanks & Standpipes	5	8,189	2,509	1,149	1,196	1,068	228	908	255	887
Ground Level Facilities	5	0	0	0	0	0	0	0	0	0
TD Mains Not Classified by	7	22,237	9,317	4,316	1,959	496	858	569	1,050	3,651
TD Mains 4" & Less	4	15,494	6,867	3,170	992	0	629	0	857	2,979
TD Mains 6 to 8"	4	101,402	44,941	20,747	6,490	0	4,117	0	5,608	19,500
TD Mains 10 to 16"	3	199,465	64,796	30,658	36,303	21,762	6,104	25,811	3,132	10,911

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT  
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)			Commercial (5)		Industrial (6)		Large Industrial (7)		Public Authorities (8)		Sales for Resale (9)		Fire Protection (10)		Public (11)
TD Mains 18" & Grtr Services	3	71,909	23,356	11,052	13,087	7,845	2,200	9,305	1,129	3,933	0	0	0	0	0	0	0	0
Meters Bronze Case	10	100,194	82,931	9,739	731	40	962	140	5,651	0	0	0	0	0	0	0	0	0
Meters Plastic Case	9	71,434	56,561	9,929	2,214	436	1,643	650	0	0	0	0	0	0	0	0	0	0
Meters Other	9	1,570	1,243	218	49	10	36	14	0	0	0	0	0	0	0	0	0	0
Meters Other-Rem Rdr Units	9	4,460	3,547	623	139	27	103	41	0	0	0	0	0	0	0	0	0	0
Meter Installations	9	1,587	1,257	221	49	10	37	14	0	0	0	0	0	0	0	0	0	0
Meter Installation Other	9	68,407	54,165	9,509	2,121	417	1,573	623	0	0	0	0	0	0	0	0	0	0
Meter Vaults	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hydrants	9	5,083	4,025	707	158	31	117	46	0	0	0	0	0	0	0	0	0	0
Other P/E Intangible	8	54,622	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	54,622
Other P/E WT Res Hand Equip	17	906	351	143	144	83	28	98	10	50	0	0	0	0	0	0	0	0
Other P/E TD	2	43,771	15,241	7,209	8,535	5,117	1,431	6,067	39	131	0	0	0	0	0	0	0	0
Other P/E CPS	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Office Furniture & Equip	15	9,990	4,989	1,371	1,016	658	241	671	202	832	0	0	0	0	0	0	0	0
Comp & Periph Equip	15	12,764	6,387	1,751	1,298	841	308	858	258	1,063	0	0	0	0	0	0	0	0
Computer Software	15	82,002	41,034	11,251	8,340	5,404	1,976	5,511	1,656	6,831	0	0	0	0	0	0	0	0
Comp Software Personal	15	136,072	68,090	18,669	13,839	8,967	3,279	9,144	2,749	11,335	0	0	0	0	0	0	0	0
Comp Software Customized	15	7,663	3,835	1,051	779	505	185	515	155	638	0	0	0	0	0	0	0	0
Data Handling Equipment	15	8,527	4,267	1,170	867	562	206	573	172	710	0	0	0	0	0	0	0	0
Other Office Equipment	15	3,677	1,840	504	374	242	89	247	74	306	0	0	0	0	0	0	0	0
Trans Equip Lt Duty Trks	15	16,817	8,415	2,307	1,710	1,108	405	1,130	340	1,401	0	0	0	0	0	0	0	0
Trans Equip Hvy Duty Trks	15	4,939	2,471	678	502	325	119	332	100	411	0	0	0	0	0	0	0	0
Trans Equip Autos	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trans Equip Other	15	3,218	1,610	442	327	212	78	216	65	268	0	0	0	0	0	0	0	0
Stores Equipment	15	13	7	2	1	1	0	1	0	1	0	0	0	0	0	0	0	0
Tools, Shop, Garage Equip	15	6,447	3,226	885	656	425	155	433	130	537	0	0	0	0	0	0	0	0
Tools, Shop, Garage Equip Oth	15	54,427	27,235	7,467	5,535	3,587	1,312	3,657	1,099	4,534	0	0	0	0	0	0	0	0
Laboratory Equipment	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Laboratory Equip Other	2	52,045	18,122	8,572	10,149	6,084	1,702	7,213	47	156	0	0	0	0	0	0	0	0
Power Operated Equipment	2	2,758	960	454	322	322	90	382	2	8	0	0	0	0	0	0	0	0
Comm Equip Non-Telephone	15	2,191	1,096	301	223	144	53	147	44	183	0	0	0	0	0	0	0	0
Remote Control & Instr	15	4,589	2,296	630	467	302	111	308	93	382	0	0	0	0	0	0	0	0
Comm Equip Telephone	15	750	375	103	76	49	18	50	15	62	0	0	0	0	0	0	0	0
Misc Equipment	15	1,124	562	154	114	74	27	76	23	94	0	0	0	0	0	0	0	0
	15	10,081	5,045	1,383	1,025	664	243	677	204	840	0	0	0	0	0	0	0	0
<b>Total Depreciation Expense</b>		<b>3,296,664</b>	<b>1,309,231</b>	<b>511,909</b>	<b>523,089</b>	<b>309,773</b>	<b>98,879</b>	<b>361,087</b>	<b>31,889</b>	<b>151,007</b>								
Amort-Other UP	18	7,028	2,732	1,107	1,113	643	215	757	76	386	0	0	0	0	0	0	0	0
Amort-Intangible Fin	2	(77,521)	(26,993)	(12,768)	(15,117)	(9,062)	(2,535)	(10,744)	(70)	(233)	0	0	0	0	0	0	0	0
Amort-Property Losses	2	238,339	82,980	39,254	46,476	27,862	7,794	33,034	215	715	0	0	0	0	0	0	0	0

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT  
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Large Industrial (7)	Public Authorities (8)	Sales for Resale (9)	Private (10)	Fire Protection Public (11)
<b>Taxes Other Than Income</b>										
Utility Reg Assessment Fee	19	170,006	73,120	25,416	23,971	14,536	4,760	16,168	2,193	9,843
Property Taxes	18	1,032,884	401,482	162,679	163,506	94,509	31,606	111,242	11,155	56,705
FUTA	16	2,177	1,150	310	211	111	54	129	39	173
FICA	16	147,574	77,934	21,000	14,300	7,541	3,669	8,751	2,642	11,717
SUTA	16	6,132	3,236	873	594	313	153	364	110	487
Other Taxes & Licenses	15	36,123	18,076	4,956	3,674	2,381	871	2,427	730	3,009
Gross Receipts Tax	19	0	0	0	0	0	0	0	0	0
<b>Total Taxes, Other Than Income</b>		<b>1,394,896</b>	<b>574,989</b>	<b>215,233</b>	<b>206,255</b>	<b>119,391</b>	<b>41,134</b>	<b>139,080</b>	<b>16,958</b>	<b>81,935</b>
<b>Income Taxes</b>										
Utility Income Available for Return	18	3,117,843	1,211,906	491,060	493,555	285,283	95,406	335,792	33,673	171,170
<b>Total Cost of Service</b>		<b>7,420,952</b>	<b>2,884,524</b>	<b>1,168,800</b>	<b>1,174,737</b>	<b>679,017</b>	<b>227,081</b>	<b>799,237</b>	<b>80,146</b>	<b>407,410</b>
<b>Less: Other Water Revenues</b>		<b>25,648,771</b>	<b>11,010,090</b>	<b>3,838,400</b>	<b>3,630,039</b>	<b>2,200,322</b>	<b>720,443</b>	<b>2,450,162</b>	<b>327,885</b>	<b>1,471,431</b>
<b>Total Cost of Service Related to Sales of Water</b>		<b>316,832</b>	<b>136,289</b>	<b>47,386</b>	<b>44,673</b>	<b>27,089</b>	<b>8,871</b>	<b>30,131</b>	<b>4,087</b>	<b>18,345</b>
<b>Reallocation of Public Fire</b>		<b>25,331,939</b>	<b>10,873,820</b>	<b>3,791,034</b>	<b>3,595,965</b>	<b>2,173,232</b>	<b>711,571</b>	<b>2,420,031</b>	<b>323,798</b>	<b>1,453,086</b>
<b>Total</b>		<b>0</b>	<b>1,161,161</b>	<b>203,868</b>	<b>45,482</b>	<b>8,864</b>	<b>33,712</b>	<b>0</b>	<b>0</b>	<b>(1,453,086)</b>
		<b>\$ 25,331,939</b>	<b>\$ 12,034,982</b>	<b>\$ 3,994,902</b>	<b>\$ 3,630,847</b>	<b>\$ 2,182,096</b>	<b>\$ 745,283</b>	<b>\$ 2,420,031</b>	<b>\$ 323,798</b>	<b>\$ (1,453,086)</b>

**MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH 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	4,582	0.2993
Commercial	2,370	0.1548
Industrial	3,262	0.2131
Large Industrial	2,335	0.1525
Other Public Authority	471	0.0308
Sales for Resale	2,200	0.1437
Private Fire Protection	20	0.0013
Public Fire Protection	69	0.0045
<b>Total</b>	<b>15,309</b>	<b>1.0000</b>

**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 0.6667	Allocation Factor (4)	Weighted Factor (5)=(4)x 0.3333	
Residential	0.2993	0.1995	0.4459	0.1487	0.3482
Commercial	0.1548	0.1032	0.1846	0.0615	0.1647
Industrial	0.2131	0.1421	0.1588	0.0529	0.1950
Large Industrial	0.1525	0.1017	0.0455	0.0152	0.1169
Other Public Authority	0.0308	0.0205	0.0367	0.0122	0.0327
Sales for Resale	0.1437	0.0958	0.1285	0.0428	0.1386
Private Fire Protection	0.0013	0.0009			0.0009
Public Fire Protection	0.0045	0.0030			0.0030
<b>Total</b>	<b>1.0000</b>	<b>0.6667</b>	<b>1.0000</b>	<b>0.3333</b>	<b>1.0000</b>

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. JOSEPH DISTRICT

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

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

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	4,582	1.0	4,582	0.4459
Commercial	2,370	0.8	1,896	0.1846
Industrial	3,262	0.5	1,631	0.1588
Large Industrial	2,335	0.2	467	0.0455
Other Public Authority	471	0.8	377	0.0367
Sales for Resale	2,200	0.6	1,320	0.1285
Total	15,220		10,273	1.0000

The weighting of the factors is based on the maximum day ratio of 1.50, 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	0.6667
Maximum Day Extra Capacity	0.50	0.3333
Total	1.50	1.0000

\* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH 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	Average Daily Consumption		Maximum Day Extra Capacity		Fire Protection		Allocation Factor (8)=(3)+(5)+(7)
	Allocation Factor (2)	Weighted Factor (3)=(2) X 0.6221	Allocation Factor (4)	Weighted Factor (5)=(4) X 0.3111	Allocation Factor (6)	Weighted Factor (7)=(6) X 0.0668	
Residential	0.2993	0.1861	0.4459	0.1387			0.3248
Commercial	0.1548	0.0963	0.1846	0.0574			0.1537
Industrial	0.2131	0.1326	0.1588	0.0494			0.1820
Large Industrial	0.1525	0.0949	0.0455	0.0142			0.1091
Other Public Authority	0.0308	0.0192	0.0367	0.0114			0.0306
Sales for Resale	0.1437	0.0894	0.1285	0.0400			0.1294
Private Fire Protection	0.0013	0.0008			0.2233	0.0149	0.0157
Public Fire Protection	0.0045	0.0028			0.7767	0.0519	0.0547
Total	1.0000	0.6221	1.0000	0.3111	1.0000	0.0668	1.0000

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT

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

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

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum day ratio of 1.50 and the average daily system sendout for 2008 of 17.892 MGD. The system demand for fire protection is 8,000 Gallons per minute for 4 hours.

	<u>Ratio</u>	<u>Rate of Flow, (GPD)</u>	<u>Weight</u>
Average Day	1.00	17,891,608	0.6221
Maximum Day Extra Capacity	<u>0.50</u>	<u>8,945,804</u>	<u>0.3111</u>
Subtotal	<u>1.50</u>	26,837,412	0.9332
Fire Protection		<u>1,920,000</u>	<u>0.0668</u>
Total		<u>28,757,412</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. JOSEPH DISTRICT

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

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

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

Customer Classification (1)	Average Hourly Consumption		Maximum Hour Extra Capacity		Fire Protection		Allocation Factor (9)=(4)+(6)+(8)
	Thousand Gallons (2)	Allocation Factor (3)	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.3782	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.2436	
Residential	190.9	0.5411	0.6307	0.2386			0.4432
Commercial	98.8	0.2800	0.2611	0.0987			0.2046
Industrial	39.8	0.1128	0.0564	0.0213			0.0640
Other Public Authority	19.6	0.0556	0.0518	0.0196			0.0406
Private Fire Protection	0.8	0.0023			0.2233	0.0544	0.0553
Public Fire Protection	2.9	0.0082			0.7767	0.1892	0.1923
Total	352.8	1.0000	1.0000	0.3782	1.0000	0.2436	1.0000

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

**MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT**

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

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

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum hour ratio of 2.0 and the average daily system sendout for 2008 of 17.892 MGD. The system demand for fire protection is 8,000 gallons per minute.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	12,425	0.3782
Maximum Hour Extra Capacity	<u>1.00</u>	<u>12,425</u>	<u>0.3782</u>
Subtotal	<u>2.00</u>	24,850	0.7564
Fire Protection		<u>8,000</u>	<u>0.2436</u>
Total		<u>32,850</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)
Residential	190.9	3.5	668.2	0.6307
Commercial	98.8	2.8	276.6	0.2611
Industrial	39.8	1.5	59.7	0.0564
Other Public Authority	<u>19.6</u>	2.8	<u>54.9</u>	<u>0.0518</u>
Total	<u>349.1</u>		<u>1,059.4</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. JOSEPH DISTRICT**

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

**FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES.**

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

Customer Classification (1)	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		Allocation Factor (9)=(4)+(6)+(8)
	Thousand Gallons (2)	Allocation Factor (3)	Weighted Factor (4)=(3) X 0.4316	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.4316	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.1368	
Residential	190.9	0.2993	0.1291	0.4098	0.1769			0.3060
Commercial	98.8	0.1549	0.0669	0.1697	0.0732			0.1401
Industrial	135.9	0.2130	0.0919	0.1251	0.0540			0.1459
Large Industrial	97.3	0.1525	0.0658	0.1492	0.0644			0.1302
Other Public Authority	19.6	0.0307	0.0133	0.0337	0.0145			0.0278
Sales for Resale	91.7	0.1438	0.0621	0.1125	0.0486			0.1107
Private Fire Protection	0.8	0.0013	0.0006			0.2233	0.0305	0.0311
Public Fire Protection	2.9	0.0045	0.0019			0.7767	0.1063	0.1082
<b>Total</b>	<b>637.9</b>	<b>1.0000</b>	<b>0.4316</b>	<b>1.0000</b>	<b>0.4316</b>	<b>1.0000</b>	<b>0.1368</b>	<b>1.0000</b>

The weighting of the factors is based on the ratio of the capacity required for a 4 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT

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

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

The weighting of the factors is based on the ratio of the capacity required for a 4 hour demand of fire flow, as related to total storage capacity.

$$\text{Fire Protection Weight} = \frac{8,000 \text{ GPM} \times 60 \text{ Min.} \times 4 \text{ Hrs.}}{14,040,000 \text{ Gallons}} = 0.1368$$

updated 2009

$$\text{General Service Weight} = 1.0000 - 0.1368 = 0.8632$$

The weighting of the average hourly consumption and maximum hour extra demand for general service is based on the maximum hour ratio, as follows:

	Maximum Hour Ratio	Percent	Weight
Average Hour	1.00	50.00	0.4316
Extra Capacity Maximum Hour	1.00	50.00	0.4316
Total	<u>2.00</u>	<u>100.00</u>	<u>0.8632</u>

Customer Classification	Average Hourly Consumption Thousand Gal.	Factor*	Maximum Hour Extra Capacity	
			1,000 Gallons Per Hour	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	190.9	3.5	668.2	0.4098
Commercial	98.8	2.8	276.6	0.1697
Industrial	135.9	1.5	203.9	0.1251
Large Industrial	97.3	2.5	243.3	0.1492
Other Public Authority	19.6	2.8	54.9	0.0337
Sales for Resale	91.7	2.0	183.4	0.1125
Total	<u>634.2</u>		<u>1630.3</u>	<u>1.0000</u>

\* Ratio of Maximum Hour To Average Hour Minus 1.0.

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH 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	(4)	(5)=(4)X	(6)	(7)=(6)X	(8)=(3)+ (5)+(7)
		0.6539		0.3378		0.0083	
Residential	0.3482	0.2277	0.3248	0.1097	0.4432	0.0037	0.3411
Commercial	0.1647	0.1077	0.1537	0.0519	0.2046	0.0017	0.1613
Industrial	0.1950	0.1275	0.1820	0.0615	0.0640	0.0005	0.1895
Large Industrial	0.1169	0.0764	0.1091	0.0369	0.0000	0.0000	0.1133
Other Public Authority	0.0327	0.0214	0.0306	0.0103	0.0406	0.0003	0.0320
Sales for Resale	0.1386	0.0906	0.1294	0.0437	0.0000	0.0000	0.1343
Private Fire Protection	0.0009	0.0006	0.0157	0.0053	0.0553	0.0005	0.0064
Public Fire Protection	0.0030	0.0020	0.0547	0.0185	0.1923	0.0016	0.0221
Total	1.0000	0.6539	1.0000	0.3378	1.0000	0.0083	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	2,350	0.6539
Associated with Maximum Day and Fire	1,214	0.3378
Associated with Maximum Hour	30	0.0083
Total	3,594	1.0000

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT

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

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

Factors are based on the weighting of the maximum daily consumption with fire, Factor 3, and the maximum hour consumption, Factor 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	(4)	(5)=(4)X	(6)=(3)+(5)
		0.2046		0.7954	
Residential	0.3248	0.0665	0.4432	0.3525	0.4190
Commercial	0.1537	0.0314	0.2046	0.1627	0.1941
Industrial	0.1820	0.0372	0.0640	0.0509	0.0881
Large Industrial	0.1091	0.0223	0.0000	0.0000	0.0223
Other Public Authority	0.0306	0.0063	0.0406	0.0323	0.0386
Sales for Resale	0.1294	0.0265	0.0000	0.0000	0.0265
Private Fire Protection	0.0157	0.0032	0.0553	0.0440	0.0472
Public Fire Protection	0.0547	0.0112	0.1923	0.1530	0.1642
<b>Total</b>	<u>1.0000</u>	<u>0.2046</u>	<u>1.0000</u>	<u>0.7954</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	679,140	0.2046
Distribution Mains	<u>2,639,514</u>	<u>0.7954</u>
<b>Total</b>	<u>3,318,654</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH 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.

<u>Customer Classification</u> (1)	<u>Allocation Factor</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.

<u>Customer Classification</u> (1)	<u>5/8" Dollar Equivalents</u> (2)	<u>Allocation Factor</u> (3)
Residential	29,430	0.7918
Commercial	5,167	0.1390
Industrial	1,154	0.0310
Large Industrial	226	0.0061
Other Public Authority	856	0.0230
Sales for Resale	339	0.0091
Private Fire	<u>0</u>	<u>0.0000</u>
Total	<u><u>37,172</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size (1)	5/8" Dollar Equivalent (2)	Residential		Commercial		Industrial		Large 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)=(2)X(13)	Number of Meters (15)	Weighting (16)
5/8	1.0	26,532	26,532	1,874	1,874	6	6	-	0	40	40	0	0	28,452	28,452
3/4	1.3	1,304	1,695	158	205	4	5	-	0	14	18	0	0	1,480	1,923
1	1.7	646	1,098	394	670	19	32	-	0	36	61	0	0	1,095	1,861
1-1/2	3.5	6	21	85	298	2	7	-	0	18	63	0	0	111	389
2	4.3	15	65	320	1,376	67	288	-	0	87	374	11	47	500	2,150
3	19.0	1	19	13	247	3	57	-	0	4	76	0	0	21	399
4	29.3	0	0	12	352	16	469	-	0	6	176	5	147	39	1,144
6	48.4	0	0	3	145	6	290	-	0	1	48	3	145	13	628
8	112.9	0	0	0	0	0	0	2	226	0	0	0	0	2	226
Total		28,504	29,430	2,859	5,167	123	1,154	2	226	206	856	19	339	31,713	37,172



MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH 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.

<u>Customer Classification</u> (1)	<u>3/4" Dollar Equivalents</u> (2)	<u>Allocation Factor</u> (3)
Residential	28,635	0.8277
Commercial	3,363	0.0972
Industrial	251	0.0073
Large Industrial	14	0.0004
Other Public Authority	333	0.0096
Sales for Resale	49	0.0014
Private Fire Protection	<u>1,951</u>	<u>0.0564</u>
Total	<u><u>34,596</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

Service Size (1)	3/4" Dollar Equivalent (2)	Residential		Commercial		Industrial		Large Industrial		Other Public Authority		Sales for Resale		Private Fire Protection		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 (9)	Weighting (10)=(2)X(9)	Number of Services (9)	Weighting (10)=(2)X(9)	Number of Services (11)	Weighting (12)=(2)X(11)	Number of Services (13)	Weighting (14)=(2)X(13)	Number of Services (15)	Weighting (16)
3/4	1.00	27,835	27,836	2,032	2,032	10	10	0	0	54	54	0	0	0	0	29,932	29,932
1	1.17	646	756	394	461	19	22	0	0	36	42	0	0	0	0	1,095	1,281
1-1/2	1.58	6	9	85	134	2	3	0	0	18	28	0	0	0	0	111	174
2	2.04	15	31	320	653	67	137	0	0	87	177	11	22	9	18	509	1,038
3	2.73	1	3	13	35	3	8	0	0	4	11	0	0	1	3	22	60
4	2.88	0	0	12	35	16	46	0	0	6	17	5	14	84	242	123	354
6	4.24	0	0	3	13	6	25	0	0	1	4	3	13	160	678	173	733
8	6.98	0	0	0	0	0	0	2	14	0	0	0	0	101	705	101	719
10	9.50	0	0	0	0	0	0	0	0	0	0	0	0	18	171	18	171
12	12.16	0	0	0	0	0	0	0	0	0	0	0	0	11	134	11	134
<b>Total</b>		<b>28,504</b>	<b>28,635</b>	<b>2,859</b>	<b>3,353</b>	<b>123</b>	<b>251</b>	<b>2</b>	<b>14</b>	<b>206</b>	<b>333</b>	<b>19</b>	<b>49</b>	<b>384</b>	<b>1,951</b>	<b>32,095</b>	<b>34,596</b>

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH 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 <u>(1)</u>	Transmission & Distribution Operating Expenses <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	\$ 303,000	0.5904
Commercial	82,762	0.1613
Industrial	29,818	0.0581
Large Industrial	7,184	0.0140
Other Public Authority	14,876	0.0290
Sales for Resale	8,858	0.0173
Private Fire Protection	19,479	0.0380
Public Fire Protection	47,161	0.0919
Total	<u>513,139</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 <u>(1)</u>	Transmission & Distribution Maintenance Expenses <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	\$ 83,027	0.3916
Commercial	27,469	0.1294
Industrial	10,962	0.0517
Large Industrial	2,714	0.0128
Other Public Authority	5,209	0.0246
Sales for Resale	3,296	0.0155
Private Fire Protection	5,628	0.0265
Public Fire Protection	73,774	0.3479
Total	<u>\$212,079</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT

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

FACTOR 13. ALLOCATION OF BILLING AND COLLECTING COSTS.

Factors are based on the total number of customers.

<u>Customer Classification</u> (1)	<u>Total Customers</u> (2)	<u>Allocation Factor</u> (3)
Residential	28,504	0.8865
Commercial	2,859	0.0889
Industrial	123	0.0038
Large Industrial	1	0.0001
Other Public Authority	206	0.0064
Sales for Resale	19	0.0006
Private Fire Protection	441	0.0137
Public Fire Protection	0	0.0000
 Total	 <u>32,153</u>	 <u>1.0000</u>

FACTOR 14. ALLOCATION OF METER READING COSTS.

Factors are based on the number of metered customers.

<u>Customer Classification</u> (1)	<u>Total Metered Customers</u> (2)	<u>Allocation Factor</u> (3)
Residential	28,504	0.8987
Commercial	2,859	0.0902
Industrial	123	0.0039
Large Industrial	2	0.0001
Other Public Authority	206	0.0065
Sales for Resale	19	0.0006
 Total	 <u>31,713</u>	 <u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT

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

## FACTOR 15. ALLOCATION OF ADMINISTRATIVE AND GENERAL EXPENSES

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	\$1,794,021	0.5004
Commercial	491,912	0.1372
Industrial	364,548	0.1017
Large Industrial	236,187	0.0659
Other Public Authority	86,524	0.0241
Sales for Resale	241,021	0.0672
Private Fire Protection	72,438	0.0202
Public Fire Protection	298,521	0.0833
Total	<u>\$3,585,172</u>	<u>1.0000</u>

## FACTOR 15A. ALLOCATION OF ADMINISTRATIVE AND CASH WORKING CAPITAL

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

Customer Classification	Operation & Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Residential	\$4,970,702	0.4849
Commercial	1,423,803	0.1389
Industrial	1,199,931	0.1171
Large Industrial	787,416	0.0768
Other Public Authority	252,668	0.0246
Sales for Resale	791,920	0.0773
Private Fire Protection	165,088	0.0161
Public Fire Protection	659,041	0.0643
Total	<u>\$10,250,570</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT

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

FACTOR 16. ALLOCATION OF LABOR RELATED TAXES AND BENEFITS.

Factors are based on the allocation of direct labor expense.

Customer Classification <u>                    </u> (1)	Direct Labor Expense <u>                    </u> (2)	Allocation Factor <u>                    </u> (3)
Residential	\$1,118,514	0.5281
Commercial	301,404	0.1423
Industrial	205,237	0.0969
Large Industrial	108,316	0.0511
Other Public Authority	52,868	0.0250
Sales for Resale	125,529	0.0593
Private Fire Protection	37,908	0.0179
Public Fire Protection	168,226	0.0794
Total	<u>\$2,118,002</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 <u>                    </u> (1)	Original Cost Less Depreciation <u>                    </u> (2)	Allocation Factor <u>                    </u> (3)
Residential	\$35,584,636	0.3875
Commercial	14,480,308	0.1577
Industrial	14,584,419	0.1588
Large Industrial	8,424,492	0.0917
Other Public Authority	2,815,739	0.0307
Sales for Resale	9,928,195	0.1081
Private Fire Protection	988,961	0.0108
Public Fire Protection	5,023,413	0.0547
Total	<u>\$91,830,164</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH 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 (1)	Original Cost Measure of Value (2)	Allocation Factor (3)
Residential	\$32,373,000	0.3887
Commercial	13,118,405	0.1575
Industrial	13,182,616	0.1583
Large Industrial	7,617,351	0.0915
Other Public Authority	2,548,478	0.0306
Sales for Resale	8,970,689	0.1077
Private Fire Protection	902,838	0.0108
Public Fire Protection	4,574,527	0.0549
Total	<u>\$83,287,904</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 (1)	Total Cost of Service (2)	Allocation Factor (3)
Residential	\$10,836,488	0.4301
Commercial	3,767,649	0.1495
Industrial	3,553,857	0.1410
Large Industrial	2,154,447	0.0855
Other Public Authority	706,750	0.0280
Sales for Resale	2,397,093	0.0951
Private Fire Protection	324,953	0.0129
Public Fire Protection	1,458,517	0.0579
Total	<u>\$25,199,754</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT  
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)		Commercial (5)		Industrial (6)		Large Industrial (7)		Public Authorities (8)		Sales for Resale (9)		Fire Protection Privates (10)		Public (11)		
			\$		\$		\$		\$		\$		\$		\$		\$		
RATE BASE																			
Organization	17	\$ 13,672	\$ 5,298	\$ 2,156	\$ 2,171	\$ 1,254	\$ 420	\$ 1,478	\$ 148	\$ 748	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Franchises	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Land & Ld Rights SS	2	1,414,424	482,502	232,956	275,813	165,346	46,252	196,039	1,273	4,243	0	0	0	0	0	0	0	0	
Land & Ld Rights P	6	13,065	4,457	2,107	2,476	1,480	418	1,755	84	289	0	0	0	0	0	0	0	0	
Land & Ld Rights WT	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Land & Ld Rights TD	7	841,125	352,432	163,262	74,103	18,757	32,467	22,290	39,701	138,113	0	0	0	0	0	0	0	0	
Land & Land Rights AG	15	8,112	4,059	1,113	825	535	196	545	164	676	0	0	0	0	0	0	0	0	
Struct & Imp SS	2	1,795,492	625,190	295,718	350,121	209,893	58,713	248,855	1,616	5,366	0	0	0	0	0	0	0	0	
Struct & Imp P	6	4,185,458	1,428,001	675,276	793,334	474,325	133,967	562,241	26,793	92,521	0	0	0	0	0	0	0	0	
Struct & Imp Pump Boosters	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Struct & Imp WT	2	19,885,159	6,924,012	3,275,088	3,877,606	2,324,575	650,245	2,756,083	17,897	59,655	0	0	0	0	0	0	0	0	
Struct & Imp WT Nth Pit (ST)	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Struct & Imp WT Ctrl Pit 1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Struct & Imp WT Ctrl Pit 3	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Struct & Imp WT Sth Pit (ST)	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Struct & Imp WT Meramec (ST)	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Struct & Imp TD	7	335,041	140,382	65,031	29,517	7,471	12,933	8,879	15,814	55,014	0	0	0	0	0	0	0	0	
Struct & Imp TD Spec Cross	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Struct & Imp AG	15	27,373	13,698	3,756	2,784	1,804	660	1,839	553	2,280	0	0	0	0	0	0	0	0	
Struct & Imp Offices	15	402,155	201,238	55,176	40,899	26,502	9,692	27,025	8,124	33,500	0	0	0	0	0	0	0	0	
Gen Structures HVAC	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Struct & Imp Leasehold	15	33	17	5	3	2	1	2	1	3	0	0	0	0	0	0	0	0	
Struct & Imp Leasehold	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Struct & Imp Store, Shop, Gar	15	159,555	79,841	21,891	16,227	10,515	3,845	10,722	3,223	13,291	0	0	0	0	0	0	0	0	
Struct & Imp Misc	15	692,024	346,289	94,946	70,379	45,604	16,678	46,504	13,979	57,846	0	0	0	0	0	0	0	0	
Collect & Impounding	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Lake, River & Other Intakes	2	685,568	238,715	112,913	133,886	80,143	22,418	95,020	617	2,057	0	0	0	0	0	0	0	0	
Wells & Springs	2	66,177	23,043	10,899	12,904	7,736	2,164	9,172	60	189	0	0	0	0	0	0	0	0	
Supply Mains	2	7,962,395	2,772,506	1,311,406	1,552,667	930,804	260,370	1,103,588	7,166	23,887	0	0	0	0	0	0	0	0	
Power Generation Equip	6	19,285	6,578	3,111	3,655	2,185	517	2,590	123	426	0	0	0	0	0	0	0	0	
Power Generation Equip Other	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Boiler Plant Equipment P	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Pump Equip Steam	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Pump Equip Electric	6	4,259,738	1,452,997	667,096	807,220	482,628	136,312	572,083	27,262	94,140	0	0	0	0	0	0	0	0	
Pump Equip Elec Pre46 (STL)	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Pump Equip Elec Post46 (STL)	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Pump Equip Elec Boosters Po	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Pump Equip Diesel	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Pump Equip Diesel Stretman\	6	374,322	127,681	60,378	70,934	42,411	11,978	50,271	2,396	8,273	0	0	0	0	0	0	0	0	
Pump Equip Diesel Ctrl Pit	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Pump Equip Hydraulic	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Pump Equip Other	6	2,474	844	399	469	280	79	332	16	55	0	0	0	0	0	0	0	0	
Pump Equip WT	6	38,781	13,228	6,255	7,349	4,394	1,241	5,208	248	857	0	0	0	0	0	0	0	0	
Pump Equip TD	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
WT Equip Non-Media	2	14,322,735	4,987,176	2,358,954	2,792,933	1,674,328	468,353	1,985,131	12,890	42,968	0	0	0	0	0	0	0	0	



MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT  
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Large Industrial (7)	Public Authorities (8)	Sales for Resale (9)	Fire Protection	
									Private (10)	Public (11)
WT Equip Non Media Ctr 1 &	2	3,441	1,198	567	671	402	113	477	3	10
WT Equip Filter Media	2	25,812	8,988	4,251	5,033	3,017	844	3,578	23	77
Dist Reservoirs & Standpipe	5	608,526	186,209	85,255	88,784	79,230	16,917	67,364	18,925	65,843
Elevated Tanks & Standpipes	5	281,548	86,154	39,445	41,078	36,658	7,827	31,167	8,756	30,463
Ground Level Facilities	5	0	0	0	0	0	0	0	0	0
TD Mains Not Classified by	7	(2,549,325)	(1,068,167)	(494,824)	(224,596)	(56,850)	(98,404)	(67,557)	(120,328)	(418,598)
TD Mains 4" & Less	4	882,490	391,119	180,557	56,479	0	35,829	0	48,802	169,703
TD Mains 6 to 8"	4	7,912,355	3,506,756	1,618,868	506,391	0	321,242	0	437,553	1,521,546
TD Mains 10 to 16"	3	10,313,098	3,349,694	1,585,123	1,876,984	1,125,159	315,581	1,334,515	161,916	564,126
TD Mains 18" & Gtr	3	3,646,739	1,184,461	560,504	663,707	397,859	111,590	471,888	57,254	199,477
Fire Mains	8	0	0	0	0	0	0	0	0	0
Services	10	2,816,475	2,331,196	273,761	20,560	1,127	27,038	3,943	158,849	0
Meters Bronze Case	9	3,244,512	2,569,005	450,987	100,580	19,792	74,624	28,525	0	0
Meters Plastic Case	9	64,175	50,814	8,920	1,389	391	1,476	584	0	0
Meters Other	9	(806,853)	(638,867)	(112,153)	(25,012)	(4,922)	(18,558)	(7,342)	0	0
Meters Other-Rem Rdr Units	9	70,412	55,752	9,787	2,183	430	1,619	641	0	0
Meter Installations	9	2,195,284	1,738,226	305,144	68,054	13,391	50,492	19,977	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0	0
Meter Vaults	9	223,426	176,908	31,056	6,926	1,363	5,139	2,033	0	0
Hydrants	8	2,102,937	0	0	0	0	0	0	0	2,102,937
Other P/E Intangible	17	65,376	25,333	10,310	10,382	5,995	2,007	7,067	706	3,576
Other P/E WT Res Hand Equip	7	1,261,743	439,339	207,809	246,040	147,498	41,259	174,878	1,136	3,785
Other P/E TD	2	0	0	0	0	0	0	0	0	0
Other P/E CPS	15	356,612	178,449	48,927	36,267	23,501	8,594	23,964	7,204	29,706
Office Furniture & Equip	15	(193,491)	(96,823)	(26,547)	(19,678)	(12,751)	(4,663)	(13,003)	(3,909)	(16,118)
Comp & Periph Equip	15	329,674	164,969	45,231	33,528	21,726	7,945	22,154	6,659	27,462
Computer Software	15	109,891	54,989	15,077	11,176	7,242	2,648	7,385	2,220	9,154
Comp Software Personal	15	30,671	15,348	4,208	3,119	2,021	739	2,061	620	2,555
Comp Software Customized	15	25,698	12,859	3,526	2,613	1,693	619	1,727	519	2,141
Comp Software Other	15	0	0	0	0	0	0	0	0	0
Data Handling Equipment	15	23,513	11,766	3,226	2,391	1,550	567	1,580	475	1,959
Other Office Equipment	15	114,404	57,248	15,696	11,635	7,539	2,757	7,688	2,311	9,530
Trans Equip Lt Duty Trks	15	184,190	92,169	25,271	18,732	12,138	4,439	12,378	3,721	15,343
Trans Equip Hvy Duty Trks	15	43,340	21,887	5,946	4,408	2,856	1,044	2,912	875	3,610
Trans Equip Autos	15	18,941	9,478	2,599	1,926	1,248	456	1,273	383	1,578
Trans Equip Other	15	(238,175)	(119,183)	(32,678)	(24,222)	(15,696)	(5,740)	(16,005)	(4,811)	(19,840)
Stores Equipment	15	130,076	65,090	17,846	13,229	8,572	3,135	8,741	2,628	10,835
Tools, Shop, Garage Equip	15	638,377	319,444	87,585	64,923	42,069	15,385	42,899	12,895	53,177
Tools, Shop, Garage Equip Oth	15	0	0	0	0	0	0	0	0	0
Laboratory Equipment	2	250,944	87,378	41,331	48,934	29,335	8,206	34,781	226	753
Laboratory Equip Other	2	17,062	5,941	2,810	3,327	1,995	558	2,365	15	51
Power Operated Equipment	15	62,983	31,517	8,641	6,405	4,151	1,518	4,232	1,272	5,247
Comm Equip Non-Telephone	15	36,997	18,513	5,076	3,763	2,438	892	2,488	747	3,082
Remote Control & Instr	15	11,247	5,628	1,543	1,144	741	271	756	937	227
Comm Equip Telephone	15	15,310	7,661	2,101	1,557	1,009	369	1,029	309	1,275
Misc Equipment	15	73,614	36,836	10,100	7,487	4,851	1,774	4,947	1,487	6,132
Other Tangible Property	17	0	0	0	0	0	0	0	0	0
Total Utility Plant in Service		91,909,212	35,615,268	14,492,774	14,598,971	8,431,741	2,818,166	9,936,740	989,815	5,027,737

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT  
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Industrial (6)	Large Industrial (7)	Public Authorities (8)	Sales for Resale (9)	Private (10)	Public (11)
<b>Other Rate Base Items</b>										
Add:										
Other Utility Plant Adjustments	17	0	0	0	0	0	0	0	0	0
Cash Working Capital	15A	199,000	96,495	27,641	23,303	15,283	4,895	15,383	3,204	12,796
Materials and Supplies	15	197,803	98,981	27,139	20,117	13,035	4,767	13,292	3,996	16,477
Prepayments	15	85,124	47,600	13,051	9,674	6,269	2,292	6,392	1,922	7,924
OPEB's Contributed to External Fund	16	593,715	313,541	84,486	57,531	30,339	14,843	35,207	10,627	47,141
Pension / OPEB Tracker	16	-112,628	59,479	16,027	10,914	5,755	2,816	6,679	2,016	8,943
Regulatory Deferrals	17	128,650	49,852	20,288	20,430	11,797	3,960	13,907	1,389	7,037
Less:										
Accumulated Deferred ITC (3%)	17	(18,085)	(7,008)	(2,852)	(2,872)	(1,658)	(555)	(1,955)	(195)	(989)
Deferred Income Taxes	17	(9,551,218)	(3,701,097)	(1,506,227)	(1,516,733)	(875,847)	(293,222)	(1,032,487)	(103,153)	(522,452)
Pensions	16	(378,925)	(200,110)	(53,921)	(36,718)	(19,363)	(9,472)	(22,470)	(6,783)	(30,087)
Total Other Rate Base Elements		<u>(8,621,308)</u>	<u>(3,242,268)</u>	<u>(1,374,369)</u>	<u>(1,414,355)</u>	<u>(814,390)</u>	<u>(269,688)</u>	<u>(966,051)</u>	<u>(66,977)</u>	<u>(453,210)</u>
Total Original Cost Measure of Value		<u>\$ 83,287,904</u>	<u>\$ 32,373,000</u>	<u>\$ 13,118,405</u>	<u>\$ 13,182,616</u>	<u>\$ 7,617,351</u>	<u>\$ 2,548,478</u>	<u>\$ 8,970,689</u>	<u>\$ 902,838</u>	<u>\$ 4,574,527</u>

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT

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

FACTOR 20. REALLOCATION OF PUBLIC FIRE

Factors are based on the relative cost of meters by size and customer classification.

Customer Classification (1)	5/8" Dollar Equivalents (2)	Allocation Factor (3)
Residential	29,430	0.7991
Commercial	5,167	0.1403
Industrial	1,154	0.0313
Large Industrial	226	0.0061
Other Public Authority	856	0.0232
Sales for Resale	0	0.0000
Private Fire	0	0.0000
 Total	 36,833	 1.0000

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE  
FOR THE YEARS 1990-2008

Year	Average Daily Send out (MGD)	Maximum Daily Use		
		MGD	Ratio to Average	Highest Use Day
(1)	(2)	(3)	(4)	(5)
1990	16.540	22.556	1.36	9/30/1990
1991	16.389	24.628	1.50	7/20/1991
1992	15.936	21.983	1.38	6/30/1992
1993	15.958	21.619	1.35	6/15/1993
1994	14.665	22.291	1.52	8/25/1994
1995	14.525	22.125	1.52	7/12/1995
1996	15.116	19.378	1.28	7/18/1996
1997	15.018	20.865	1.39	7/16/1997
1998	15.018	20.912	1.39	8/24/1998
1999	16.047	21.888	1.36	7/30/1999
2000	15.185	21.096	1.39	8/16/2000
2001	14.232	19.574	1.38	8/6/2001
2002	15.117	22.027	1.46	7/31/2002
2003	14.994	22.510	1.50	8/8/2003
2004	14.889	19.653	1.32	7/27/2004
2005	15.003	21.333	1.42	7/21/2005
2006	16.891	23.463	1.39	5/25/2006
2007	18.057	23.952	1.33	7/17/2007
2008	17.892	22.588	1.26	8/19/2008

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH 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>				
<u>Fire Lines</u>				
2 -inch	4.00	9	36	
3 -inch	9.00	1	9	
4 -inch	16.00	84	1,344	
6 -inch	36.00	160	5,760	
8 -inch	64.00	101	6,464	
10 -inch	100.00	18	1,800	
12 -inch	144.00	11	1,584	
Private Hydrants	20.25	57	1,160	
Total Private Fire Protection		441.3	18,157	0.2233
<u>PUBLIC FIRE PROTECTION</u>				
<u>Hydrant</u>	<u>Nozzle Sizes</u>			
4 1/2" Valve	2- 2-1/2" & 1- 4 1/2"	20.25	2,468	49,977
5 1/4" Valve	2- 2-1/2" & 1- 4 1/2"	26.50	19	504
5" Valve	2- 2-1/2" & 1- 4 1/2"	25.00	465	11,625
5 1/2" Valve	2- 2-1/2" & 1- 4 1/2"	26.50	4	106
6" Valve	2- 2-1/2" & 1- 4 1/2"	26.50	34	901
2" Valve	2- 2-1/2" & 1- 4 1/2"	4.00	1	4
2 1/4" Valve	2- 2-1/2" & 1- 4 1/2"	5.06	1	5
3" Valve	2- 2-1/2" & 1- 4 1/2"	9.00	1	9
3 1/4" Valve	2- 2-1/2" & 1- 4 1/2"	10.56	1	11
Total Public Fire Protection		2,994	63,142	0.7767
Total Fire Protection		3,435	81,299	1.0000

MISSOURI-AMERICAN WATER COMPANY  
ST. JOSEPH DISTRICT

## CALCULATION OF CUSTOMER CHARGE

(1) Cost Related to Meters	\$ 2,796,135	
(2) Meter Equivalents X 12	446,064	
(3) Cost per Bill - Meter related		\$ 6.27
(4) Cost Related to Services	784,046	
(5) Service Equivalents X 12	415,152	
(6) Cost per Bill - Services related		\$ 1.89
(7) Cost Related to Billing and Collecting	2,371,213	
(8) Number of Customers X 12	385,840	
(9) Cost per Bill - Billing and Collecting		\$ 6.15
(10) Total Customer Charge (3)+(6)+(9)		\$ 14.30