

**Statement of Income Per Books and Pro Forma
For the Test Year Ended December 31, 2010**

**Missouri Public Service Commission
Company: Missouri-American Water Company
Total Company - Water and Waste Water**

**Case No. WR-2011-XXXX and Case No. SR-2011-XXXX
Schedule CAS-2
Page 1 of 3**

Line #		Schedule Reference	Test year Ended 12/31/10	Adjustments	Pro Forma Present Rates	Adjustments	Pro Forma Proposed Rates
1							
2							
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5							
6	Operating Revenues	CAS-8	\$227,251,486	\$11,298,777	\$238,550,264	\$42,888,712	\$281,438,976
7							
8	Operating Expenses						
9	Operating and Maintenance	CAS-9	\$122,415,644	\$3,614,302	\$126,029,946	\$423,163	\$126,453,109
10	Depreciation Expense	CAS-9	\$22,269,526	\$7,753,645	\$30,023,171	\$0	\$30,023,171
11	Amortization Expense	CAS-9	\$4,807,921	(\$4,307,643)	\$500,278	\$0	\$500,278
12							
13	Taxes other Than Income Taxes						
14	Property Taxes	CAS-9	\$13,490,535	\$664,508	\$14,155,043	\$0	\$14,155,043
15	Payroll Taxes	CAS-9	\$2,141,962	(\$74,546)	\$2,067,415	\$0	\$2,067,415
16	PSC Fees	CAS-9	\$1,677,923	\$328,712	\$2,006,635	\$0	\$2,006,635
17	Other	CAS-9	\$447,806	\$0	\$447,806	\$0	\$447,806
18							
19	Utility Operating Income Before Income Taxes		60,000,169	3,319,800	63,319,969	42,465,549	105,785,518
20							
21	Income Taxes						
22	Current Federal Income Tax	CAS-11	(\$11,176,092)	\$23,183,003	\$12,006,911	\$14,088,097	\$26,095,008
23	Current State Income Tax	CAS-11	(\$1,823,379)	\$3,600,522	\$1,777,143	\$2,213,843	\$3,990,986
24	Deferred Income Taxes		\$26,763,433	(\$26,313,876)	\$449,557	\$0	\$449,557
25	Amortization of Investment Tax Credit		\$104,003	\$0	\$104,003	\$0	\$104,003
26							
27	Utility Operating Income		\$46,132,204	\$2,850,151	\$48,982,355	\$26,163,609	\$75,145,964
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**Missouri Public Service Commission
Company: Missouri-American Water Company
Total Company - Water**

**Case No. WR-2011-XXXX
Schedule CAS-2
Page 2 of 3**

Line #		Schedule Reference	Test year Ended 12/31/10	Adjustments	Pro Forma Present Rates	Adjustments	Pro Forma Proposed Rates
1							
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6	Operating Revenues	CAS-8	\$224,968,604	\$11,264,743	\$236,233,347	\$40,833,952	\$277,067,299
7							
8	Operating Expenses						
9	Operating and Maintenance	CAS-9	\$120,221,564	\$3,485,177	\$123,706,741	\$408,825	\$124,115,566
10	Depreciation Expense	CAS-9	\$21,698,685	\$7,717,388	\$29,416,073	\$0	\$29,416,073
11	Amortization Expense	CAS-9	\$4,793,559	(\$4,308,244)	\$485,315	\$0	\$485,315
12							
13	Taxes other Than Income Taxes						
14	Property Taxes	CAS-9	\$13,481,343	\$601,493	\$14,082,836	\$0	\$14,082,836
15	Payroll Taxes	CAS-9	\$2,106,989	(\$25,822)	\$2,081,167	\$0	\$2,081,167
16	PSC Fees	CAS-9	\$1,575,803	\$214,373	\$1,790,176	\$0	\$1,790,176
17	Other	CAS-9	\$446,694	\$0	\$446,694	\$0	\$446,694
18							
19	Utility Operating Income Before Income Taxes		60,643,967	3,580,378	64,224,345	40,425,127	104,649,472
20							
21	Income Taxes						
22	Current Federal Income Tax	CAS-11	(\$11,137,744)	\$23,584,564	\$12,446,820	\$13,411,180	\$25,858,000
23	Current State Income Tax	CAS-11	(\$1,838,553)	\$3,685,174	\$1,846,621	\$2,107,471	\$3,954,092
24	Deferred Income Taxes		\$26,737,746	(\$26,340,069)	\$397,677	\$0	\$397,677
25	Amortization of Investment Tax Credit		\$104,232	\$0	\$104,232	\$0	\$104,232
26							
27	Utility Operating Income		\$46,778,286	\$2,650,709	\$49,428,995	\$24,906,476	\$74,335,471
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**Missouri Public Service Commission
Company: Missouri-American Water Company
Total Company - Waste Water**

**Case No. SR-2011-XXXX
Schedule CAS-2
Page 3 of 3**

Line #		Schedule Reference	Test year Ended 12/31/10	Adjustments	Pro Forma Present Rates	Adjustments	Pro Forma Proposed Rates
1							
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6	Operating Revenues	CAS-8	\$2,282,882	\$34,034	\$2,316,917	\$2,054,760	\$4,371,677
7							
8	Operating Expenses						
9	Operating and Maintenance	CAS-9	\$2,194,080	\$129,124	\$2,323,204	\$14,338	\$2,337,542
10	Depreciation Expense	CAS-9	\$570,841	\$36,258	\$607,099	\$0	\$607,099
11	Amortization Expense	CAS-9	\$14,362	\$601	\$14,963	\$0	\$14,963
12							
13	Taxes other Than Income Taxes						
14	Property Taxes	CAS-9	\$9,192	\$63,015	\$72,207	\$0	\$72,207
15	Payroll Taxes	CAS-9	\$34,972	(\$48,724)	(\$13,752)	\$0	(\$13,752)
16	PSC Fees	CAS-9	\$102,120	\$114,339	\$216,459	\$0	\$216,459
17	Other	CAS-9	\$1,112	\$0	\$1,112	\$0	\$1,112
18							
19	Utility Operating Income Before Income Taxes		(643,798)	(260,578)	(904,376)	2,040,422	1,136,046
20							
21	Income Taxes						
22	Current Federal Income Tax	CAS-11	(\$38,348)	(\$401,561)	(\$439,909)	\$676,917	\$237,008
23	Current State Income Tax	CAS-11	\$15,174	(\$84,652)	(\$69,478)	\$106,372	\$36,894
24	Deferred Income Taxes		\$25,687	\$26,193	\$51,880	\$0	\$51,880
25	Amortization of Investment Tax Credit		(\$229)	\$0	(\$229)	\$0	(\$229)
26							
27	Utility Operating Income		(\$646,082)	\$199,442	(\$446,640)	\$1,257,133	\$810,493
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