

Missouri-American Water Company
Pro Forma Current State and Federal Income Taxes at Present and Proposed Rates
For the 12 Months Ended May 31, 2022
Schedule: CAS-10

Case No. WR-2017-0285
Case No. SR-2017-0286

		Total Company			
		At Present Rates 05/31/2022		At Proposed Rates 05/31/2022	
Line Number	Description	Federal	State	Federal	State
1017					
1					
2	Operating Revenues	\$313,662,858	\$313,662,858	\$421,171,698	\$421,171,698
3	Less:				
4	Operation & Maintenance Expense	141,422,375	141,422,375	142,479,008	142,479,008
5	Depreciation & Amortization Expense	76,120,147	76,120,147	76,120,147	76,120,147
6	Taxes Other Than Income	35,996,488	35,996,488	35,996,488	35,996,488
7	Domestic Manufacturing Deduction	0	0	0	0
8	Other Permanent Deductions	(754,442)	(754,442)	(754,442)	(754,442)
9	Interest Expense (1)	40,285,389	40,285,389	40,285,389	40,285,389
10	Excess of Tax Depreciation Over Book	(15,175,643)	(15,076,350)	(15,175,643)	(15,076,350)
	Gain/loss	11,068,248	11,085,242	11,068,248	11,085,242
	Taxable CIAC	(6,519,284)	(6,519,284)	(6,519,284)	(6,519,284)
11	Other Book versus Tax Timing Differences	1,484,559	294,544	1,484,559	294,544
12	Repairs Expense (2)	73,740,405	73,740,405	73,740,405	73,740,405
13	Total Deductions	357,668,242	356,594,514	358,724,875	357,651,147
14					
15	Taxable Income	(44,005,384)	(42,931,656)	62,446,823	63,520,551
16					
17	NOL Build (Utilization)	0	0	0	0
18					
19	Adjusted Taxable Income	(44,005,384)	(42,931,656)	62,446,823	63,520,551
20					
21	Effective Tax Rate (3)	20.245%	3.595%	20.245%	3.595%
22					
23	Pro Forma Current Income Tax	(\$8,908,890)	(\$1,543,437)	\$12,642,366	\$2,283,626
24					
25					
26	Deferred Income Tax:				
27	Excess of Tax Depreciation Over Book	(\$15,175,643)	(\$15,076,350)	(\$15,175,643)	(\$15,076,350)
	Gain/loss	11,068,248	11,085,242	11,068,248	11,085,242
	Taxable CIAC	(6,519,284)	(6,519,284)	(6,519,284)	(6,519,284)
28	Other Book versus Tax Timing Differences	1,484,559	294,544	1,484,559	294,544
29	Repairs Expense (2)	73,740,405	73,740,405	73,740,405	73,740,405
30	NOL	0	0	0	0
31	Total Book versus Tax Timing Differences	64,598,285	63,524,557	64,598,285	63,524,557
32					
33	Effective Tax Rate (3)	20.245%	3.595%	20.245%	3.595%
34					
35	Deferred Income Tax	13,077,923	2,283,772	13,077,923	2,283,772
36					
37	Amortization of Flow-Through Regulatory Asset	(4,433,295)	(993,867)	(4,433,295)	(993,867)
38					
39	Proforma Deferred Income Tax	\$8,644,628	\$1,289,905	\$8,644,628	\$1,289,905
40					
41					
42	Note (1) Interest synchronization calculation:				
43	Rate Base	\$1,822,868,252	\$1,822,868,252	\$1,822,868,252	\$1,822,868,252
44	Weighted Cost of Debt	2.21%	2.21%	2.21%	2.21%
45	Interest Expense Deduction	\$40,285,389	\$40,285,389	\$40,285,389	\$40,285,389
46					
47	(2) Repairs expense tax deduction; capitalized on books.				
48	(3) Based on a 6.25% statutory rate for SIT and 35% for FIT				
49					

Missouri-American Water Company
Pro Forma Current State and Federal Income Taxes at Present and Proposed Rates
For the 12 Months Ended May 31, 2023
Schedule: CAS-10

Case No. WR-2022-0303
Case No. SR-2022-0304

Total Company					
Line Number	Description	At Present Rates 05/31/2023		At Proposed Rates 05/31/2023	
		Federal	State	Federal	State
1					
2	Operating Revenues	\$342,480,042	\$342,480,042	\$487,784,898	\$487,784,898
3	Less:				
4	Operation & Maintenance Expense	157,101,565	157,101,565	158,568,321	158,568,321
5	Depreciation & Amortization Expense	77,597,814	77,597,814	77,597,814	77,597,814
6	Taxes Other Than Income	44,734,883	44,734,883	44,734,883	44,734,883
7	Domestic Manufacturing Deduction	0	0	0	0
8	Other Permanent Deductions	(114,075)	(114,075)	(114,075)	(114,075)
9	Interest Expense (1)	54,733,602	54,733,602	54,733,602	54,733,602
10	Excess of Tax Depreciation Over Book	(12,820,328)	(12,278,223)	(12,820,328)	(12,278,223)
11	Gain/loss	8,346,294	8,470,315	8,346,294	8,470,315
12	Taxable CIAC	0	0	0	0
13	Other Book versus Tax Timing Differences	(204,162)	(36,255)	(204,162)	(36,255)
14	Repairs Expense (2)	109,355,178	109,355,178	109,355,178	109,355,178
15	Total Deductions	438,730,771	439,564,804	440,197,527	441,031,560
16					
17	Taxable Income	(96,250,729)	(97,084,762)	47,587,371	46,753,338
18					
19	NOL Build (Utilization)	0	0	0	0
20					
21	Adjusted Taxable Income	(96,250,729)	(97,084,762)	47,587,371	46,753,338
22					
23	Effective Tax Rate (3)	20.245%	3.595%	20.245%	3.595%
24					
25	Pro Forma Current Income Tax	(\$19,485,959)	(\$3,490,295)	\$9,634,063	\$1,680,829
26					
27		(19,485,960)		9,634,063	1,680,830
28	Deferred Income Tax:				
29	Excess of Tax Depreciation Over Book	(\$12,820,328)	(\$12,278,223)	(\$12,820,328)	(\$12,278,223)
30	Gain/loss	8,346,294	8,470,315	8,346,294	8,470,315
31	Taxable CIAC	0	0	0	0
32	Other Book versus Tax Timing Differences	(204,162)	(36,255)	(204,162)	(36,255)
33	Repairs Expense (2)	109,355,178	109,355,178	109,355,178	109,355,178
34	NOL	0	0	0	0
35	Total Book versus Tax Timing Differences	104,676,982	105,511,015	104,676,982	105,511,015
36					
37	Effective Tax Rate (3)	20.245%	3.595%	20.245%	3.595%
38					
39	Deferred Income Tax	21,191,855	3,793,227	21,191,855	3,793,227
40					
41	Amortization of Flow-Through Regulatory Asset	(10,189,125)	0	(10,189,125)	0
42					
43	Proforma Deferred Income Tax	\$11,002,730	\$3,793,227	\$11,002,730	\$3,793,227
44					
45					
46	Note (1) Interest synchronization calculation:				
47	Rate Base	\$2,379,721,001	\$2,379,721,001	\$2,379,721,001	\$2,379,721,001
48	Weighted Cost of Debt	2.23%	2.23%	2.23%	2.23%
49	Interest Expense Deduction - Rate Base	53,067,778	53,067,778	53,067,778	53,067,778
50					
51	Customer Lead Lines	\$37,018,314	\$37,018,314	\$37,018,314	\$37,018,314
52	Cost of Debt	4.50%	4.50%	4.50%	4.50%
53	Interest Expense Deduction - Lead Lines	1,665,824	1,665,824	1,665,824	1,665,824
54					
55	Interest Expense Deduction	\$54,733,602	\$54,733,602	\$54,733,602	\$54,733,602
56					
57	(2) Repairs expense tax deduction; capitalized on books.				
58	(3) Based on a 6.25% statutory rate for SIT and 35% for FIT				
59					