

Missouri-American Water Company
Case No. WR-2024-0320
Total Company - Cross Rebuttal-Surrebuttal Testimony
Test Year Ending 12/31/2023
Revenue Requirement

Line Number	A Description	B 6.41% Return	C 6.52% Return	D 6.63% Return
1	Net Orig Cost Rate Base	\$2,859,643,663	\$2,859,643,663	\$2,859,643,663
2	Rate of Return	6.41%	6.52%	6.63%
3	Net Operating Income Requirement	\$183,388,947	\$186,505,960	\$189,622,971
4	Net Income Available	\$150,298,460	\$150,298,460	\$150,298,460
5	Additional Net Income Required	\$33,090,487	\$36,207,500	\$39,324,511
6	Income Tax Requirement			
7	Required Current Income Tax	-\$14,118,128	-\$13,142,418	-\$12,166,709
8	Current Income Tax Available	-\$24,476,359	-\$24,476,359	-\$24,476,359
9	Additional Current Tax Required	\$10,358,231	\$11,333,941	\$12,309,650
10	Revenue Requirement	\$43,448,718	\$47,541,441	\$51,634,161
11	Allowance for Known and Measureable Changes/True-Up Estimate	\$24,664,049	\$24,664,049	\$24,664,049
12	Miscellaneous	\$0	\$0	\$0
13	Gross Revenue Requirement	\$68,112,767	\$72,205,490	\$76,298,210

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Test Year Ending 12/31/2023
Cash Working Capital

Line Number	A Description	B Test Year Adj. Expenses	C Revenue Lag	D Expense Lag	E Net Lag C - D	F Factor (Col E / 365)	G CWC Req B x F
1	OPERATION AND MAINT. EXPENSE						
2	Purchased Water	\$1,500,615			3.300000	0.009041	\$13,567
3	Fuel and Power	\$15,667,230			24.600000	0.067397	\$1,055,924
4	Chemical	\$18,621,665			8.100000	0.022192	\$413,252
5	Waste Disposal	\$5,734,971			-24.600000	-0.067397	-\$386,521
6	Labor/Base Payroll	\$36,142,688			35.200000	0.096438	\$3,485,529
7	Pensions	\$771,115			46.900000	0.128493	\$99,083
8	OPEB	-\$4,564,488			0.000000	0.000000	\$0
9	Group Insurance	\$6,937,534			35.200000	0.096438	\$669,042
10	Other Benefits	\$781,501			12.300000	0.033698	\$26,335
11	Support Services	\$32,790,189			5.790000	0.015863	\$520,151
12	Contracted Services	\$6,003,625			7.330000	0.020082	\$120,565
13	Building Maintenance and Services	\$2,237,474			8.500000	0.023289	\$52,108
14	Telecommunications expense	\$1,587,113			19.400000	0.053151	\$84,356
15	Postage expense	\$41,994			25.090000	0.068748	\$2,887
16	Office Supplies and Services	\$858,165			-4.500000	-0.012329	-\$10,580
17	Employee related expense travel and entertainment	\$584,267			-10.100000	-0.027671	-\$16,167
18	Rents	\$367,308			20.200000	0.055343	\$20,328
19	Transportation	\$2,710,745			13.400000	0.036712	\$99,517
20	Miscellaneous Expense	\$2,588,714			4.700000	0.012877	\$33,335
21	Uncollectible Expense	\$2,801,278			0.000000	0.000000	\$0
22	Customer Accounting	\$2,107,587			-13.500000	-0.036986	-\$77,951
23	Regulatory Expense	\$54,238			0.700000	0.001917	\$104
24	Insurance Other than Group	\$8,083,520			120.300000	0.329589	\$2,664,239
25	Maintenance Supplies and Services	\$9,916,490			-3.600000	-0.009863	-\$97,806
26	PSC Assessment	\$3,658,874			108.200000	0.296438	\$1,084,629
27	Cash Vouchers	\$1,844,560			5.790000	0.015863	\$29,260
28	TOTAL OPERATION AND MAINT. EXPENSE	\$159,828,972					\$9,885,186
29	TAXES						
30	Payroll Tax	\$2,802,322			35.200000	0.096438	\$270,250
31	Property Tax	\$38,217,553			-123.900000	-0.339452	-\$12,973,025
32	TOTAL TAXES	\$41,019,875					-\$12,702,775
33	CWC REQ'D BEFORE RATE BASE OFFSETS	\$200,848,847			-5.120000	-0.014028	-\$2,817,589
34	TAX OFFSET FROM RATE BASE						
35	Federal Tax Offset	-\$11,160,537			10.200000	0.027945	-\$311,881
36	State Tax Offset	-\$1,981,881			2.400000	0.006575	-\$13,031
37	City Tax Offset	\$0			0.000000	0.000000	\$0
38	Interest Expense Offset	\$68,059,519			-36.000000	-0.098630	-\$6,712,711
39	TOTAL TAX OFFSET FROM RATE BASE	\$54,917,101					-\$7,037,623
40	TOTAL CASH WORKING CAPITAL REQUIRED	\$255,765,948					-\$9,855,212

Missouri-American Water Company

Company Full Certificated Name

Do not abbreviate; include any Commission approved AKA/DBA/Fictitious Name, if applicable.

WATER and/or SEWER ANNUAL REPORT

LARGE COMPANY

(with 8,000 or more customers)

TO THE

MISSOURI PUBLIC SERVICE COMMISSION

For the calendar year of

January 1 - December 31, 2023

This filing is required pursuant to Commission Rule 20 CSR 4240-10.145 and/or Section 393.140, RSMo.

Please indicate which type of service the Company is certificated to provide by checking the appropriate box(es). *(Check all that apply.)*

☒ **Water Service Provider**

☐ **Sewer Service Provider**

Please choose one of the following filing type options:

☒ **Public Submission** (NOT Confidential)

☐ **Non-Public Submission (Confidential / Filed Under Seal)**

For this filing to be considered Confidential, additional submission of materials is required pursuant to Commission Rule 20 CSR 4240-2.135.

Excel Issue Date: 5/10/2023

(To be used when filing under seal.)

**SCHEDULE ATTACHED TO AND MADE AS PART OF
ANNUAL REPORT TO THE PUBLIC SERVICE COMMISSION OF MISSOURI
Page F-29 Attachment "A"**

**Missouri-American Water Company
Current Tax Provision and Calculation of Income Tax Accrual
2023**

Line	Description	State	Federal
1	Net Income per Books	\$ 109,784,566	\$ 109,784,566
2	Federal Income Tax Expense per books	10,146,794	10,146,794
3	State & Local Income Tax Expense per books	1,608,321	1,608,321
4	Pre-Tax Book Income	121,539,681	121,539,681
5	Permanent Differences:		
6	Meals and Entertainment	166,722	166,722
7	Nondeductible Penalties	246	246
8	Research and Development		-
9	Preferred Stock Dividends		-
10	Preferred Stock Expense		-
11	Medicare Subsidy		-
12	Nondeductible Donations		-
13	Stock Options RSU ESPP Windfall	(63,658)	(63,658)
14	Political Contributions		-
15	Lobbying Expenses/Political Contributions	175,587	175,587
16	Qualified Transportation Fringe Benefits (QTF)	302,914	302,914
17	Total Permanent Differences	581,811	581,811
18	Financial Taxable Income	122,121,492	122,121,492
19	Temporary Differences		
20	Bad Debt	(314,176)	(314,176)
21	Vacation Pay	(784,611)	(784,611)
22	Loss Contract & Contingency Reserves		-
23	Depreciation	(184,129,008)	(184,129,008)
24	Amortization	(17,775)	(17,775)
25	Goodwill Amortization		-
26	Gains and Losses		-
27	Abandonment Losses		-
28	Repairs		-
29	Cost of Removal		-
30	AFUDC	50,752	50,752
31	CIAC		-
32	Pavement Repairs	(72,979)	(72,979)
33	Miscellaneous Deferred Debits/Credits (net)	(13,474,952)	(13,474,952)
34	Litigation Reserve	-	-
35	Accrued Sludge		-
36	MTBE Settlement		-
37	Other LT Liabilities	(805,889)	(805,889)
38	COVID-19	2,370,438	2,370,438
39	Depreciation Study		-
40	Cost of Service Study		-
41	Deferred Revenue	(76,995)	(76,995)
42	Rate Case Expense	78,318	78,318
43	Amortization of Debt Discount	826,197	826,197
44	Deferred Maintenance		-
45	Deferred Customer Service & Financial Service Costs	622,247	622,247
46			-
47	FAS 123 (r) Stock Options	65,516	65,516
48	FAS 123 (r) Restricted Stock Units		-
49	FAS 123 (r) ESPP		-
50	Incentive	328,656	328,656
51	Pension	(5,648,563)	(5,648,563)
52	Pension Reg Asset Liability		-
53	OPEB	(5,249,279)	(5,249,279)
54	OPEB Reg Asset Liability		-
55	Taxable Advances (CAC)		-
56	Partnership Income/(Loss)		-
57	Bonds - FV Adjustment		-
58	Operating Lease	(821)	(821)
59	Foreign Exchange Gain (Loss)		-
60	Accrued NOAA Settlement		-
61	Swap Contract FV Liability		-
62	Refund Rates Under Bond		-
63	Stabilization		-
64	Closing Cost Regulatory Asset	-	-
65	Consulting Fee Regulatory Asset		-
66	Warranty Reserve		-
67	Interest Income Adjustment		-
68	Partnership Other Deductions		-
69	Partnership Other Capital Gain/Loss		-
70	Self-Insurance	250,323	250,323
71	Trust Dividends		-
61	Total Temporary Differences	(205,982,600)	(205,982,600)
62	Federal Taxable Income Before SIT	(83,861,108)	(83,861,108)
63	Reclass current year loss benefit to deferred		
64	State Only Bonus Depreciation and Sec481(a) Adjustment		
65	Taxable Income	(83,861,108)	(83,861,108)
66	State Only Tax Adjustments	7,808,759	
67	NOL		
	State Tax Deduction		3,042,094
68	Taxable Income	(76,052,350)	(80,819,014)
69	State/Federal Tax Rate	4.00%	21.0%
70			
71	State/Federal Current Year Income Tax Accrual	(\$3,042,094)	(\$16,971,993)
72	ADD:		
73	Federal Only Tax Adjustments		
74	SIT/Fit Prior Year	(12,854)	(377,183)
75	Def SIT/FIT	4,663,269	27,597,899
76	Investment Tax Credits	-	(101,928)
77	Total Income Tax Expense	1,608,321	10,146,794
78	Rounding		
79		1,608,321	10,146,794
80	Total Income Tax Expense per line 2 & 3 above	1,608,321	10,146,794