

Exhibit No.: 109  
Issues: Cost Allocation/Rate Design  
Witness: Paul R. Herbert  
Exhibit Type: Direct  
Sponsoring Party: Missouri-American Water Company  
Case No.: WR-2010-XXXX  
              SR-2010-XXX  
Date: October 30, 2009

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. WR-2010-XXXX  
CASE NO. SR-2010-XXX

DIRECT TESTIMONY

OF

PAUL R. HERBERT

ON BEHALF OF

MISSOURI-AMERICAN WATER COMPANY

MAWC Exhibit No. 109  
Date 5-17-10 Reporter KF  
File No. WR-2010-031

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

IN THE MATTER OF MISSOURI-AMERICAN )	
WATER COMPANY FOR AUTHORITY TO )	
FILE TARIFFS REFLECTING INCREASED )	CASE NO. WR-2010-XXXX
RATES FOR WATER AND SEWER )	CASE NO. SR-2010-XXXX
SERVICE )	

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 "Direct Testimony of Paul R. Herbert"; that said testimony and schedules were prepared by him and/or under his direction and supervision; that if inquires 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 22nd day of October 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

## TABLE OF CONTENTS

	<u>PAGE</u>
WITNESS INTRODUCTION AND QUALIFICATIONS AND EXPERIENCE .....	1
COST OF SERVICE ALLOCATION .....	3
RATE DESIGN .....	11

1  
2  
3

**WITNESS INTRODUCTION AND  
QUALIFICATIONS AND EXPERIENCE**

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

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

7 **2. Q. By whom are you employed?**

8 A. I am employed by Gannett Fleming, Inc.

9 **3. Q. Please describe your position with Gannett Fleming, Inc. and briefly  
10 state your general duties and responsibilities.**

11 A. I am President of the Valuation and Rate Division. My duties and respon-  
12 sibilities include the preparation of accounting and financial data for revenue  
13 requirement and cash working capital claims, the allocation of cost of service  
14 to customer classifications, and the design of customer rates in support of  
15 public utility rate filings.

16 **4. Q. Have you presented testimony in rate proceedings before a regulatory  
17 agency?**

18 A. Yes. I have testified before the Pennsylvania Public Utility Commission, the  
19 New Jersey Board of Public Utilities, the Public Utilities Commission of Ohio,  
20 the Public Service Commission of West Virginia, the Kentucky Public Service  
21 Commission, the Iowa State Utilities Board, the Virginia State Corporation  
22 Commission, the Missouri Public Service Commission, the New Mexico  
23 Public Regulation Commission, the Public Utilities Commission of the State of  
24 California, the Illinois Commerce Commission, the Arizona Corporation

1 Commission, the Delaware Public Service Commission, and the Tennessee  
2 Regulatory Authority, concerning revenue requirements, cost of service  
3 allocation, rate design and cash working capital claims. A list of cases in  
4 which I have testified is attached to my testimony.

5 **5. Q. What is your educational background?**

6 A. I have a Bachelor of Science Degree in Finance from the Pennsylvania State  
7 University, University Park, Pennsylvania.

8 **6. Q. Would you please describe your professional affiliations?**

9 A. I am a member of the American Water Works Association and serve as a  
10 member of the Management Committee for the Pennsylvania Section. I am  
11 also a member of the Pennsylvania Municipal Authorities Association. In  
12 1998, I became a member of the National Association of Water Companies  
13 as well as a member of its Rates and Revenue Committee.

14 **7. Q. Briefly describe your work experience.**

15 A. I joined the Valuation Division of Gannett Fleming Corddry and Carpenter,  
16 Inc., predecessor to Gannett Fleming, Inc., in September 1977, as a Junior  
17 Rate Analyst. Since then, I advanced through several positions and was  
18 assigned the position of Manager of Rate Studies on July 1, 1990. I was  
19 promoted to Vice President on June 1, 1994 and Senior Vice President in  
20 November 2003. On July 1, 2007, I was promoted to my current position as  
21 President of the Valuation and Rate Division.

22 While attending Penn State, I was employed during the summers of  
23 1972, 1973 and 1974 by the United Telephone System - Eastern Group in its

1 accounting department. Upon graduation from college in 1975, I was  
2 employed by Herbert Associates, Inc., Consulting Engineers (now Herbert  
3 Rowland and Grubic, Inc.), as a field office manager until September 1977.

4 **8. Q. What is the purpose of your testimony in this proceeding?**

5 A. The purpose of my testimony is to present and explain Missouri-American  
6 Water Company's (or MAWC or Company) cost of service allocation studies  
7 (sometimes called class cost of service studies) and proposed rate designs  
8 set forth in Schedule PRH-1.

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

11 A. Yes, it was.

12  
13 **COST OF SERVICE ALLOCATION**

14 **10. Q. Briefly describe the purpose of your cost allocation studies.**

15 A. The purpose of the studies was to allocate the district specific cost of service,  
16 which is the total revenue requirement, for MAWC water operations to the  
17 customer classifications in each operating district. The operating districts  
18 include Brunswick (BRU), Jefferson City (JFC), Joplin (JOP), Mexico (MEX),  
19 Parkville (PKW), St. Joseph (SJO), Warrensburg (WAR), Warren County  
20 Water (WCW), and the St. Louis Metro Area (SLM) which includes the former  
21 St. Charles (SCH) district. Cost allocation studies were not performed for the  
22 sewer districts in Parkville, Cedar Hill and Warren County since these districts  
23 are predominantly residential customers.

1           In the studies, the district specific costs were allocated to the  
2 residential, commercial, industrial, other public authorities, sales for resale,  
3 private fire protection and public fire protection classifications in accordance  
4 with generally accepted principles and procedures. The cost of service  
5 allocation studies results in indications of the relative cost responsibilities of  
6 each class of customers in each operating district. The allocated cost of  
7 service is one of several criteria appropriate for consideration in designing  
8 customer rates to produce the required revenues. The results of the  
9 allocation of the district specific cost of service for the test year ended June  
10 30, 2009, and proposed customer rates which produce the pro forma revenue  
11 requirements, are presented in the studies.

12 **11. Q. Please describe the method of cost allocation that was used in your**  
13 **study.**

14 A. The base-extra capacity method, as described in 2000 and prior Water Rates  
15 Manuals published by the American Water Works Association (AWWA), was  
16 used to allocate the pro forma costs. Base-extra capacity is a recognized  
17 method for allocating the cost of providing water service to customer  
18 classifications in proportion to the classifications' use of the commodity,  
19 facilities, and services. It is generally accepted as a sound method for  
20 allocating the cost of water service and was used by the Company in previous  
21 cases.

22 **12. Q. Please describe the procedure followed in each of the cost allocation**  
23 **studies.**

24 A. Each identified classification of cost in the district specific cost of service was

1 allocated to the customer classifications through the use of appropriate  
2 factors. These allocations are presented in Schedule B for each study. The  
3 items of cost, which include operation and maintenance expenses, deprecia-  
4 tion expense, taxes and income available for return, are identified in column 1  
5 of Schedule B. The cost of each item, shown in column 3, is allocated to the  
6 several customer classifications based on allocation factors referenced in  
7 column 2. The development of the allocation factors is presented in Schedule  
8 C. I will use some of the larger cost items to illustrate the principles and  
9 considerations used in the cost allocation methodology.

10 Purchased water, purchased electric power, treatment chemicals and  
11 waste disposal are examples of costs that tend to vary with the amount of  
12 water consumed and are thus considered base costs. They are allocated to  
13 the several customer classifications in direct proportion to the average daily  
14 consumption of those classifications through the use of Factor 1. The  
15 development of Factor 1 is shown in Schedule C.

16 Other source of supply, water treatment and transmission costs are  
17 associated with meeting usage requirements in excess of the average,  
18 generally to meet maximum day requirements. Costs of this nature were  
19 allocated to customer classifications partially as base costs, proportional to  
20 average daily consumption, partially as maximum day extra capacity costs, in  
21 proportion to maximum day extra capacity, and, in the case of certain  
22 pumping stations and transmission mains, partially as fire protection costs,  
23 through the use of Factors 2 and 3. The development of the allocation  
24 factors, referenced as Factors 2 and 3, is shown in Schedule C.



1           Costs associated with storage facilities and the capital costs of  
2 distribution mains were allocated partly on the basis of average consumption  
3 and partly on the basis of maximum hour extra demand, including the  
4 demand for fire protection service, because these facilities are designed to  
5 meet maximum hour and fire demand requirements. The development of the  
6 factors, referenced as Factors 4 and 5, used for these allocations is shown in  
7 Schedule C.

8           Fire demand costs were allocated to public and private fire protection  
9 service in proportion to the relative potential demands on the system by public  
10 fire hydrants and private service lines as presented in Schedule E.

11           Costs associated with pumping facilities and the operation and  
12 maintenance of mains were allocated on combined bases of maximum day  
13 and maximum hour extra capacity because these facilities serve both  
14 functions. For pumping facilities, the relative weightings of Factor 2  
15 (maximum day), Factor 3 (maximum day and fire) and Factor 4 (maximum  
16 hour) were based on the horsepower of pumps serving maximum day,  
17 maximum day and fire and maximum hour functions. The development of this  
18 weighted factor is referenced as Factor 6.

19           For operation and maintenance of mains, the relative weightings of  
20 Factor 3 (maximum day and fire) and Factor 4 (maximum hour) were based  
21 on the footage of transmission and distribution mains. Generally, for cost  
22 allocation purposes, mains larger than 10-inch were classified as serving a  
23 transmission function and mains 10-inch and smaller were classified as  
24 serving a distribution function. The development of this weighted factor is

1 referenced as Factor 7.

2 Costs associated with meters were allocated to customer  
3 classifications in proportion to the relative unit costs of the sizes and  
4 quantities of meters serving each classification. The development of the  
5 factor for meters is referenced as Factor 9. Factor 10, Allocation of Services,  
6 was developed in a similar manner as Factor 9, except that the relative unit  
7 cost per foot by service size was used in order to weight the number of  
8 services by classification. Costs associated with public fire hydrants were  
9 assigned directly to the public fire protection class (Factor 8).

10 Costs for customer accounting, billing and collecting were allocated  
11 on the basis of the number of customers for each classification, and costs for  
12 meter reading were allocated on the basis of metered customers. The  
13 development of these factors is referenced as Factor 13 and Factor 14.

14 Administrative and general costs were allocated on the basis of  
15 allocated direct costs, excluding those costs such as purchased water, power,  
16 chemicals and waste disposal, which require little administrative and general  
17 expense. The development of the factor is referenced as Factor 15.

18 Cash working capital is allocated based on total operation and  
19 maintenance expense. The development of the factor is referenced as Factor  
20 15A.

21 Annual depreciation accruals were allocated on the basis of the  
22 function of the facilities represented by the depreciation expense for each  
23 depreciable plant account. The original cost less depreciation of utility plant  
24 in service was similarly allocated for the purpose of developing factors,

1 referenced as Factor 18, for allocating items such as income taxes and  
2 return. The development of Factor 18 is presented on the last three pages of  
3 Schedule C.

4 Factors 15, 15A and 18, as well as Factors 11, 12, 16, 17 and 19, are  
5 composite allocation factors. These factors are based on the result of  
6 allocating other costs and are computed internally in the cost allocation  
7 program. Refer to Schedule C for a description of the bases for each  
8 composite allocation factor.

9 **13. Q. What was the source of the total cost of service data set forth in column  
10 3 of Schedule B?**

11 A. The pro forma costs of service were furnished by the Company, and are set  
12 forth in Company accounting exhibits and workpapers. The cost of service  
13 by district used in my allocation studies reflects the revenue contribution  
14 among districts as explained in Mr. William's testimony.

15 **14. Q. Refer to Schedule C, and explain the source of the system maximum  
16 day and maximum hour ratios used in the development of factors  
17 referenced as Factors 2, 3 and 4.**

18 A. The ratios were based on a review of historic Company data for each district.  
19 Schedule D shows the experienced maximum day ratios for each district over  
20 the last several years. The maximum hour ratios were estimated based on  
21 actual data or the relationship of system maximum hour ratios compared to  
22 system maximum day ratios for similar systems.

23 **15. Q. What factors were considered in estimating the maximum day extra  
24 capacity and maximum hour extra capacity demands used for the**

1 **customer classifications in the development of Factors 2, 3 and 4?**

2 A. The estimated demands were based on judgment which considered field  
3 studies of actual customer class demands conducted for other American  
4 Water Companies, field observations of the service areas of the Company,  
5 field studies of similar service areas in Pennsylvania, and generally-accepted  
6 customer class maximum day and maximum hour demand ratios.

7 **16. Q. Please explain the allocation of small mains in certain districts.**

8 A. Factor 4, used to allocate distribution mains, was modified to exclude  
9 consumption for certain large customers connected primarily to large mains,  
10 commonly referred to as transmission mains, in Joplin, St. Joseph and St.  
11 Louis Metro Area districts. This was done to recognize that certain industrial  
12 and sales for resale customers are connected directly to the transmission  
13 system and do not benefit from the smaller distribution mains.

14 **17. Q. How was this adjustment accomplished?**

15 A. In Joplin, five of the six largest industrial customers are connected to mains  
16 12-inch and larger. The sixth customer is served from an 8-inch main, but is  
17 located a short distance from 12- and 16-inch mains. The test year  
18 consumption for these six customers was excluded from the industrial class  
19 for the basis of developing Factor 4. In addition, all sales for resale  
20 customers are served from the transmission system and therefore were  
21 excluded from Factor 4.

22 In St. Joseph, the four largest industrial accounts and all sales for  
23 resale accounts are served from mains 12-inch and larger. The test year  
24 consumption for these customers was excluded in the development of Factor

1 4.

2 In the St. Louis Metro Area, all sales for resale customers (Rates B)  
3 are served from the transmission system and therefore, were excluded from  
4 Factor 4. For the industrial or Rate J classification, an analysis of the  
5 customers was performed to determine the size main each Rate J customer  
6 is served from. The analysis showed that out of 141 Rate J customers, 73  
7 customers representing 54.2% of the Rate J consumption are connected to  
8 mains 12-inch and larger. The remaining 68 customers with 45.8% of the  
9 consumption are connected to mains smaller than 12-inch.

10 A further analysis of the 68 customers connected to small mains was  
11 conducted to measure the length of distribution mains used to serve these  
12 customers from the transmission system. This analysis showed that  
13 approximately 130,000 feet of small mains are used from the transmission  
14 system to the connection point of the 68 Rate J customers. The 130,000 feet  
15 represents about 0.7% of the total 19.3 million feet of distribution mains. This  
16 analysis clearly shows that although certain Rate J customers are connected  
17 to smaller mains, the length of those mains are only a small fraction of the  
18 total distribution main system. Therefore, based on this analysis, 10% of the  
19 Rate J consumption was used in the development of Factor 4, to reflect that a  
20 small part of the distribution mains are used by Rate J customers. This  
21 results in a factor of 0.0066 for Rate J, which approximates the 0.7%.

22 18. Q. Have you summarized the results of your cost allocation study?

23 A. Yes. The results are summarized in columns 1, 2 and 3 of Schedule A for  
24 each district. Column 2 sets forth the total allocated pro forma cost of service

1 as of June 30, 2009, for each customer classification identified in column 1.

2 Column 3 presents each customer classification's cost responsibility as a  
3 percent of the total cost.

4 **19. Q. Have you compared these cost responsibilities with the proportionate  
5 revenue under existing rates for each customer classification?**

6 A. Yes. A comparison of the allocated cost responsibilities and the percentage  
7 revenue under existing rates for each district can be made by comparing  
8 columns 3 and 5 of Schedule A. A similar comparison of the percentage cost  
9 responsibilities (relative cost of service) and the percentage of pro forma  
10 revenues (relative revenues) under proposed rates can be made by  
11 comparing columns 3 and 7 of Schedule A.

12  
13 **CUSTOMER RATE DESIGN**

14 **20. Q. What are the appropriate factors to be considered in the design of the  
15 rate structure?**

16 A. In preparing a rate structure, one should consider the allocated costs of  
17 service, the impact of changes from the present rate structure, the  
18 understandability and ease of application of the rate structure, community and  
19 social influences, and the value of service. General guidelines should be  
20 developed with management to determine the extent to which each of these  
21 criteria is to be incorporated in the rate structure to be designed, inasmuch as  
22 the pricing of a commodity or service is a function of management.

23 **21. Q. Did management discuss rate design guidelines with you?**

24 A. Yes, they did. The guidelines were as follows: (1) Maintain district specific

1 pricing for each district's rate structure, taking into account a revenue  
2 contribution for several small districts as discussed in Mr. William's testimony;  
3 (2) Move toward a uniform customer charge across districts other than St.  
4 Louis Metro and propose a low-income customer charge; (3) design  
5 volumetric rates so that proposed revenues by customer classification move  
6 toward or approximate the indicated cost of service in each district; (4) for  
7 districts other than St. Louis Metro, use a one-block structure for the  
8 residential class (except Parkville) and two- to four-block structures for non-  
9 residential classes; and (5) determine the unit cost per public fire hydrant in  
10 the St. Louis Metro Area so that public fire protection costs can be recovered  
11 from each customer in a similar manner as the current practice in St. Louis  
12 County.

13 **22. Q. Do you agree with these guidelines?**

14 A. Yes, I do.

15 **23. Q. Have you prepared proposed rate schedules for each classification and**  
16 **each District?**

17 A. The Company has prepared Schedule CAS-14 which shows a comparison of  
18 present and proposed rates for each district.

19 **24. Q. Please explain the proposed minimum charges.**

20 A. An analysis of the customer costs in each district was prepared to determine  
21 the appropriate monthly minimum charges by meter size. For the seven  
22 districts other than the St. Louis Metro Area, the pro forma customer costs for  
23 a 5/8-inch meter ranged from \$20.43 to \$11.61 per month and averaged  
24 \$15.35 per month. (See Schedule F for each district). Based on this

1 analysis, the 5/8-inch minimum charge was set at \$15.00 per month for each  
2 of the seven districts representing increases/(decreases) ranging from (5%) in  
3 Brunswick to 68% in St. Joseph District. The larger increases in certain  
4 districts are a result of the existing rates being significantly below the  
5 indicated cost of service. The increases to the larger sizes (3/4-inch through  
6 12-inch meters) were based on the existing meter ratios by size to the 5/8-  
7 inch charge.

8 For St. Louis Metro Area, the analysis of pro forma customer costs  
9 resulted in a 5/8-inch meter customer cost of \$16.70 per quarter. Since these  
10 unit costs would represent a 36% increase over existing rates, the minimum  
11 charges were set at \$11.40 per month and \$16.70 per quarter. Minimum  
12 charges for the larger meter sizes were developed in a similar manner as in  
13 the other districts.

14 **25. Q. Please explain the 5/8" low income charge.**

15 A. The Company requested the implementation of a low income customer  
16 charge for residential customers with a 5/8" meter. This rate was set at 65%  
17 of the full customer charge for a residential 5/8" meter.

18 **26. Q. Please explain the volumetric charges.**

19 A. Generally, for the seven districts other than St. Louis Metro and Parkville  
20 Water, a one-block uniform volumetric rate is maintained for the residential  
21 classification in each district.

22 For non-residential customers, a two, three or four block structure is  
23 proposed with the first block rate that is the same for each of the non-  
24 residential classes and the remaining block rates designed to move revenues



1 toward or equal to the indicated cost of service by classification within each  
2 district.

3 In St. Louis Metro Area, the same single-block rate structure for Rates  
4 A through J is proposed with increases in each rate according to cost of  
5 service. For Parkville, a uniform, declining block rate structure was  
6 maintained for all classifications.

7 **27. Q. Please explain private fire charges.**

8 A. In most districts, the existing private fire revenues exceed the indicated cost  
9 of service. Therefore, no changes to the private fire line rates are proposed  
10 at this time with the exception of Warrensburg and St. Joseph Districts.  
11 Private fire rates in those districts were increased in order to equal cost of  
12 service.

13 **28. Q. Please explain the public fire hydrant charges.**

14 A. The cost of service for public fire protection was established only for the St.  
15 Louis Metro Area. The annual unit cost was determined by dividing the cost  
16 of service by the number of public hydrants for the combined service areas.  
17 The public fire hydrant rates will be charged on a per customer basis in each  
18 area as a separate charge in a similar manner as the existing practice in St.  
19 Louis County. Public fire costs in the other districts were reallocated to the  
20 general service classification to be recovered through general service rates.

21 **29. Q. Has the Company prepared proof of revenue schedules under present  
22 and proposed rates?**

23 A. Yes. The proof of revenue shows that the application of the present and  
24 proposed rates to the billing determinants or bill analysis produce the pro

1           forma present and proposed revenue and proves that the proposed rates filed  
2           in the proposed tariffs recover the requested revenue requirements.

3                       Schedule CAS-13 and 14, sponsored by Mr. Petry, sets forth the proof  
4           of revenues from the application of present and proposed rates to the  
5           customer consumption analysis. The revenues from these exhibits are  
6           brought forward to Schedule A, columns 4 and 6, for each district.

7   **30. Q. Does this complete your testimony at this time?**

8           A. Yes, it does.

LIST OF CASES IN WHICH PAUL R. HERBERT TESTIFIED

	<u>Year</u>	<u>Jurisdiction</u>	<u>Docket No.</u>	<u>Client/Utility</u>	<u>Subject</u>
1.	1983	Pa. PUC	R-832399	T. W. Phillips Gas and Oil Co.	Pro Forma Revenues
2.	1989	Pa. PUC	R-891208	Pennsylvania-American Water Company	Bill Analysis and Rate Application
3.	1991	PSC of W. Va.	91-106-W-MA	Clarksburg Water Board	Revenue Requirements (Rule 42)
4.	1992	Pa. PUC	R-922276	North Penn Gas Company	Cash Working Capital
5.	1992	NJ BPU	WR92050532J	The Atlantic City Sewerage Company	Cost Allocation and Rate Design
6.	1994	Pa. PUC	R-943053	The York Water Company	Cost Allocation and Rate Design
7.	1994	Pa. PUC	R-943124	City of Bethlehem	Revenue Requirements, Cost Allocation, Rate Design and Cash Working Capital
8.	1994	Pa. PUC	R-943177	Roaring Creek Water Company	Cash Working Capital
9.	1994	Pa. PUC	R-943245	North Penn Gas Company	Cash Working Capital
10.	1994	NJ BPU	WR94070325	The Atlantic City Sewerage Company	Cost Allocation and Rate Design
11.	1995	Pa. PUC	R-953300	Citizens Utilities Water Company of Pennsylvania	Cost Allocation and Rate Design
12.	1995	Pa. PUC	R-953378	Apollo Gas Company	Revenue Requirements and Rate Design
13.	1995	Pa. PUC	R-953379	Carnegie Natural Gas Company	Revenue Requirements and Rate Design
14.	1996	Pa. PUC	R-963619	The York Water Company	Cost Allocation and Rate Design
15.	1997	Pa. PUC	R-973972	Consumers Pennsylvania Water Company - Shenango Valley Division	Cash Working Capital
16.	1998	Ohio PUC	98-178-WS-AIR	Citizens Utilities Company of Ohio	Water and Wastewater Cost Allocation and Rate Design
17.	1998	Pa. PUC	R-984375	City of Bethlehem - Bureau of Water	Revenue Requirement, Cost Allocation and Rate Design
18.	1999	Pa. PUC	R-994605	The York Water Company	Cost Allocation and Rate Design
19.	1999	Pa. PUC	R-994868	Philadelphia Suburban Water Company	Cost Allocation and Rate Design
20.	1999	PSC of W.Va.	99-1570-W-MA	Clarksburg Water Board	Revenue Requirements (Rule 42) Cost Allocation and Rate Design
21.	2000	Ky. PSC	2000-120	Kentucky-American Water Company	Cost Allocation and Rate Design
22.	2000	Pa. PUC	R-00005277	PPL Gas Utilities	Cash Working Capital
23.	2000	NJ BPU	WR00080575	Atlantic City Sewerage Company	Cost Allocation and Rate Design
24.	2001	Ia. St Util Bd	RPU-01-4	Iowa-American Water Company	Cost Allocation and Rate Design
25.	2001	Va. St. Corp	PUE010312	Virginia-American Water Company	Cost Allocation and Rate Design
26.	2001	WV PSC	01-0326-W-42T	West-Virginia American Water Company	Cost Allocation And Rate Design
27.	2001	Pa. PUC	R-016114	City of Lancaster	Tapping Fee Study
28.	2001	Pa. PUC	R-016236	The York Water Company	Cost Allocation and Rate Design
29.	2001	Pa. PUC	R-016339	Pennsylvania-American Water Company	Cost Allocation and Rate Design
30.	2001	Pa. PUC	R-016750	Philadelphia Suburban Water Company	Cost Allocation and Rate Design
31.	2002	Va. St. Corp Cm	PUE-2002-00375	Virginia-American Water Company	Cost Allocation and Rate Design
32.	2003	Pa. PUC	R-027975	The York Water Company	Cost Allocation and Rate Design
33.	2003	Tn Reg. Auth	03-	Tennessee-American Water Company	Cost Allocation and Rate Design
34.	2003	Pa. PUC	R-038304	Pennsylvania-American Water Company	Cost Allocation and Rate Design
35.	2003	NJ BPU	WR03070511	New Jersey-American Water Company	Cost Allocation and Rate Design
36.	2003	Mo. PSC	WR-2003-0500	Missouri-American Water Company	Cost Allocation and Rate Design
37.	2004	Va. St. Corp Cm	PUE-200 -	Virginia-American Water Company	Cost Allocation and Rate Design
38.	2004	Pa. PUC	R-038805	Pennsylvania Suburban Water Company	Cost Allocation and Rate Design
39.	2004	Pa. PUC	R-049165	The York Water Company	Cost Allocation and Rate Design
40.	2004	NJ BPU	WRO4091064	The Atlantic City Sewerage Company	Cost Allocation and Rate Design
41.	2005	WV PSC	04-1024-S-MA	Morgantown Utility Board	Cost Allocation and Rate Design
42.	2005	WV PSC	04-1025-W-MA	Morgantown Utility Board	Cost Allocation and Rate Design
43.	2005	Pa. PUC	R-051030	Aqua Pennsylvania, Inc.	Cost Allocation and Rate Design
44.	2006	Pa. PUC	R-051178	T. W. Phillips Gas and Oil Co.	Cost Allocation and Rate Design
45.	2006	Pa. PUC	R-061322	The York Water Company	Cost Allocation and Rate Design

LIST OF CASES IN WHICH PAUL R. HERBERT TESTIFIED

	<u>Year</u>	<u>Jurisdiction</u>	<u>Docket No.</u>	<u>Client/Utility</u>	<u>Subject</u>
46.	2006	NJ BPU	WR-06030257	New Jersey American Water Company	Cost Allocation and Rate Design
47.	2006	Pa. PUC	R-061398	PPL Gas Utilities, Inc.	Cost Allocation and Rate Design
48.	2006	NM PRC	06-00208-UT	New Mexico American Water Company	Cost Allocation and Rate Design
49.	2006	Tn Reg Auth	06-00290	Tennessee American Water Company	Cost Allocation and Rate Design
50.	2007	Ca. PUC	U-339-W	Suburban Water Systems	Water Conservation Rate Design
51.	2007	Ca. PUC	U-168-W	San Jose Water Company	Water Conservation Rate Design
52.	2007	Pa. PUC	R-00072229	Pennsylvania American Water Company	Cost Allocation and Rate Design
53.	2007	Ky. PSC	2007-00143	Kentucky American Water Company	Cost Allocation and Rate Design
54.	2007	Mo. PSC	WR-2007-0216	Missouri American Water Company	Cost Allocation and Rate Design
55.	2007	Oh. PUC	07-1112-WS-AIR	Ohio American Water Company	Cost Allocation and Rate Design
56.	2007	Il. CC	07-0507	Illinois American Water Company	Customer Class Demand Study
57.	2007	Pa. PUC	R-00072711	Aqua Pennsylvania, Inc.	Cost Allocation and Rate Design
58.	2007	NJ BPU	WR07110866	The Atlantic City Sewerage Company	Cost Allocation and Rate Design
59.	2007	Pa. PUC	R-00072492	City of Bethlehem – Bureau of Water	Revenue Requirements, Cost Allo
60.	2007	WV PSC	07-0541-W-MA	Clarksburg Water Board	Cost Allocation and Rate Design
61.	2007	WV PSC	07-0998-W-42T	West Virginia American Water Company	Cost Allocation and Rate Design
62.	2008	NJ BPU	WR08010020	New Jersey American Water Company	Cost Allocation and Rate Design
63.	2008	Va St Corp Com		Virginia American Water Company	Cost Allocation and Rate Design
64.	2008	Tn. Reg. Auth.	08-00039	Tennessee American Water Company	Cost Allocation and Rate Design
65.	2008	Mo PSC	WR-2008-0311	Missouri American Water Company	Cost Allocation and Rate Design
66.	2008	De PSC	08-96	Artesian Water Company, Inc.	Cost Allocation and Rate Design
67.	2008	Pa PUC	R-2008-2032689	Penna. American Water Co. – Coatesville Wastewater	Cost Allocation and Rate Design
68.	2008	AZ Corp. Com.	W-01303A-08-0227 SW-01303A-08-0227	Arizona American Water Co. - Water - Wastewater	Cost Allocation and Rate Design
69.	2008	Pa PUC	R-2008-2023067	The York Water Company	Cost Allocation and Rate Design
70.	2008	WV PSC	08-0900-W-42T	West Virginia American Water Company	Cost Allocation and Rate Design
71.	2008	Ky PSC	2008-00250	Frankfort Electric and Water Plant Board	Cost Allocation and Rate Design
72.	2008	Ky PSC	2008-00427	Kentucky American Water Company	Cost Allocation and Rate Design
73.	2009	PaPUC	2008-2079660	UGI – Penn Natural Gas	Cost of Service Allocation
74.	2009	PaPUC	2008-2079675	UGI – Central Penn Gas	Cost of Service Allocation
75.	2009	PaPUC	2009-2097323	Pennsylvania American Water Co.	Cost Allocation and Rate Design
76.	2009	Ia St Util Bd	RPU-09-	Iowa-American Water Company	Cost Allocation and Rate Design
77.	2009	Il CC		Illinois-American Water Company	Cost Allocation and Rate Design
78.	2009	Oh PUC	09-391-WS-AIR	Ohio-American Water Company	Cost Allocation and Rate Design

**MISSOURI-AMERICAN WATER COMPANY**  
**ST. LOUIS, MISSOURI**

**COST OF SERVICE**  
**ALLOCATION STUDY**  
**FOR THE TEST YEAR ENDED**  
**JUNE 30, 2009**

MISSOURI-AMERICAN WATER COMPANY

St. Louis, Missouri

COST OF SERVICE

ALLOCATION STUDY

FOR THE TEST YEAR ENDED JUNE 30, 2009

GANNETT FLEMING, INC. - VALUATION AND RATE DIVISION

Harrisburg, Pennsylvania

Calgary, Alberta

Valley Forge, Pennsylvania



**Gannett Fleming**

**GANNETT FLEMING, INC.**  
P.O. Box 67100  
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October 30, 2009

Missouri-American Water Company  
535 North New Ballas Road  
St. Louis, MO 63141

ii

Attention Mr. Frank Kartman, President

Gentlemen:

Pursuant to your request, we have conducted cost of service allocation studies based on the district specific revenue requirements estimated for the test year ended June 30, 2009.

The attached report presents the results of the allocation studies, as well as supporting schedules which set forth the detailed cost allocation calculations and the proposed schedule of rates. Schedule A, for each district, presents a comparison of the cost of service by customer classification with the pro forma revenues produced by each classification under present and proposed rates.

Respectfully submitted,

**GANNETT FLEMING, INC.**  
Valuation and Rate Division

PAUL R. HERBERT  
President

CONSTANCE E. HEPPENSTALL  
Rate Analyst

PRH:krm  
Attachment

051641

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CONTENTS

Page

PART I. INTRODUCTION

Plan of Report .....	I-2
Basis of Study .....	I-2
Allocation Procedures .....	I-3
Base Costs .....	I-3
Extra Capacity Costs .....	I-3
Customer Costs .....	I-3
Fire Protection Costs .....	I-4
Results of Study .....	I-4

PART II. COST OF SERVICE BY CUSTOMER CLASSIFICATION

BRUNSWICK DISTRICT

Schedule A. Comparison of Cost of Service with Revenues Under Present and Proposed Rates for the Test Year Ended June 30, 2009 .....	BRU-1
Schedule B. Cost of Service for the Twelve Months Ended June 30, 2009, Allocated to Customer Classifications .....	BRU-2
Schedule C. Factors for Allocating Cost of Service to Customer Classifications .....	BRU-9
Schedule D. Summary of Average Daily Send Out and Maximum Daily Usage for the Years 1990 - 2008 .....	BRU-32
Schedule E. Basis for Allocating Demand Related Costs of Fire Service to Private and Public Fire Protection Customer Classifications .....	BRU-33
Schedule F. Calculation of Customer Charge .....	BRU-34

JEFFERSON CITY DISTRICT

Schedule A. Comparison of Cost of Service with Revenues Under Present and Proposed Rates for the Test Year Ended June 30, 2009 .....	JFC-1
Schedule B. Cost of Service for the Twelve Months Ended June 30, 2009, Allocated to Customer Classifications .....	JFC-2
Schedule C. Factors for Allocating Cost of Service to Customer Classifications .....	JFC-8
Schedule D. Summary of Average Daily Send Out and Maximum Daily Usage for the Years 1999- 2008 .....	JFC-31
Schedule E. Basis for Allocating Demand Related Costs of Fire Service to Private and Public Fire Protection Customer Classifications .....	JFC-32
Schedule F. Calculation of Customer Charge .....	JFC-33



CONTENTS, cont.

Page

JOPLIN DISTRICT

Schedule A. Comparison of Cost of Service with Revenues Under Present and Proposed Rates for the Test Year Ended June 30, 2009 .....	JOP-1
Schedule B. Cost of Service for the Twelve Months Ended June 30, 2009, Allocated to Customer Classifications .....	JOP-2
Schedule C. Factors for Allocating Cost of Service to Customer Classifications .....	JOP-9
Schedule D. Summary of Average Daily Send Out and Maximum Daily Usage for the Years 1990 - 2008 .....	JOP-32
Schedule E. Basis for Allocating Demand Related Costs of Fire Service to Private and Public Fire Protection Customer Classifications .....	JOP-33
Schedule F. Calculation of Customer Charge .....	JOP-34

MEXICO DISTRICT

Schedule A. Comparison of Cost of Service with Revenues Under Present and Proposed Rates for the Test Year Ended June 30, 2009 .....	MEX-1
Schedule B. Cost of Service for the Twelve Months Ended June 30, 2009, Allocated to Customer Classifications .....	MEX-2
Schedule C. Factors for Allocating Cost of Service to Customer Classifications .....	MEX-8
Schedule D. Summary of Average Daily Send Out and Maximum Daily Usage for the Years 1990 - 2008 .....	MEX-31
Schedule E. Basis for Allocating Demand Related Costs of Fire Service to Private and Public Fire Protection Customer Classifications .....	MEX-32
Schedule F. Calculation of Customer Charge .....	MEX-33

PARKVILLE WATER DISTRICT

Schedule A. Comparison of Cost of Service with Revenues Under Present and Proposed Rates for the Test Year Ended June 30, 2009 .....	PKW-1
Schedule B. Cost of Service for the Twelve Months Ended June 30, 2009, Allocated to Customer Classifications .....	PKW-2
Schedule C. Factors for Allocating Cost of Service to Customer Classifications .....	PKW-8
Schedule D. Summary of Average Daily Send Out and Maximum Daily Usage for the Years 1990 - 2008 .....	PKW-31
Schedule E. Basis for Allocating Demand Related Costs of Fire Service to Private and Public Fire Protection Customer Classifications .....	PKW-32
Schedule F. Calculation of Customer Charge .....	PKW-33

CONTENTS, cont.

Page

ST. JOSEPH DISTRICT

Schedule A. Comparison of Cost of Service with Revenues Under Present and Proposed Rates for the Test Year Ended June 30, 2009 .....	SJO-1
Schedule B. Cost of Service for the Twelve Months Ended June 30, 2009, Allocated to Customer Classifications .....	SJO-2
Schedule C. Factors for Allocating Cost of Service to Customer Classifications .....	SJO-8
Schedule D. Summary of Average Daily Send Out and Maximum Daily Usage for the Years 1990 - 2008 .....	SJO-31
Schedule E. Basis for Allocating Demand Related Costs of Fire Service to Private and Public Fire Protection Customer Classifications .....	SJO-32
Schedule F. Calculation of Customer Charge .....	SJO-33

ST. LOUIS METRO DISTRICT

Schedule A. Comparison of Cost of Service with Revenues Under Present and Proposed Rates for the Test Year Ended June 30, 2009 .....	SLM-1
Schedule B. Cost of Service for the Twelve Months Ended June 30, 2009, Allocated to Customer Classifications .....	SLM-2
Schedule C. Factors for Allocating Cost of Service to Customer Classifications .....	SLM-10
Schedule D. Summary of Average Daily Send Out and Maximum Daily Usage for the Years 1990 - 2008 .....	SLM-33
Schedule E. Basis for Allocating Demand Related Costs of Fire Service to Private and Public Fire Protection Customer Classifications .....	SLM-34
Schedule F. Calculation of Customer Charge .....	SLM-35

WARREN COUNTY WATER

Schedule A. Comparison of Cost of Service with Revenues Under Present and Proposed Rates for the Test Year Ended June 30, 2009 .....	WCW-1
Schedule B. Cost of Service for the Twelve Months Ended June 30, 2009, Allocated to Customer Classifications .....	WCW-2
Schedule C. Factors for Allocating Cost of Service to Customer Classifications .....	WCW-9
Schedule D. Summary of Average Daily Send Out and Maximum Daily Usage for the Years 2005 - 2008 .....	WCW-32

CONTENTS, cont.

Page

WARREN COUNTY WATER, cont.

Schedule E. Basis for Allocating Demand Related Costs of Fire Service to Private and Public Fire Protection Customer Classifications .....	WAR-33
Schedule F. Calculation of Customer Charge .....	WAR-34

WARRENSBURG DISTRICT

Schedule A. Comparison of Cost of Service with Revenues Under Present and Proposed Rates for the Test Year Ended June 30, 2009 .....	WAR-1
Schedule B. Cost of Service for the Twelve Months Ended June 30, 2009, Allocated to Customer Classifications .....	WAR-2
Schedule C. Factors for Allocating Cost of Service to Customer Classifications .....	WAR-8
Schedule D. Summary of Average Daily Send Out and Maximum Daily Usage for the Years 1990 - 2008 .....	WAR-30
Schedule E. Basis for Allocating Demand Related Costs of Fire Service to Private and Public Fire Protection Customer Classifications .....	WAR-31
Schedule F. Calculation of Customer Charge .....	WAR-32

PART I. INTRODUCTION

MISSOURI-AMERICAN WATER COMPANY  
COST OF SERVICE ALLOCATION STUDY  
FOR THE TEST YEAR ENDED JUNE 30, 2009

PART I. INTRODUCTION

PLAN OF REPORT

The report sets forth the results of the cost of service allocation studies based on district specific revenue requirements as of June 30, 2009, for Missouri-American Water Company. Part I, Introduction, contains statements with respect to the basis of the study, the procedures employed, and a summary of the results of the study. Part II, Cost of Service by Customer Classification, presents detailed schedules of the allocation of costs to district specific customer classifications, as well as the bases for the allocations. Schedule A in Part II summarizes the cost allocation and the revenues produced under present and proposed rates for each district.

BASIS OF STUDY

The purpose of the cost allocation studies was to determine the relative cost of service responsibilities of the several customer classifications within each operating district, based on considerations of quantity of water consumed, variability of rate of consumption, and costs associated with customer metering, billing and accounting. The allocation studies incorporated generally-accepted principles and procedures for allocating the several categories of cost to customer classifications in proportion to each classification's use of facilities, commodities and services required in providing water service.

## ALLOCATION PROCEDURES

The allocation studies were based on the Base-Extra Capacity Method for allocating costs to customer classifications. The method is described in the 2000 and prior editions of the Water Rates Manual published by the American Water Works Association. The four basic categories of cost responsibility are base, extra capacity, customer, and fire protection costs. The following discussion presents a brief description of these costs and the manner in which they were allocated.

Base Costs are costs that tend to vary with the quantity of water used, plus costs associated with supplying, treating, pumping, and distributing water to customers under average load conditions, without the elements necessary to meet peak demands. Base costs were allocated to customer classifications on the basis of average daily usage.

Extra Capacity Costs are costs associated with meeting usage requirements in excess of the average. They include operating and capital costs for additional plant and system capacity beyond that required for average use. The extra capacity costs in this study are subdivided into costs necessary to meet maximum day extra demand and costs to meet maximum hour extra demand. The extra capacity costs were allocated to customer classifications on the bases of each classification's maximum day and hour usage in excess of average usage.

Customer Costs are costs associated with serving customers regardless of their usage or demand characteristics. Customer costs include the operating and capital costs related to meters and services, meter reading costs, and billing and collecting costs. The customer costs were allocated on the bases of the capital cost of meters and services, and the number of customers.

Fire Protection Costs are costs associated with providing the facilities to meet the potential peak demand of fire protection service. Fire Protection costs are subdivided into costs to meet Public Fire Protection and Private Fire Protection demands. The extra capacity costs assigned to fire protection service were allocated to Public and Private Fire Protection on the basis of the total relative demands of the hydrants and fire service lines, sized to provide fire protection.

#### RESULTS OF STUDY

The results of the cost of service allocation study are set forth in Part II. The data summarized for each district in Schedule A, Comparison of Pro Forma Cost of Service with Revenues Under Present and Proposed Rates for the Test Year Ended June 30, 2009, constitute the principal results of the cost allocation studies and subsequent rate designs.

The cost of service by customer classification shown in column 2 of Schedule A is developed in Schedule B, Cost of Service for the Twelve Months Ended June 30, 2009, Allocated to Customer Classifications. The allocation of the total cost of service to the several customer classifications was performed by applying the allocation factors referenced in column 2 of Schedule B to the cost of service set forth in column 3. The bases for the allocation factors are presented in Schedule C.

Schedule D sets forth the experienced average day and maximum day system sendout and the maximum day ratios from 1990 through 2008. Schedule E presents the basis for allocating demand related costs of fire service to private and public fire protection classifications.

II-1

PART II. COST OF SERVICE BY CUSTOMER CLASSIFICATION



BRUNSWICK DISTRICT

MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK DISTRICT

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 (a)		Revenues, Present Rates		Revenues, Proposed Rates		Proposed Increase	
	Amount (Schedule B) (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
Residential	\$ 264,473	70.5%	\$ 196,693	66.0%	\$ 256,945	68.5%	\$ 60,252	30.6%
Commercial	85,284	22.7%	63,074	21.3%	82,652	22.0%	19,578	31.0%
Industrial	1,027	0.3%	1,070	0.4%	1,003	0.3%	(67)	-6.3%
Public Authority	10,250	2.7%	8,951	3.0%	10,442	2.8%	1,491	16.7%
Sales for Resale	11,212	3.0%	17,028	5.7%	13,519	3.6%	(3,509)	-20.6%
Private Fire Service	2,991	0.8%	10,567	3.6%	10,567	2.8%	-	0.0%
Public Fire Service	-	0.0%	\$0	0.0%	-	0.0%	-	0.0%
Total Sales	375,235	<u>100.0%</u>	297,383	<u>100.0%</u>	375,128	<u>100.0%</u>	77,745	26.1%
Other Revenues	3,982		\$3,202		\$3,982		780	24.4%
Total	<u>\$ 379,217</u>		<u>\$300,585</u>		<u>\$ 379,110</u>		<u>\$ 78,525</u>	26.1%

(a) Cost of Service is net of revenue contribution from St. Louis Metro District.

BRU-1

Schedule A-BRU

**MISSOURI-AMERICAN WATER COMPANY**  
**BRUNSWICK 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)	Public Authorities (7)	Sales for Resale (8)	Fire Protection	
								Private (9)	Public (10)
<b>OPERATION AND MAINTENANCE EXPENSES</b>									
<b>SOURCE OF SUPPLY EXPENSES</b>									
Super & Eng Oper SS	2	\$ 2,445	\$ 1,633	\$ 619	\$ 4	\$ 74	\$ 100	\$ 1	\$ 13
Labor & Exp Oper SS	2	215	144	55	0	6	9	0	1
Labor & Exp Oper SS	2	281	188	71	0	8	12	0	2
Purchased Water	1	0	0	0	0	0	0	0	0
<b>TOTAL SS EXPENSE - OPERATION</b>		<b>2,941</b>	<b>1,965</b>	<b>745</b>	<b>5</b>	<b>89</b>	<b>121</b>	<b>1</b>	<b>16</b>
Misc Exp Oper SS	2	6,628	4,428	1,680	11	200	272	2	36
Misc Exp Oper SS	2	0	0	0	0	0	0	0	0
Rents Oper SS	2	0	0	0	0	0	0	0	0
Super & Eng Maint SS	2	0	0	0	0	0	0	0	0
Struct & Improve Maint SS	2	0	0	0	0	0	0	0	0
Struct & Improve Maint SS	2	0	0	0	0	0	0	0	0
Collect & Impound Maint SS	2	0	0	0	0	0	0	0	0
Collect & Impound Maint SS	2	0	0	0	0	0	0	0	0
Lake, River & Oth Maint SS	2	0	0	0	0	0	0	0	0
Lake, River & Oth Maint SS	2	0	0	0	0	0	0	0	0
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0
Infiltr Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Infiltr Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Misc Plant Maint SS	2	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)
Misc Plant Maint SS	2	228	152	58	0	7	9	0	1
<b>TOTAL SS EXPENSE - MAINTENANCE</b>		<b>6,855</b>	<b>4,580</b>	<b>1,737</b>	<b>11</b>	<b>206</b>	<b>282</b>	<b>2</b>	<b>37</b>
<b>TOTAL SS EXPENSE</b>		<b>9,796</b>	<b>6,544</b>	<b>2,482</b>	<b>16</b>	<b>295</b>	<b>403</b>	<b>3</b>	<b>53</b>
<b>POWER AND PUMPING EXPENSES</b>									
Super & Eng Oper P	6	0	0	0	0	0	0	0	0
Fuel for Power Prod	1	0	0	0	0	0	0	0	0
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Purch Fuel/Power for Pump	1	9,881	6,370	2,626	16	311	466	5	86
Labor & Exp Oper Pump	6	37,349	20,901	7,926	49	941	1,285	306	5,942
Labor & Exp Oper Pump	6	0	0	0	0	0	0	0	0

BRU-2

Schedule B-BRU

**MISSOURI-AMERICAN WATER COMPANY**  
**BRUNSWICK 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)	Public Authorities (7)	Sales for Resale (8)	Fire Protection	
								Private (9)	Public (10)
Expenses Transferred	6	0	0	0	0	0	0	0	0
Misc Exp Oper P	6	1	1	0	0	0	0	0	0
Rents Oper P	6	0	0	0	0	0	0	0	0
<b>TOTAL PUMPING EXPENSE - OPERATION</b>		<b>47,231</b>	<b>27,272</b>	<b>10,552</b>	<b>64</b>	<b>1,252</b>	<b>1,751</b>	<b>311</b>	<b>6,028</b>
Super & Eng Maint P	6	144	81	31	0	4	5	1	23
Struct & Improve Maint P	6	0	0	0	0	0	0	0	0
Struct & Improve Maint P	6	0	0	0	0	0	0	0	0
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0
Pump Equip Maint P	6	26,269	14,700	5,574	34	662	904	215	4,179
Pump Equip Maint P	6	452	253	96	1	11	16	4	72
<b>TOTAL PUMPING EXPENSES - MAINTENANCE</b>		<b>26,866</b>	<b>15,034</b>	<b>5,701</b>	<b>35</b>	<b>677</b>	<b>924</b>	<b>220</b>	<b>4,274</b>
<b>TOTAL PUMPING EXPENSES</b>		<b>74,097</b>	<b>42,306</b>	<b>16,253</b>	<b>99</b>	<b>1,929</b>	<b>2,675</b>	<b>532</b>	<b>10,303</b>
<b>WATER TREATMENT</b>									
Super & Eng Oper WT	2	14,641	9,781	3,710	23	441	602	4	79
Chemicals	1	8,033	5,179	2,135	13	253	379	4	70
Labor & Exp Oper WT	2	0	0	0	0	0	0	0	0
Labor & Exp Oper WT	2	6,736	4,500	1,707	11	203	277	2	36
Misc Exp Oper WT	2	660	441	167	1	20	27	0	4
Misc Exp Oper WT	1	6,000	3,868	1,595	10	189	283	3	52
Misc Exp Oper WT	2	1,094	731	277	2	33	45	0	6
Rents Oper WT	2	0	0	0	0	0	0	0	0
<b>TOTAL WT EXPENSE - OPERATION</b>		<b>37,164</b>	<b>24,501</b>	<b>9,591</b>	<b>59</b>	<b>1,138</b>	<b>1,613</b>	<b>14</b>	<b>247</b>
Super & Eng Maint WT	2	14,575	9,737	3,693	23	439	599	4	79
Struct & Improve Maint WT	2	0	0	0	0	0	0	0	0
Struct & Improve Maint WT	2	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	0	0	0	0	0	0	0	0
WT Equip Maint WT	2	2,055	1,373	521	3	62	84	1	11
<b>TOTAL WT EXPENSE - MAINTENANCE</b>		<b>16,630</b>	<b>11,110</b>	<b>4,214</b>	<b>27</b>	<b>501</b>	<b>683</b>	<b>5</b>	<b>90</b>
<b>TOTAL WT EXPENSE</b>		<b>53,793</b>	<b>35,611</b>	<b>13,805</b>	<b>86</b>	<b>1,639</b>	<b>2,297</b>	<b>19</b>	<b>337</b>
<b>TRANSMISSION AND DISTRIBUTION EXPENSES</b>									
Super & Eng Oper TD	11	2,514	787	286	1	33	45	66	1,296
Storage Facility Exp	5	0	0	0	0	0	0	0	0
Storage Facility Exp	5	0	0	0	0	0	0	0	0
TD Lines Exp	7	1,835	575	209	0	24	33	48	946
TD Lines Exp	7	311	97	35	0	4	6	8	160
Meter Expense	9	0	0	0	0	0	0	0	0
Meter Expense	9	0	0	0	0	0	0	0	0

BRU-3

Schedule B-BRU

**MISSOURI-AMERICAN WATER COMPANY**  
**BRUNSWICK 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)	Public Authorities (7)	Sales for Resale (8)	Fire Protection	
								Private (9)	Public (10)
Customer Install Exp	10	0	0	0	0	0	0	0	0
Customer Install Exp	10	0	0	0	0	0	0	0	0
Misc Exp Oper TD	11	267	84	30	0	3	5	7	138
Misc Exp Oper TD	11	438	137	50	0	6	8	12	226
Misc Exp Oper TD	11	3,788	1,186	431	1	49	68	100	1,953
Rents Oper TD	11	0	0	0	0	0	0	0	0
<b>TOTAL T &amp; D EXPENSE OPERATION</b>		<b>9,154</b>	<b>2,866</b>	<b>1,043</b>	<b>2</b>	<b>119</b>	<b>164</b>	<b>241</b>	<b>4,720</b>
Super & Eng Maint TD	12	2,373	743	270	0	31	42	62	1,223
Struct & Improve Maint TD	12	0	0	0	0	0	0	0	0
Struct & Improve Maint TD	12	0	0	0	0	0	0	0	0
Dist Res Stand Maint TD	5	0	0	0	0	0	0	0	0
TD Main Maint TD	7	0	0	0	0	0	0	0	0
TD Main Maint TD	7	0	0	0	0	0	0	0	0
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Services Maint TD	10	0	0	0	0	0	0	0	0
Services Maint TD	10	0	0	0	0	0	0	0	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	0	0	0	0	0	0	0	0
Misc Plant Maint TD	12	1	0	0	0	0	0	0	1
Mat and Sup Maint TD	12	671	210	76	0	9	12	18	346
Misc Maint TD	12	20	6	2	0	0	0	1	10
Amort Def Maint TD	5	0	0	0	0	0	0	0	0
<b>TOTAL T &amp; D EXPENSE - MAINTENANCE</b>		<b>3,065</b>	<b>960</b>	<b>349</b>	<b>1</b>	<b>40</b>	<b>55</b>	<b>81</b>	<b>1,580</b>
<b>TOTAL T &amp; D EXPENSE</b>		<b>12,219</b>	<b>3,826</b>	<b>1,392</b>	<b>2</b>	<b>159</b>	<b>219</b>	<b>321</b>	<b>6,300</b>
<b>CUSTOMER ACCOUNTS</b>									
Supervision CA	13	2,445	1,983	368	11	44	16	22	0
Meter Reading Exp CA	14	0	0	0	0	0	0	0	0
Meter Reading Exp CA	14	0	0	0	0	0	0	0	0
Meter Reading Exp CA	14	0	0	0	0	0	0	0	0
Cust Rec & Collection CA	13	195	158	29	1	4	1	2	0
Cust Rec & Collection CA	13	1,966	1,595	296	9	35	13	18	0
Uncollectible Accts	13	5,936	4,815	894	27	107	40	53	0
Misc Cust Accts Exp CA	13	445	361	67	2	8	3	4	0

BRU-4

Schedule B-BRU

**MISSOURI-AMERICAN WATER COMPANY**  
**BRUNSWICK 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)	Public Authorities (7)	Sales for Resale (8)	Fire Protection	
								Private (9)	Public (10)
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	4,664	3,783	702	21	84	31	42	0
Cust Serv & Info Exp CA	13	0	0	0	0	0	0	0	0
<b>TOTAL CUSTOMER ACCOUNTING EXPENSE</b>		<b>15,652</b>	<b>12,697</b>	<b>2,357</b>	<b>70</b>	<b>282</b>	<b>105</b>	<b>141</b>	<b>0</b>
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>									
Salaries AG	15	24,616	14,868	5,201	42	618	795	175	2,917
Other Supplies & Exp AG	15	5	3	1	0	0	0	0	1
Other Supplies & Exp AG	15	4,537	2,740	959	8	114	147	32	538
Other Supplies & Exp AG	15	6,755	4,080	1,427	11	170	218	48	800
Mgmt Fees-Admin	15	20,233	12,221	4,275	34	508	654	144	2,398
Mgmt Fees-Customer Service	13	6,716	5,448	1,011	30	121	45	60	0
Mgmt Fees-Belleville Lab	2	834	558	211	1	25	34	0	5
Mgmt Fees- Employee	16	716	421	154	1	18	24	5	93
Outside Services AG	15	1,679	1,014	355	3	42	54	12	199
Outside Services AG	15	61,684	37,257	13,034	105	1,548	1,992	438	7,310
Ins Gen Liab Oper AG	15	2,844	1,718	601	5	71	92	20	337
Ins Work Comp AG	16	1,319	775	284	2	34	45	9	170
Ins Other Oper AG	15	879	531	186	1	22	28	6	104
Property Insurance	15	648	391	137	1	16	21	5	77
Injuries & Damages	16	(40)	(23)	(9)	(0)	(1)	(1)	(0)	(5)
Employee Pension & Benefits	16	34,031	19,983	7,330	51	871	1,160	238	4,397
Employee Pension & Benefits	16	28,032	16,460	6,038	42	718	956	196	3,622
Employee Pension & Benefits	16	7,083	4,159	1,526	11	181	242	50	915
Reg Commission Exp	19	572	337	115	1	14	17	5	84
Rents AG	15	45	27	9	0	1	1	0	5
Goodwill Advertising Exp	15	5	3	1	0	0	0	0	1
Misc Exp AG	15	9,539	5,761	2,015	16	239	308	68	1,130
Research & Development	15	0	0	0	0	0	0	0	0
<b>TOTAL A &amp; G OPERATIONS</b>		<b>212,732</b>	<b>128,731</b>	<b>44,863</b>	<b>366</b>	<b>5,331</b>	<b>6,833</b>	<b>1,511</b>	<b>25,096</b>
Maint Exp ARO/Net Neg Sal AG	18	(1,187)	(663)	(214)	(2)	(26)	(30)	(12)	(240)
General Plant Maint AG	15	419	253	89	1	11	14	3	50
<b>TOTAL A &amp; G EXPENSE - MAINTENANCE</b>		<b>(768)</b>	<b>(410)</b>	<b>(125)</b>	<b>(2)</b>	<b>(15)</b>	<b>(17)</b>	<b>(9)</b>	<b>(191)</b>
<b>TOTAL A &amp; G EXPENSE</b>		<b>211,964</b>	<b>128,322</b>	<b>44,738</b>	<b>365</b>	<b>5,316</b>	<b>6,817</b>	<b>1,502</b>	<b>24,906</b>
<b>Total Operation &amp; Maintenance Expenses</b>		<b>377,521</b>	<b>229,305</b>	<b>81,027</b>	<b>639</b>	<b>9,620</b>	<b>12,515</b>	<b>2,518</b>	<b>41,898</b>

BRU-5

Schedule B-BRU

**MISSOURI-AMERICAN WATER COMPANY**  
**BRUNSWICK 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)	Public Authorities (7)	Sales for Resale (8)	Fire Protection	
								Private (9)	Public (10)
<b>DEPRECIATION EXPENSE</b>									
Organization	17	0	0	0	0	0	0	0	0
Franchises	17	0	0	0	0	0	0	0	0
Struct & Imp SS	2	588	393	149	1	18	24	0	3
Struct & Imp P	6	3,723	2,083	790	5	94	128	31	592
Struct & Imp WT	2	11,313	7,558	2,867	18	341	465	3	61
Struct & Imp TD	7	563	176	64	0	7	10	15	290
Struct & Imp AG	15	4	2	1	0	0	0	0	0
Struct & Imp Offices	15	2,303	1,391	487	4	58	74	16	273
Struct & Imp Store,Shop,Gar	15	23	14	5	0	1	1	0	3
Struct & Imp Misc	15	388	234	82	1	10	13	3	46
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Infiltration Galleries & Tunnels	2	32	21	8	0	1	1	0	0
Wells & Springs	2	5,094	3,403	1,291	8	153	209	2	28
Supply Mains	2	1,375	919	348	2	41	57	0	7
Power Generation Equip	6	31	17	7	0	1	1	0	5
Power Generation Equip Othe	6	0	0	0	0	0	0	0	0
Pump Equip Electric	6	2,471	1,383	524	3	62	85	20	393
Pump Equip Other	6	324	181	69	0	8	11	3	52
WT Equip Non-Media	2	5,800	3,741	1,419	9	169	230	2	30
WT Equip Filter Media	2	2,021	1,350	512	3	61	83	1	11
Dist Reservoirs & Standpipe	5	1,333	587	211	0	27	29	23	457
Elevated Tanks & Standpipes	5	608	268	96	0	12	13	11	208
Ground Level Facilities	5	0	0	0	0	0	0	0	0
TD Mains Not Classified by	7	3,855	1,207	439	1	50	69	101	1,988
TD Mains 4" & Less	4	894	247	89	0	10	14	26	508
TD Mains 6 to 8"	4	2,899	802	288	0	32	45	84	1,648
TD Mains 10 to 16"	3	2	1	0	0	0	0	0	0
TD Mains 18" & Grtr	3	1	0	0	0	0	0	0	0
Services	10	9,743	7,794	1,541	43	193	86	86	0
Meters Bronze Case	9	1,257	976	226	8	29	18	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	435	338	78	3	10	6	0	0
Meters Other-Rem Rdr Unts	9	246	191	44	2	6	4	0	0
Meter Installations	9	2,281	1,771	410	14	52	33	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Meter Vaults	9	203	158	37	1	5	3	0	0
Hydrants	8	1,808	0	0	0	0	0	0	1,808
Other P/E Intangible	17	46	28	8	0	1	1	0	9
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0
Other P/E TD	7	0	0	0	0	0	0	0	0
Other P/E CPS	15	201	121	42	0	5	6	1	24
Office Furniture & Equip	15	125	76	26	0	3	4	1	15

BRU-6

Schedule B-BRU

MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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)	Customer Classifications				Fire Protection		
			Residential (4)	Commercial (5)	Industrial (6)	Public Authorities (7)	Sales for Resale (8)	Private (9)	Public (10)
Comp & Periph Equip	15	3,288	1,986	695	6	83	106	23	390
Computer Software	15	2,463	1,488	520	4	62	80	17	292
Comp Software Personal	15	30	18	6	0	1	1	0	4
Comp Software Customized	15	2,664	1,609	563	5	67	86	19	316
Comp Software Other	15	709	428	150	1	18	23	5	84
Data Handling Equipment	15	4,008	2,421	847	7	101	129	28	475
Other Office Equipment	15	291	176	61	0	7	9	2	34
Trans Equip Lt Duty Trks	15	846	511	179	1	21	27	6	100
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0
Trans Equip Autos	15	10	6	2	0	0	0	0	1
Trans Equip Other	15	0	0	0	0	0	0	0	0
Stores Equipment	15	596	360	126	1	15	19	4	71
Tools, Shop, Garage Equip	15	2,253	1,361	476	4	57	73	16	267
Tools, Shop, Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	3,895	2,602	987	6	117	160	1	21
Laboratory Equip Other	2	0	0	0	0	0	0	0	0
Power Operated Equipment	15	50	30	11	0	1	2	0	6
Comm Equip Non-Telephone	15	93	56	20	0	2	3	1	11
Remote Control & Instr	15	642	388	136	1	16	21	5	76
Comm Equip Telephone	15	1	1	0	0	0	0	0	0
Misc Equipment	15	12,090	7,302	2,555	21	303	391	86	1,433
Other Tangible Property	15	4,568	2,759	965	8	115	148	32	541
<b>Total Depreciation Expense</b>		<b>100,287</b>	<b>60,932</b>	<b>20,458</b>	<b>192</b>	<b>2,445</b>	<b>3,002</b>	<b>676</b>	<b>12,582</b>

BRU-7

Schedule B-BRU



MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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			Commercial		Public Authorities (7)	Sales for Resale (8)	Fire Protection	
			Residential (4)	Commercial (5)	Industrial (6)	Private (9)	Public (10)				
Amort-Other UP	18	99	55	18	0	2	3	1	20		
Amort-Intangible Fin	2	27	18	7	0	1	1	0	0		
Amort-Property Losses	2	0	0	0	0	0	0	0	0		
<b>Taxes Other Than Income</b>											
Utility Reg Assessment Fee	19	2,514	1,480	504	5	60	75	20	371		
Property Taxes	18	26,040	14,538	4,695	49	562	661	260	5,276		
FUTA	16	100	59	22	0	3	3	1	13		
FICA	16	9,274	5,446	1,998	14	237	316	65	1,198		
SUTA	16	269	158	58	0	7	9	2	35		
Other Taxes & Licenses	15	508	307	107	1	13	16	4	60		
Gross Receipts Tax	19	0	0	0	0	0	0	0	0		
<b>Total Taxes, Other Than Income</b>		<b>38,705</b>	<b>21,985</b>	<b>7,383</b>	<b>69</b>	<b>882</b>	<b>1,082</b>	<b>351</b>	<b>6,953</b>		
Income Taxes	18	76,519	42,713	13,796	145	1,653	1,944	765	15,503		
Utility Income Available for Return	18	190,910	106,566	34,421	363	4,124	4,849	1,909	38,678		
Revenue Contribution	19	(404,851)	(238,336)	(81,132)	(729)	(9,676)	(12,065)	(3,198)	(59,716)		
<b>Total Cost of Service</b>		<b>379,217</b>	<b>223,239</b>	<b>75,978</b>	<b>680</b>	<b>9,050</b>	<b>11,330</b>	<b>3,022</b>	<b>55,918</b>		
Less: Other Water Revenues	19	3,982	2,344	798	7	95	119	31	587		
<b>Total Other Water Revenues</b>		<b>3,982</b>	<b>2,344</b>	<b>798</b>	<b>7</b>	<b>95</b>	<b>119</b>	<b>31</b>	<b>587</b>		
<b>Total Cost of Service Related to Sales of Water</b>		<b>\$ 375,235</b>	<b>\$ 220,895</b>	<b>\$ 75,180</b>	<b>\$ 672</b>	<b>\$ 8,955</b>	<b>\$ 11,212</b>	<b>\$ 2,991</b>	<b>\$ 55,331</b>		
Reallocation of Public Fire	20	0	43,579	10,103	354	1,295	0	0	(55,331)		
<b>Total</b>		<b>\$ 375,235</b>	<b>\$ 264,473</b>	<b>\$ 85,284</b>	<b>\$ 1,027</b>	<b>\$ 10,250</b>	<b>\$ 11,212</b>	<b>\$ 2,991</b>	<b>\$ -</b>		

BRU-8

Schedule B-BRU

**MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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	41.00	0.6447
Commercial	16.90	0.2658
Industrial	0.10	0.0016
Other Public Authority	2.00	0.0315
Sales for Resale	3.00	0.0472
Private Fire Protection	0.03	0.0005
Public Fire Protection	0.55	0.0087
<b>Total</b>	<u>63.58</u>	<u>1.0000</u>

**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 0.6250	Allocation Factor (4)	Weighted Factor (5)=(4)x 0.3750	
Residential	0.6447	0.4030	0.7069	0.2651	0.6681
Commercial	0.2658	0.1661	0.2328	0.0873	0.2534
Industrial	0.0016	0.0010	0.0017	0.0006	0.0016
Other Public Authority	0.0315	0.0197	0.0276	0.0104	0.0301
Sales for Resale	0.0472	0.0295	0.0310	0.0116	0.0411
Private Fire Protection	0.0005	0.0003			0.0003
Public Fire Protection	0.0087	0.0054			0.0054
<b>Total</b>	<u>1.0000</u>	<u>0.6250</u>	<u>1.0000</u>	<u>0.3750</u>	<u>1.0000</u>

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  
BRUNSWICK 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	41.0	1.0	41.0	0.7069
Commercial	16.9	0.8	13.5	0.2328
Industrial	0.1	0.5	0.1	0.0017
Other Public Authority	2.0	0.8	1.6	0.0276
Sales for Resale	3.0	0.6	1.8	0.0310
Total	63.0		58.0	1.0000

The weighting of the factors is based on the maximum day ratio of 1.60, 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	0.6250
Maximum Day Extra Capacity	0.60	0.3750
Total	1.60	1.0000

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

**MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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
	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	
(1)	(2)	(3)=(2) X 0.5235	(4)	(5)=(4) X 0.3141	(6)	(7)=(6) X 0.1624	(8)=(3)+(5)+(7)
Residential	0.6447	0.3375	0.7069	0.2221			0.5596
Commercial	0.2658	0.1391	0.2328	0.0731			0.2122
Industrial	0.0016	0.0008	0.0017	0.0005			0.0013
Other Public Authority	0.0315	0.0165	0.0276	0.0087			0.0252
Sales for Resale	0.0472	0.0247	0.0310	0.0097			0.0344
Private Fire Protection	0.0005	0.0003			0.0487	0.0079	0.0082
Public Fire Protection	0.0087	0.0046			0.9513	0.1545	0.1591
Total	1.0000	0.5235	1.0000	0.3141	1.0000	0.1624	1.0000

BRU-11

Schedule C-BRU

**MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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 1.60 and the average daily system sendout for 2008 of 0.116 MGD. The system demand for fire protection is 300 Gallons per minute for 2 hours.

	<u>Ratio</u>	<u>Rate of Flow, (GPD)</u>	<u>Weight</u>
Average Day	1.00	116,049	0.5235
Maximum Day Extra Capacity	<u>0.60</u>	<u>69,629</u>	<u>0.3141</u>
Subtotal	<u>1.60</u>	185,678	0.8376
Fire Protection		<u>36,000</u>	<u>0.1624</u>
Total		<u>221,678</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  
BRUNSWICK 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	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		Allocation Factor
	Thousand Gallons	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	
(1)	(2)	(3)	(4)=(3) X 0.1611	(5)	(6)=(5) X 0.2425	(7)	(8)=(7) X 0.5964	(9)=(4)+(6)+(8)
Residential	1.71	0.6477	0.1044	0.7106	0.1723			0.2766
Commercial	0.70	0.2652	0.0427	0.2325	0.0564			0.0992
Industrial	0.00	0.0000	0.0000	0.0000	0.0000			0.0000
Other Public Authority	0.08	0.0303	0.0049	0.0261	0.0063			0.0112
Sales for Resale	0.13	0.0492	0.0079	0.0308	0.0075			0.0154
Private Fire Protection	0.00	0.0000	0.0000			0.0487	0.0290	0.0290
Public Fire Protection	0.02	0.0076	0.0012			0.9513	0.5674	0.5686
<b>Total</b>	<b>2.64</b>	<b>1.0000</b>	<b>0.1611</b>	<b>1.0000</b>	<b>0.2425</b>	<b>1.0000</b>	<b>0.5964</b>	<b>1.0000</b>

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

BRU-13

Schedule C-BRU

**MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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 2.5 and the average daily system sendout for 2008 of 0.116 MGD. The system demand for fire protection is 300 gallons per minute.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	81	0.1611
Maximum Hour Extra Capacity	<u>1.50</u>	<u>122</u>	<u>0.2425</u>
Subtotal	<u>2.50</u>	203	0.4036
Fire Protection		<u>300</u>	<u>0.5964</u>
Total		<u>503</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	1.71	3.5	5.99	0.7106
Commercial	0.70	2.8	1.96	0.2325
Industrial	0.00	1.5	0.00	0.0000
Other Public Authority	0.08	2.8	0.22	0.0261
Sales for Resale	<u>0.13</u>	2.0	<u>0.26</u>	<u>0.0308</u>
Total	<u>2.62</u>		<u>8.43</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  
BRUNSWICK 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	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		Allocation Factor
	Thousand Gallons	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	
(1)	(2)	(3)	(4)=(3) X	(5)	(6)=(5) X	(7)	(8)=(7) X	(9)=(4)+(6)+(8)
			0.2560		0.3840		0.3600	
Residential	1.7	0.6538	0.1673	0.7106	0.2729			0.4402
Commercial	0.7	0.2692	0.0689	0.2325	0.0893			0.1582
Industrial	0.0	0.0000	0.0000	0.0000	0.0000			0.0000
Other Public Authority	0.1	0.0385	0.0099	0.0261	0.0100			0.0199
Sales for Resale	0.1	0.0385	0.0099	0.0308	0.0118			0.0217
Private Fire Protection	0.0	0.0000	0.0000			0.0487	0.0175	0.0175
Public Fire Protection	0.0	0.0000	0.0000			0.9513	0.3425	0.3425
<b>Total</b>	<b>2.6</b>	<b>1.0000</b>	<b>0.2560</b>	<b>1.0000</b>	<b>0.3840</b>	<b>1.0000</b>	<b>0.3600</b>	<b>1.0000</b>

The weighting of the factors is based on the ratio of the capacity required for a 2 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

BRU-15

Schedule C-BRU



MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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 2 hour demand of fire flow, as related to total storage capacity.

$$\text{Fire Protection Weight} = \frac{300 \text{ GPM} \times 60 \text{ Min.} \times 2 \text{ Hrs.}}{100,000 \text{ Gallons}} = 0.3600$$

$$\text{General Service Weight} = 1.0000 - 0.3600 = 0.6400$$

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	40.00	0.2560
Extra Capacity Maximum Hour	1.50	60.00	0.3840
Total	2.50	100.00	0.6400

**MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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)
		0.0000		1.0000		0.0000	
Residential	0.6681	0.0000	0.5596	0.5596	0.2766	0.0000	0.5596
Commercial	0.2534	0.0000	0.2122	0.2122	0.0992	0.0000	0.2122
Industrial	0.0016	0.0000	0.0013	0.0013	0.0000	0.0000	0.0013
Other Public Authority	0.0301	0.0000	0.0252	0.0252	0.0112	0.0000	0.0252
Sales for Resale	0.0411	0.0000	0.0344	0.0344	0.0154	0.0000	0.0344
Private Fire Protection	0.0003	0.0000	0.0082	0.0082	0.0290	0.0000	0.0082
Public Fire Protection	0.0054	0.0000	0.1591	0.1591	0.5686	0.0000	0.1591
<b>Total</b>	<b>1.0000</b>	<b>0.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>0.0000</b>	<b>1.0000</b>

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	0	0.0000
Associated with Maximum Day and Fire	110	1.0000
Associated with Maximum Hour	0	0.0000
<b>Total</b>	<b>110</b>	<b>1.0000</b>

**MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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)
		0.1295		0.8705	
Residential	0.5596	0.0723	0.2766	0.2408	0.3131
Commercial	0.2122	0.0275	0.0992	0.0864	0.1139
Industrial	0.0013	0.0002	0.0000	0.0000	0.0002
Other Public Authority	0.0252	0.0033	0.0112	0.0097	0.0130
Sales for Resale	0.0344	0.0045	0.0154	0.0134	0.0179
Private Fire Protection	0.0082	0.0011	0.0290	0.0252	0.0263
Public Fire Protection	0.1591	0.0206	0.5686	0.4950	0.5156
<b>Total</b>	<u>1.0000</u>	<u>0.1295</u>	<u>1.0000</u>	<u>0.8705</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	9,795	0.1295
Distribution Mains	<u>65,858</u>	<u>0.8705</u>
<b>Total</b>	<u>75,653</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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	371	0.7762
Commercial	86	0.1799
Industrial	3	0.0063
Other Public Authority	11	0.0230
Sales for Resale	7	0.0146
Private Fire	<u>0</u>	<u>0.0000</u>
Total	<u><u>478</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size	5/8" Dollar Equivalent	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Total	
		Number of Meters	Weighting (4)=(2)X(3)	Number of Meters	Weighting (6)=(2)X(5)	Number of Meters	Weighting (8)=(2)X(7)	Number of Meters	Weighting (10)=(2)X(9)	Number of Meters	Weighting (12)=(2)X(11)	Number of Meters	Weighting (14)
(1)	(2)	(3)	(4)=(2)X(3)	(5)	(6)=(2)X(5)	(7)	(8)=(2)X(7)	(9)	(10)=(2)X(9)	(11)	(12)=(2)X(11)	(13)	(14)
5/8	1.0	358	358	55	55	0	0	7	7	1	1	421	421
3/4	1.3	0	0	0	0	0	0	0	0	0	0	0	0
1	1.7	0	0	8	14	2	3	0	0	1	2	11	19
1-1/2	3.5	0	0	0	0	0	0	0	0	0	0	0	0
2	4.3	3	13	4	17	0	0	1	4	1	4	9	38
3	19.0	0	0	0	0	0	0	0	0	0	0	0	0
4	29.3	0	0	0	0	0	0	0	0	0	0	0	0
6	48.4	0	0	0	0	0	0	0	0	0	0	0	0
8	112.9	0	0	0	0	0	0	0	0	0	0	0	0
Total:		<u>361</u>	<u>371</u>	<u>67</u>	<u>86</u>	<u>2</u>	<u>3</u>	<u>8</u>	<u>11</u>	<u>3</u>	<u>7</u>	<u>441</u>	<u>478</u>

BRU-20

Schedule C-BRU

**MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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.

Customer Classification	3/4" Dollar Equivalents	Allocation Factor
(1)	(2)	(3)
Residential	364	0.8000
Commercial	72	0.1582
Industrial	2	0.0044
Other Public Authority	9	0.0198
Sales for Resale	4	0.0088
Private Fire Protection	4	0.0088
	<hr/>	<hr/>
Total	<u>455</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

Service Size	3/4" Dollar Equivalent	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Private Fire Protection		Total	
		Number of Services	Weighting (4)=(2)X(3)	Number of Services	Weighting (6)=(2)X(5)	Number of Services	Weighting (8)=(2)X(7)	Number of Services	Weighting (10)=(2)X(9)	Number of Services	Weighting (12)=(2)X(11)	Number of Services	Weighting (14)=(2)X(13)	Number of Services	Weighting (16)
(1)	(2)	(3)	(4)=(2)X(3)	(5)	(6)=(2)X(5)	(7)	(8)=(2)X(7)	(9)	(10)=(2)X(9)	(11)	(12)=(2)X(11)	(13)	(14)=(2)X(13)	(15)	(16)
3/4	1.00	358	358	55	55	0	0	7	7	1	1	0	0	421	421
1	1.17	0	0	8	9	2	2	0	0	1	1	0	0	11	12
1-1/2	1.58	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	2.04	3	6	4	8	0	0	1	2	1	2	0	0	9	18
3	2.73	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	2.88	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	4.24	0	0	0	0	0	0	0	0	0	0	1	4	1	4
8	6.98	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	9.50	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	12.16	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>361</b>	<b>364</b>	<b>67</b>	<b>72</b>	<b>2</b>	<b>2</b>	<b>8</b>	<b>9</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>4</b>	<b>442</b>	<b>455</b>

BRU-22

Schedule C-BRU

**MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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:

<u>Customer Classification</u> (1)	<u>Transmission &amp; Distribution Operating Expenses</u> (2)	<u>Allocation Factor</u> (3)
Residential	\$ 672	0.3131
Commercial	244	0.1139
Industrial	0	0.0002
Other Public Authority	28	0.0130
Sales for Resale	38	0.0179
Private Fire Protection	56	0.0263
Public Fire Protection	1,107	0.5156
<b>Total</b>	<b>2,146</b>	<b>1.0000</b>

**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, however, due to no expenses in these categories, Factor 7 is used as follows:

<u>Customer Classification</u> (1)	<u>Transmission &amp; Distribution Maintenance Expenses</u> (2)	<u>Factor 7 Allocation Factor</u> (3)
Residential	\$ -	0.3131
Commercial	-	0.1139
Industrial	-	0.0002
Other Public Authority	-	0.0130
Sales for Resale	-	0.0179
Private Fire Protection	-	0.0263
Public Fire Protection	-	0.5156
<b>Total</b>	<b>\$0</b>	<b>1.0000</b>



**MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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.

Customer Classification <u>(1)</u>	Total Customers <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	361	0.8112
Commercial	67	0.1506
Industrial	2	0.0045
Other Public Authority	8	0.0180
Sales for Resale	3	0.0067
Private Fire Protection	4	0.0090
Public Fire Protection	0	0.0000
	<u>445</u>	<u>1.0000</u>
Total	<u>445</u>	<u>1.0000</u>

FACTOR 14. ALLOCATION OF METER READING COSTS.

Factors are based on the number of metered customers.

Customer Classification <u>(1)</u>	Total Metered Customers <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	361	0.8187
Commercial	67	0.1519
Industrial	2	0.0045
Other Public Authority	8	0.0181
Sales for Resale	3	0.0068
	<u>441</u>	<u>1.0000</u>
Total	<u>441</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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 (1)	Operation & Maintenance Expenses (2)	Allocation Factor (3)
Residential	\$85,566	0.6040
Commercial	29,933	0.2113
Industrial	236	0.0017
Other Public Authority	3,550	0.0251
Sales for Resale	4,569	0.0323
Private Fire Protection	1,004	0.0071
Public Fire Protection	16,784	0.1185
<b>Total</b>	<b>\$141,642</b>	<b>1.0000</b>

**FACTOR 15A. ALLOCATION OF 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 (1)	Operation & Maintenance Expenses (2)	Allocation Factor (3)
Residential	\$229,378	0.6073
Commercial	81,038	0.2145
Industrial	639	0.0017
Other Public Authority	9,621	0.0255
Sales for Resale	12,514	0.0331
Private Fire Protection	2,522	0.0067
Public Fire Protection	42,004	0.1112
<b>Total</b>	<b>\$377,717</b>	<b>1.0000</b>

**MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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	Direct Labor Expense	Allocation Factor
(1)	(2)	(3)
Residential	\$76,537	0.5872
Commercial	28,070	0.2154
Industrial	191	0.0015
Other Public Authority	3,331	0.0256
Sales for Resale	4,444	0.0341
Private Fire Protection	919	0.0070
Public Fire Protection	16,838	0.1292
Total	<u>\$130,329</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	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
Residential	\$1,245,583	0.5566
Commercial	400,468	0.1789
Industrial	4,170	0.0019
Other Public Authority	47,897	0.0214
Sales for Resale	56,236	0.0251
Private Fire Protection	22,645	0.0101
Public Fire Protection	461,083	0.2060
Total	<u>\$2,238,083</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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	\$1,196,180	0.5582
Commercial	386,369	0.1803
Industrial	3,967	0.0019
Other Public Authority	46,197	0.0216
Sales for Resale	54,528	0.0254
Private Fire Protection	21,407	0.0100
Public Fire Protection	434,000	0.2026
Total	<u>\$2,142,648</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	\$459,758	0.5887
Commercial	156,492	0.2004
Industrial	1,403	0.0018
Other Public Authority	18,652	0.0239
Sales for Resale	23,303	0.0298
Private Fire Protection	6,196	0.0079
Public Fire Protection	115,179	0.1475
Total	<u>\$780,982</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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)	Public Authorities (7)	Sales for Resale (8)	Fire Protection	
								Private (9)	Public (10)
<b>RATE BASE</b>									
Organization	17	\$ 192	\$ 107	\$ 34	\$ 0	\$ 4	\$ 5	\$ 2	\$ 40
Franchises	17	1,092	608	195	2	23	27	11	225
Land & Ld Rights SS	2	11,981	8,004	3,036	19	361	492	4	65
Land & Ld Rights P	6	0	0	0	0	0	0	0	0
Land & Ld Rights WT	2	1,468	981	372	2	44	60	0	8
Land & Ld Rights TD	7	575	180	65	0	7	10	15	296
Land & Land Rights AG	15	0	0	0	0	0	0	0	0
Struct & Imp SS	2	19,307	12,899	4,892	31	581	794	6	104
Struct & Imp P	6	50,271	28,131	10,667	65	1,267	1,729	412	7,998
Struct & Imp Pump Boosters	6	0	0	0	0	0	0	0	0
Struct & Imp WT	2	201,670	134,735	51,103	323	6,070	8,289	61	1,089
Struct & Imp TD	7	20,697	6,480	2,357	4	269	370	544	10,671
Struct & Imp TD Spec Cross	7	0	0	0	0	0	0	0	0
Struct & Imp AG	7	159	50	18	0	2	3	4	82
Struct & Imp Offices	15	94,902	57,321	20,053	161	2,382	3,065	674	11,246
Gen Structures HVAC	15	0	0	0	0	0	0	0	0
Struct & Imp Leasehold	15	0	0	0	0	0	0	0	0
Struct & Imp Leasehold	15	0	0	0	0	0	0	0	0
Struct & Imp Store,Shop,Gar	15	434	262	92	1	11	14	3	51
Struct & Imp Misc	15	16,373	9,889	3,460	28	411	529	116	1,940
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	0	0	0	0	0	0	0	0
Infiltration Galleries & Tunnels	2	1,736	1,160	440	3	52	71	1	9
Wells & Springs	2	155,033	103,578	39,285	248	4,667	6,372	47	837
Supply Mains	2	46,211	30,874	11,710	74	1,391	1,899	14	250
Power Generation Equip	6	1,250	700	265	2	32	43	10	199
Power Generation Equip Othe	6	0	0	0	0	0	0	0	0
Boiler Plant Equipment P	6	0	0	0	0	0	0	0	0
Pump Equip Steam	6	0	0	0	0	0	0	0	0
Pump Equip Electric	6	68,480	38,322	14,531	89	1,726	2,356	562	10,895
Pump Equip Elec Boosters Po	6	0	0	0	0	0	0	0	0
Pump Equip Diesel	6	0	0	0	0	0	0	0	0
Pump Equip Hydraulic	6	0	0	0	0	0	0	0	0
Pump Equip Other	6	18,319	10,252	3,887	24	462	630	150	2,915
Pump Equip WT	6	0	0	0	0	0	0	0	0
Pump Equip TD	6	0	0	0	0	0	0	0	0
WT Equip Non-Media	2	94,698	63,268	23,996	152	2,850	3,892	28	511
WT Equip Filter Media	2	68,115	45,508	17,260	109	2,050	2,800	20	368
Dist Reservoirs & Standpipe	5	31,432	13,837	4,973	0	626	682	550	10,766
Elevated Tanks & Standpipes	5	20,946	9,220	3,314	0	417	455	367	7,174
Ground Level Facilities	5	0	0	0	0	0	0	0	0
TD Mains Not Classified by	7	129,183	40,447	14,714	26	1,679	2,312	3,398	66,607
TD Mains 4" & Less	4	52,911	14,635	5,249	0	593	815	1,534	30,085
TD Mains 6 to 8"	4	343,036	94,884	34,029	0	3,842	5,283	9,948	195,050

BRU-28

Schedule C-BRU

MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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)	Customer Classifications				Public Authorities (7)	Sales for Resale (8)	Fire Protection	
			Residential (4)	Commercial (5)	Industrial (6)	Private (9)			Public (10)	
TD Mains 10 to 16"	3	145	81	31	0	4	5	1	23	
TD Mains 18" & Grtr	3	83	46	18	0	2	3	1	13	
Fire Mains	8	0	0	0	0	0	0	0	0	
Services	10	291,212	232,969	46,070	1,281	5,766	2,563	2,563	0	
Meters Bronze Case	9	54,215	42,082	9,753	342	1,247	792	0	0	
Meters Plastic Case	9	0	0	0	0	0	0	0	0	
Meters Other	9	3,612	2,804	650	23	83	53	0	0	
Meters Other-Rem Rdr Unts	9	10,802	8,385	1,943	68	248	158	0	0	
Meter Installations	9	98,636	76,561	17,745	621	2,269	1,440	0	0	
Meter installation Other	9	0	0	0	0	0	0	0	0	
Meter Vaults	9	9,151	7,103	1,646	58	210	134	0	0	
Hydrants	8	74,905	0	0	0	0	0	0	74,905	
Other P/E Intangible	17	3,147	1,752	563	6	67	79	32	648	
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0	
Other P/E TD	7	0	0	0	0	0	0	0	0	
Other P/E CPS	15	7,288	4,402	1,540	12	183	235	52	864	
Office Furniture & Equip	15	2,003	1,210	423	3	50	65	14	237	
Comp & Periph Equip	15	8,652	5,226	1,828	15	217	279	61	1,025	
Computer Software	15	3,834	2,316	810	7	96	124	27	454	
Comp Software Personal	15	44	27	9	0	1	1	0	5	
Comp Software Customized	15	7,157	4,323	1,512	12	180	231	51	848	
Comp Software Other	15	1,931	1,166	408	3	48	62	14	229	
Data Handling Equipment	15	33,445	20,201	7,067	57	839	1,080	237	3,963	
Other Office Equipment	15	1,786	1,079	377	3	45	58	13	212	
Trans Equip Lt Duty Trks	15	12,664	7,649	2,676	22	318	409	90	1,501	
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0	
Trans Equip Autos	15	12	7	3	0	0	0	0	1	
Trans Equip Other	15	(12,484)	(7,540)	(2,638)	(21)	(313)	(403)	(89)	(1,479)	
Stores Equipment	15	13,409	8,099	2,833	23	337	433	95	1,589	
Tools, Shop, Garage Equip	15	29,243	17,663	6,179	50	734	945	208	3,465	
Tools, Shop, Garage Equip Oth	15	0	0	0	0	0	0	0	0	
Laboratory Equipment	2	19,824	13,244	5,023	32	597	815	6	107	
Laboratory Equip Other	2	0	0	0	0	0	0	0	0	
Power Operated Equipment	15	2,635	1,591	557	4	66	85	19	312	
Comm Equip Non-Telephone	15	3,331	2,012	704	6	84	108	24	395	
Remote Control & Instr	15	8,463	5,112	1,788	14	212	273	60	1,003	
Comm Equip Telephone	15	(3,037)	(1,834)	(642)	(5)	(76)	(98)	(22)	(360)	
Misc Equipment	15	105,935	63,985	22,384	180	2,659	3,422	752	12,553	
Other Tangible Property	17	16,783	9,341	3,002	32	359	421	170	3,457	
<b>Total Utility Plant in Service</b>		<b>2,259,297</b>	<b>1,257,391</b>	<b>404,264</b>	<b>4,210</b>	<b>48,351</b>	<b>56,769</b>	<b>22,859</b>	<b>465,453</b>	

BRU-29

Schedule C-BRU

**MISSOURI-AMERICAN WATER COMPANY**  
**BRUNSWICK 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)	Public Authorities (7)	Sales for Resale (8)	Fire Protection	
								Private (9)	Public (10)
<b>Other Rate Base Items</b>									
Add:									
Other Utility Plant Adjustments	17	0	0	0	0	0	0	0	0
Cash Working Capital	15A	56,000	34,009	12,012	95	1,428	1,854	375	6,227
Materials and Supplies	15	1,359	821	287	2	34	44	10	161
Prepayments	15	1,338	808	283	2	34	43	9	159
OPEB's Contributed to External Fund	16	28,201	16,560	6,074	42	722	962	197	3,644
Pension / OPEB Tracker	16	1,584	930	341	2	41	54	11	205
Regulatory Deferrals	17	14,322	7,972	2,562	27	306	359	145	2,950
Less:									
Accumulated Deferred ITC (3%)	17	0	0	0	0	0	0	0	0
Deferred Income Taxes	17	(214,124)	(119,181)	(38,307)	(407)	(4,582)	(5,375)	(2,163)	(44,110)
Pensions	16	(5,329)	(3,129)	(1,148)	(8)	(136)	(182)	(37)	(689)
<b>Total Other Rate Base Elements</b>		<u>(116,649)</u>	<u>(61,211)</u>	<u>(17,895)</u>	<u>(243)</u>	<u>(2,154)</u>	<u>(2,240)</u>	<u>(1,452)</u>	<u>(31,453)</u>
<b>Total Original Cost Measure of Value</b>		<u>\$ 2,142,648</u>	<u>\$ 1,196,180</u>	<u>\$ 386,369</u>	<u>\$ 3,967</u>	<u>\$ 46,197</u>	<u>\$ 54,528</u>	<u>\$ 21,407</u>	<u>\$ 434,000</u>

BRU-30

Schedule C-BRU

MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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.

<u>Customer Classification</u> (1)	<u>5/8" Dollar Equivalents</u> (2)	<u>Allocation Factor</u> (3)
Residential	371	0.7876
Commercial	86	0.1826
Industrial	3	0.0064
Other Public Authority	11	0.0234
Sales for Resale	0	0.0000
Private Fire	<u>0</u>	<u>0.0000</u>
 Total	 <u>471</u>	 <u>1.0000</u>



MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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	0.179	0.275	1.53	12/28/1990
1991	0.208	0.315	1.51	4/6/1991
1992	0.180	0.266	1.47	8/26/1992
1993	0.154	0.299	1.94	7/29/1993
1994	0.154	0.225	1.46	9/24/1994
1995	0.151	0.204	1.35	7/5/1995
1996	0.151	0.242	1.60	2/7/1996
1997	0.149	0.236	1.58	4/2/1997
1998	0.140	0.200	1.43	5/23/1998
1999	0.145	0.238	1.64	5/27/1999
2000	0.147	0.228	1.55	8/27/2000
2001	0.134	0.207	1.54	11/1/2001
2002	0.135	0.192	1.42	6/13/2002
2003	0.127	0.223	1.76	2/2/2003
2004	0.128	0.203	1.58	2/19/2004
2005	0.144	0.197	1.37	8/30/2005
2006	0.133	0.199	1.50	6/27/2006
2007	0.129	0.240	1.86	7/24/2007
2008	0.116	0.221	1.90	10/22/2008

**MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK 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)
<b><u>PRIVATE FIRE PROTECTION</u></b>				
<b>Fire Lines</b>				
2 -inch	4.00	0.00	0	
3 -inch	9.00	0.00	0	
4 -inch	16.00	0.00	0	
6 -inch	36.00	1.00	36	
8 -inch	64.00	0.00	0	
10 -inch	100.00	0.00	0	
12 -inch	144.00	0.00	0	
Private Hydrants	6.25	3.00	19	
<b>Total Private Fire Protection</b>		<u>4.00</u>	<u>55</u>	0.0487
<b><u>PUBLIC FIRE PROTECTION</u></b>				
<b>Hydrant</b>	<b>Nozzle Sizes</b>			
5 1/4" Valve	1-2 1/2" & 1- 4 1/2"	26.5	20	530
4 1/2" Valve	1-2 1/2" & 1- 4 1/2"	20.3	17	344
5 1/2" Valve	1-2 1/2" & 1- 4 1/2"	26.5	1	27
4 1/2" Valve	1-2 1/2"	6.3	12	75
4 1/4" Valve	1-2 1/2"	6.3	13	81
4 1/4" Valve	1-2 1/2" & 1- 4 1/2"	18.1	1	18
<b>Total Public Fire Protection</b>		<u>64</u>	<u>1,075</u>	<u>0.9513</u>
<b>Total Fire Protection</b>		<u><u>68</u></u>	<u><u>1,130</u></u>	<u><u>1.0000</u></u>

MISSOURI-AMERICAN WATER COMPANY  
BRUNSWICK DISTRICT

## CALCULATION OF CUSTOMER CHARGE

(1) Cost Related to Meters	68,124	
(2) Meter Equivalents X 12	5,736	
(3) Cost per Bill - Meter related		\$ 11.88
(4) Cost Related to Services	22,061	
(5) Service Equivalents X 12	5,460	
(6) Cost per Bill - Services related		\$ 4.04
(7) Cost Related to Billing and Collecting	24,121	
(8) Number of Customers X 12	5,340	
(9) Cost per Bill - Billing and Collecting		<u>\$ 4.52</u>
(10) Total Customer Charge (3)+(6)+(9)		\$ 20.43

JEFFERSON CITY DISTRICT

MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY DISTRICT

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 (Schedule B) (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
	Residential	\$ 3,843,502	57.3%	\$ 3,301,906	53.4%	\$ 3,731,076	55.6%	\$ 429,170
Commercial	1,736,050	25.9%	1,653,655	26.9%	1,744,477	26.0%	90,822	5.5%
Industrial	558,482	8.3%	571,210	9.4%	572,798	8.5%	1,588	0.3%
Public Authority	471,577	7.0%	452,549	7.4%	487,168	7.3%	34,619	7.6%
Sales for Resale	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Private Fire Service	102,170	1.5%	175,942	2.9%	175,942	2.6%	-	0.0%
Public Fire Service	-	0.0%	\$0	0.0%	-	0.0%	-	0.0%
Total Sales	6,711,781	<u>100.0%</u>	6,155,262	<u>100.0%</u>	6,711,461	<u>100.0%</u>	556,199	9.0%
Other Revenues	<u>47,963</u>		<u>38,121</u>		<u>47,963</u>		<u>9,842</u>	25.8%
Total	<u>\$ 6,759,744</u>		<u>\$ 6,193,383</u>		<u>\$ 6,759,424</u>		<u>\$ 566,041</u>	9.1%

JFC-1

Schedule A-JFC

MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY 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)	Public Authorities (7)	Sales for Resale (8)	Fire Protection	
								Private (9)	Public (10)
<b>OPERATION AND MAINTENANCE EXPENSES</b>									
<b>SOURCE OF SUPPLY EXPENSES</b>									
Super & Eng Oper SS	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor & Exp Oper SS - Labor	2	0	0	0	0	0	0	0	0
Labor & Exp Oper SS	2	4,720	2,230	1,487	600	388	0	2	12
Purchased Water	1	8,413	3,665	2,720	1,279	703	0	8	38
<b>TOTAL SS EXPENSE - OPERATION</b>		<b>13,133</b>	<b>5,895</b>	<b>4,207</b>	<b>1,879</b>	<b>1,092</b>	<b>0</b>	<b>10</b>	<b>50</b>
Misc Exp Oper SS	2	0	0	0	0	0	0	0	0
Misc Exp Oper SS	2	0	0	0	0	0	0	0	0
Rents Oper SS	2	0	0	0	0	0	0	0	0
Super & Eng Maint SS - Labor	2	0	0	0	0	0	0	0	0
Struct & Improve Maint SS - Labor	2	0	0	0	0	0	0	0	0
Struct & Improve Maint SS	2	0	0	0	0	0	0	0	0
Collect & Impound Maint SS - Labor	2	0	0	0	0	0	0	0	0
Collect & Impound Maint SS	2	0	0	0	0	0	0	0	0
Lake, River & Oth Maint SS - Labor	2	0	0	0	0	0	0	0	0
Lake, River & Oth Maint SS	2	0	0	0	0	0	0	0	0
Wells & Springs Maint SS - Labor	2	0	0	0	0	0	0	0	0
Wells & Springs Maint SS	2	0	0	0	0	0	0	0	0
Infit Gall & Tunnels Maint SS - Labor	2	0	0	0	0	0	0	0	0
Infit Gall & Tunnels Maint SS	2	0	0	0	0	0	0	0	0
Supply Mains Maint SS - Labor	2	0	0	0	0	0	0	0	0
Supply Mains Maint SS	2	0	0	0	0	0	0	0	0
Misc Plant Maint SS - Labor	2	94	44	29	12	8	0	0	0
Misc Plant Maint SS	2	(48)	(23)	(15)	(6)	(4)	0	(0)	(0)
<b>TOTAL SS EXPENSE - MAINTENANCE</b>		<b>46</b>	<b>22</b>	<b>14</b>	<b>6</b>	<b>-4</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL SS EXPENSE</b>		<b>13,178</b>	<b>5,917</b>	<b>4,221</b>	<b>1,884</b>	<b>1,096</b>	<b>0</b>	<b>10</b>	<b>50</b>
<b>POWER AND PUMPING EXPENSES</b>									
Super & Eng Oper P - Labor	6	0	0	0	0	0	0	0	0
Fuel for Power Prod	1	0	0	0	0	0	0	0	0
Labor & Exp Oper Pwr Prod - Labor	6	0	0	0	0	0	0	0	0
Labor & Exp Oper Pwr Prod	6	0	0	0	0	0	0	0	0
Purch Fuel/Power for Pump	1	244,797	106,658	79,143	37,209	20,465	0	220	1,102
Labor & Exp Oper Pump - Labor	6	1,091	505	337	136	88	0	4	21
Labor & Exp Oper Pump	6	0	0	0	0	0	0	0	0
Misc Exp Oper P	6	9	4	3	1	1	0	0	0
Rents Oper P	6	0	0	0	0	0	0	0	0
<b>TOTAL PUMPING EXPENSE - OPERATION</b>		<b>245,897</b>	<b>107,167</b>	<b>79,482</b>	<b>37,346</b>	<b>20,554</b>	<b>0</b>	<b>224</b>	<b>1,123</b>

JFC-2

Schedule B-JFC

MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY 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)	Public Authorities (7)	Sales for Resale (8)	Fire Protection		
								Private (9)	Public (10)	
Super & Eng Maint P	6	0	0	0	0	0	0	0	0	
Struct & Improve Maint P - Labor	6	0	0	0	0	0	0	0	0	
Struct & Improve Maint P	6	0	0	0	0	0	0	0	0	
Power Prod Equip Maint P - Labor	6	0	0	0	0	0	0	0	0	
Power Prod Equip Maint P	6	0	0	0	0	0	0	0	0	
Pump Equip Maint P - Labor	6	0	0	0	0	0	0	0	0	
Pump Equip Maint P	6	0	0	0	0	0	0	0	0	
<b>TOTAL PUMPING EXPENSES - MAINTENANCE</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL PUMPING EXPENSES</b>		<b>245,897</b>	<b>107,167</b>	<b>79,482</b>	<b>37,346</b>	<b>20,554</b>	<b>0</b>	<b>224</b>	<b>1,123</b>	
<b>WATER TREATMENT</b>										
Super & Eng Oper WT	2	33,037	15,607	10,410	4,199	2,719	0	17	86	
Chemicals	1	305,617	133,157	98,806	46,454	25,550	0	275	1,375	
Labor & Exp Oper WT - Labor	2	300,022	141,731	94,537	38,133	24,692	0	150	780	
Labor & Exp Oper WT	2	19,883	9,393	6,265	2,527	1,636	0	10	52	
Misc Exp Oper WT	2	0	0	0	0	0	0	0	0	
Misc Exp Oper WT	1	0	0	0	0	0	0	0	0	
Misc Exp Oper WT	2	2,454	1,159	773	312	202	0	1	6	
Rents Oper WT	2	0	0	0	0	0	0	0	0	
<b>TOTAL WT EXPENSE - OPERATION</b>		<b>661,013</b>	<b>301,046</b>	<b>210,791</b>	<b>91,625</b>	<b>54,799</b>	<b>0</b>	<b>453</b>	<b>2,299</b>	
Super & Eng Maint WT	2	76,366	36,075	24,063	9,706	6,285	0	38	199	
Struct & Improve Maint WT - Labor	2	0	0	0	0	0	0	0	0	
Struct & Improve Maint WT	2	0	0	0	0	0	0	0	0	
WT Equip Maint WT	2	0	0	0	0	0	0	0	0	
WT Equip Maint WT	2	56,604	26,740	17,836	7,194	4,650	0	28	147	
<b>TOTAL WT EXPENSE - MAINTENANCE</b>		<b>132,970</b>	<b>62,815</b>	<b>41,899</b>	<b>16,900</b>	<b>10,943</b>	<b>0</b>	<b>66</b>	<b>346</b>	
<b>TOTAL WT EXPENSE</b>		<b>793,983</b>	<b>363,861</b>	<b>252,690</b>	<b>108,525</b>	<b>65,742</b>	<b>0</b>	<b>519</b>	<b>2,645</b>	
<b>TRANSMISSION AND DISTRIBUTION EXPENSES</b>										
Super & Eng Oper TD	11	0	0	0	0	0	0	0	0	
Storage Facility Exp - Labor	5	0	0	0	0	0	0	0	0	
Storage Facility Exp	5	0	0	0	0	0	0	0	0	
TD Lines Exp - Labor	7	17,251	5,734	3,719	1,370	975	0	890	4,563	
TD Lines Exp	7	7,986	2,655	1,722	634	451	0	412	2,112	
Meter Expense - Labor	9	3,260	2,279	677	25	280	0	0	0	
Meter Expense	9	0	0	0	0	0	0	0	0	
Customer Install Exp - Labor	10	2	2	0	0	0	0	0	0	
Customer Install Exp	10	0	0	0	0	0	0	0	0	
Misc Exp Oper TD - Labor	11	0	0	0	0	0	0	0	0	
Misc Exp Oper TD	11	0	0	0	0	0	0	0	0	

JFC-3

Schedule B-JFC

MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY 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)	Public Authorities (7)	Sales for Resale (8)	Fire Protection	
								Private (9)	Public (10)
Misc Exp Oper TD	11	13,075	4,894	2,807	931	783	0	598	3,062
Rents Oper TD	11	158	59	34	11	9	0	7	37
<b>TOTAL T &amp; D EXPENSE OPERATION</b>		<b>41,732</b>	<b>15,622</b>	<b>8,959</b>	<b>2,971</b>	<b>2,498</b>	<b>0</b>	<b>1,907</b>	<b>9,774</b>
Super & Eng Maint TD	12	35,405	23,244	5,806	786	1,554	0	1,554	2,461
Struct & Improve Maint TD - Labor	12	0	0	0	0	0	0	0	0
Struct & Improve Maint TD	12	0	0	0	0	0	0	0	0
Dist Res Stand Maint TD - Labor	5	0	0	0	0	0	0	0	0
TD Main Maint TD - Labor	7	21,532	7,157	4,642	1,710	1,217	0	1,111	5,695
TD Main Maint TD	7	0	0	0	0	0	0	0	0
Fire Main Maint TD - Labor	8	0	0	0	0	0	0	0	0
Fire Main Maint TD	8	0	0	0	0	0	0	0	0
Services Maint TD - Labor	10	60,707	46,848	8,845	115	2,398	0	2,501	0
Services Maint TD	10	0	0	0	0	0	0	0	0
Meters Maint TD - Labor	9	0	0	0	0	0	0	0	0
Meters Maint TD	9	0	0	0	0	0	0	0	0
Hydrants Maint TD - Labor	8	0	0	0	0	0	0	0	0
Hydrants Maint TD	8	20	0	0	0	0	0	0	20
Labor Maint TD - Labor	12	87,538	57,469	14,356	1,943	3,843	0	3,843	6,084
Mat and Sup Maint TD	12	37,584	24,674	6,164	834	1,650	0	1,650	2,612
Misc Maint TD	12	2,228	1,463	365	49	98	0	98	155
Amort Def Maint TD	5	560	224	144	52	38	0	17	85
Permits TD	12	3,150	2,068	517	70	138	0	138	219
<b>TOTAL T &amp; D EXPENSE - MAINTENANCE</b>		<b>248,725</b>	<b>163,146</b>	<b>40,840</b>	<b>5,560</b>	<b>10,936</b>	<b>0</b>	<b>10,912</b>	<b>17,331</b>
<b>TOTAL T &amp; D EXPENSE</b>		<b>290,458</b>	<b>178,769</b>	<b>49,799</b>	<b>8,531</b>	<b>13,434</b>	<b>0</b>	<b>12,819</b>	<b>27,105</b>
<b>CUSTOMER ACCOUNTS</b>									
Supervision CA	13	0	0	0	0	0	0	0	0
Meter Reading Exp CA - Labor	14	70,557	59,239	9,321	78	1,919	0	0	0
Meter Reading Exp CA	14	0	0	0	0	0	0	0	0
Meter Reading Exp CA	14	0	0	0	0	0	0	0	0
Cust Rec & Collection CA - Labor	13	81,736	67,694	10,650	90	2,191	0	1,112	0
Cust Rec & Collection CA	13	46,527	38,533	6,062	51	1,247	0	633	0
Uncollectible Accts	13	59,768	49,500	7,788	66	1,602	0	813	0
Misc Cust Accts Exp CA - Labor	13	96	79	12	0	3	0	1	0
Misc Cust Accts Exp CA	13	0	0	0	0	0	0	0	0
Misc Cust Accts Exp CA	13	17,410	14,419	2,269	19	467	0	237	0
Cust Serv & Info Exp CA	13	0	0	0	0	0	0	0	0
<b>TOTAL CUSTOMER ACCOUNTING EXPENSE</b>		<b>276,093</b>	<b>229,465</b>	<b>36,102</b>	<b>304</b>	<b>7,428</b>	<b>0</b>	<b>2,795</b>	<b>0</b>

JFC-4

Schedule B-JFC



**MISSOURI-AMERICAN WATER COMPANY**  
**JEFFERSON CITY 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)	Public Authorities (7)	Sales for Resale (8)	Fire Protection	
								Private (9)	Public (10)
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>									
Salaries AG	15	213,854	129,339	48,716	14,435	12,404	0	3,208	5,753
Other Supplies & Exp AG	15	41	25	9	3	2	0	1	1
Other Supplies & Exp AG	15	76,130	46,043	17,342	5,139	4,416	0	1,142	2,048
Other Supplies & Exp AG	15	61,250	37,044	13,953	4,134	3,553	0	919	1,648
Mgmt Fees-Admin	15	483,579	292,469	110,159	32,642	28,048	0	7,254	13,008
Mgmt Fees-Customer Service	13	160,505	132,930	20,914	177	4,302	0	2,183	0
Mgmt Fees-Belleville Lab	2	19,944	9,422	6,284	2,535	1,641	0	10	52
Mgmt Fees- Employee	16	17,117	10,126	4,031	1,241	1,034	0	246	438
Outside Services AG	15	30,858	18,663	7,029	2,083	1,790	0	463	830
Outside Services AG	15	74,188	44,889	16,900	5,008	4,303	0	1,113	1,996
Ins Gen Liab Oper AG	15	67,966	41,106	15,483	4,588	3,942	0	1,019	1,828
Ins Work Comp AG	16	31,639	18,717	7,451	2,294	1,911	0	456	810
Ins Other Oper AG	15	21,011	12,707	4,786	1,418	1,219	0	315	565
Property Insurance	15	6,553	3,963	1,493	442	380	0	98	176
Injuries & Damages	16	(300)	(177)	(71)	(22)	(18)	0	(4)	(8)
Employee Pension & Benefits	16	268,745	158,990	63,289	19,484	16,232	0	3,870	6,880
Employee Pension & Benefits	16	207,206	122,583	48,797	15,022	12,515	0	2,984	5,304
Employee Pension & Benefits	16	34,130	20,192	8,038	2,474	2,081	0	491	874
Reg Commision Exp	19	13,672	7,172	3,341	1,131	880	0	208	939
Rents AG	15	5,104	3,087	1,163	344	296	0	77	137
Goodwill Advertising Exp	15	2,341	1,416	533	158	136	0	35	63
Misc Exp AG	15	82,333	49,795	18,755	5,557	4,775	0	1,235	2,215
Research & Development	15	0	0	0	0	0	0	0	0
<b>TOTAL A &amp; G OPERATIONS</b>		<b>1,877,866</b>	<b>1,160,481</b>	<b>418,398</b>	<b>120,288</b>	<b>105,821</b>	<b>0</b>	<b>27,322</b>	<b>45,558</b>
General Plant Maint AG	15	992	600	226	67	58	0	15	27
Maint Exp ARO/Net Neg Sal AG	18	0	0	0	0	0	0	0	0
General Plant Maint AG	15	7,647	4,625	1,742	516	444	0	115	206
<b>TOTAL A &amp; G EXPENSE - MAINTENANCE</b>		<b>8,639</b>	<b>5,225</b>	<b>1,968</b>	<b>583</b>	<b>501</b>	<b>0</b>	<b>130</b>	<b>232</b>
<b>TOTAL A &amp; G EXPENSE</b>		<b>1,886,505</b>	<b>1,165,705</b>	<b>420,365</b>	<b>120,871</b>	<b>106,322</b>	<b>0</b>	<b>27,451</b>	<b>45,790</b>
<b>Total Operation &amp; Maintenance Expenses</b>		<b>3,506,114</b>	<b>2,050,884</b>	<b>842,661</b>	<b>277,461</b>	<b>214,575</b>	<b>0</b>	<b>43,819</b>	<b>76,714</b>

JFC-5

Schedule B-JFC

MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY 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	Public Authorities	Sales for Resale	Fire Protection	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	Private	Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>DEPRECIATION EXPENSE</b>									
Struct & Imp SS	2	1,479	699	466	188	122	0	1	4
Struct & Imp P	6	39,958	18,493	12,335	4,975	3,221	0	152	783
Struct & Imp WT	2	79,806	37,700	25,147	10,143	6,568	0	40	207
Struct & Imp TD	7	4,245	1,411	915	337	240	0	219	1,123
Struct & Imp AG	15	54	33	12	4	3	0	1	1
Struct & Imp Offices	15	6,082	3,678	1,385	411	353	0	91	164
Struct & Imp Store,Shop,Gar	15	0	0	0	0	0	0	0	0
Struct & Imp Misc	15	0	0	0	0	0	0	0	0
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	20,507	9,688	6,462	2,606	1,688	0	10	53
Wells & Springs	2	0	0	0	0	0	0	0	0
Supply Mains	2	0	0	0	0	0	0	0	0
Power Generation Equip	6	12,958	5,997	4,000	1,613	1,044	0	49	254
Power Generation Equip Othe	6	0	0	0	0	0	0	0	0
Pump Equip Electric	6	35,219	16,299	10,872	4,385	2,839	0	134	690
Pump Equip Diesel	6	0	0	0	0	0	0	0	0
Pump Equip Hydraulic	6	0	0	0	0	0	0	0	0
Pump Equip Other	6	669	310	207	83	54	0	3	13
WT Equip Non-Media	2	82,501	38,973	25,996	10,486	6,790	0	41	215
WT Equip Filter Media	2	4,194	1,981	1,322	533	345	0	2	11
Dist Reservoirs & Standpipe	5	1,116	447	288	103	75	0	33	170
Elevated Tanks & Standpipes	5	25,059	10,031	6,463	2,315	1,891	0	744	3,814
Ground Level Facilities	5	161	64	42	15	11	0	5	25
TD Mains Not Classified by	7	38,283	12,725	8,254	3,040	2,163	0	1,975	10,126
TD Mains 4 & Less	4	1,026	322	207	74	54	0	60	309
TD Mains 6 to 8"	4	13,960	4,375	2,819	1,011	738	0	819	4,198
TD Mains 10 to 16"	3	19,401	8,404	5,609	2,262	1,465	0	272	1,389
TD Mains 18 & Grtr	3	12	5	4	1	1	0	0	1
TD Mains CI <10 1900-28 (S"	4	166	52	34	12	9	0	10	50
Services	10	15,628	12,060	2,277	30	617	0	644	0
Meters Bronze Case	9	21,976	15,359	4,560	171	1,886	0	0	0
Meters Plastic Case	9	0	0	0	0	0	0	0	0
Meters Other	9	14,600	10,204	3,030	114	1,253	0	0	0
Meters Other-Rem Rdr Unts	9	213	149	44	2	18	0	0	0
Meter Installations	9	7,253	5,069	1,505	57	622	0	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Hydrants	8	20,133	0	0	0	0	0	0	20,133
Other P/E Intangible	17	304	134	75	26	21	0	6	41
Other P/E TD	7	0	0	0	0	0	0	0	0
Other P/E CPS	15	5,682	3,436	1,294	384	330	0	85	153
Office Furniture & Equip	15	3,550	2,147	809	240	206	0	53	95
Comp & Periph Equip	15	63,400	38,344	14,443	4,280	3,677	0	951	1,705
Computer Software	15	37,636	22,762	8,573	2,540	2,183	0	565	1,012

JFC-6

Schedule B-JFC

**MISSOURI-AMERICAN WATER COMPANY**  
**JEFFERSON CITY 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)	Public Authorities (7)	Sales for Resale (8)	Fire Protection	
								Private (9)	Public (10)
Comp Software Personal	15	707	428	161	48	41	0	11	19
Data Handling Equipment	15	0	0	0	0	0	0	0	0
Other Office Equipment	15	0	0	0	0	0	0	0	0
Trans Equip Lt Duty Trks	15	2,914	1,762	664	197	169	0	44	78
Trans Equip Hvy Duty Trks	15	0	0	0	0	0	0	0	0
Trans Equip Autos	15	3,805	2,301	867	257	221	0	57	102
Trans Equip Other	15	8	5	2	1	0	0	0	0
Stores Equipment	15	118	71	27	8	7	0	2	3
Tools,Shop,Garage Equip	15	13,125	7,938	2,990	886	761	0	197	353
Tools,Shop,Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	7,978	3,769	2,514	1,014	657	0	4	21
Laboratory Equip Other	2	792	374	250	101	65	0	0	2
Power Operated Equipment	15	1,873	1,133	427	126	109	0	28	50
Comm Equip Non-Telephone	15	4,195	2,537	956	283	243	0	63	113
Remote Control & Instr	15	796	481	181	54	46	0	12	21
Comm Equip Telephone	15	31	19	7	2	2	0	0	1
Misc Equipment	15	23,704	14,336	5,400	1,600	1,375	0	356	638
<b>Total Depreciation Expense</b>		<b>637,278</b>	<b>316,508</b>	<b>163,891</b>	<b>57,016</b>	<b>43,982</b>	<b>0</b>	<b>7,739</b>	<b>48,142</b>
Amort-Other UP	18	2,362	1,049	584	204	160	0	47	316
Amort-Intangible Fin	2	647	306	204	82	53	0	0	2
Amort-Property Losses	2	0	0	0	0	0	0	0	0
<b>Taxes Other Than Income</b>									
Utility Reg Assessment Fee	19	51,795	27,172	12,659	4,283	3,336	0	787	3,558
Property Taxes	18	341,939	151,855	84,527	29,509	23,183	0	6,805	46,059
FUTA	16	957	566	225	69	58	0	14	24
FICA	16	70,772	41,869	16,667	5,131	4,275	0	1,019	1,812
SUTA	16	2,750	1,627	648	199	166	0	40	70
Other Taxes & Licenses	15	12,142	7,343	2,766	820	704	0	182	327
Gross Receipts Tax	19	0	0	0	0	0	0	0	0
<b>Total Taxes, Other Than Income</b>		<b>480,355</b>	<b>230,432</b>	<b>117,492</b>	<b>40,012</b>	<b>31,722</b>	<b>0</b>	<b>8,846</b>	<b>51,851</b>
<b>Income Taxes</b>	18	<b>614,201</b>	<b>272,767</b>	<b>151,830</b>	<b>53,006</b>	<b>41,643</b>	<b>0</b>	<b>12,223</b>	<b>82,733</b>
<b>Utility Income Available for Return</b>	18	<b>1,518,787</b>	<b>674,493</b>	<b>375,444</b>	<b>131,071</b>	<b>102,974</b>	<b>0</b>	<b>30,224</b>	<b>204,581</b>
<b>Total Cost of Service</b>		<b>6,759,744</b>	<b>3,546,439</b>	<b>1,652,106</b>	<b>558,853</b>	<b>435,109</b>	<b>0</b>	<b>102,899</b>	<b>464,340</b>
<b>Less: Other Water Revenues</b>	19	<b>47,963</b>	<b>25,161</b>	<b>11,722</b>	<b>3,967</b>	<b>3,089</b>	<b>0</b>	<b>729</b>	<b>3,295</b>
Revenue Contribution	19	0	0	0	0	0	0	0	0
<b>Total Other Water Revenues</b>		<b>47,963</b>	<b>25,161</b>	<b>11,722</b>	<b>3,967</b>	<b>3,089</b>	<b>0</b>	<b>729</b>	<b>3,295</b>
<b>Total Cost of Service Related to Sales of Water</b>		<b>\$ 6,711,781</b>	<b>\$ 3,521,278</b>	<b>\$ 1,640,384</b>	<b>\$ 554,886</b>	<b>\$ 432,020</b>	<b>\$ -</b>	<b>\$ 102,170</b>	<b>\$ 461,045</b>
<b>Reallocation of Public Fire</b>	20	<b>0</b>	<b>322,224</b>	<b>95,667</b>	<b>3,596</b>	<b>39,558</b>	<b>0</b>	<b>0</b>	<b>(461,045)</b>
<b>Total</b>		<b>\$ 6,711,781</b>	<b>\$ 3,843,502</b>	<b>\$ 1,736,050</b>	<b>\$ 558,482</b>	<b>\$ 471,577</b>	<b>\$ -</b>	<b>\$ 102,170</b>	<b>\$ -</b>

JFC-7

Schedule B-JFC

**MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY 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	1,427	0.4357
Commercial	1,059	0.3233
Industrial	498	0.1520
Other Public Authority	274	0.0836
Sales for Resale	0	0.0000
Private Fire Protection	3	0.0009
Public Fire Protection	15	0.0045
<b>Total</b>	<b>3,276</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 0.5882	Allocation Factor (4)	Weighted Factor (5)=(4)x 0.4118	
Residential	0.4357	0.2563	0.5247	0.2161	0.4724
Commercial	0.3233	0.1902	0.3033	0.1249	0.3151
Industrial	0.1520	0.0894	0.0915	0.0377	0.1271
Other Public Authority	0.0836	0.0492	0.0805	0.0331	0.0823
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0009	0.0005			0.0005
Public Fire Protection	0.0045	0.0026			0.0026
<b>Total</b>	<b>1.0000</b>	<b>0.5882</b>	<b>1.0000</b>	<b>0.4118</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  
JEFFERSON CITY 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	1,427	1.0	1,427	0.5247
Commercial	1,032	0.8	825	0.3033
Industrial	498	0.5	249	0.0915
Other Public Authority	274	0.8	219	0.0805
<b>Total</b>	<b>3,231</b>		<b>2,720</b>	<b>1.0000</b>

The weighting of the factors is based on the maximum day ratio of 1.70, based on a review of maximum day ratios experienced during the period 1999 through 2007 (see Schedule D).

	Maximum Day Ratio	Weight
Average Day	1.00	0.5882
Maximum Day Extra Capacity	0.70	0.4118
<b>Total</b>	<b>1.70</b>	<b>1.0000</b>

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

**MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY 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
	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	
(1)	(2)	(3)=(2) X 0.5396	(4)	(5)=(4) X 0.3777	(6)	(7)=(6) X 0.0827	(8)=(3)+(5)+(7)
Residential	0.4357	0.2351	0.5247	0.1981			0.4332
Commercial	0.3233	0.1745	0.3033	0.1146			0.2891
Industrial	0.1520	0.0820	0.0915	0.0346			0.1166
Other Public Authority	0.0836	0.0451	0.0805	0.0304			0.0755
Sales for Resale	0.0000	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.0009	0.0005			0.1634	0.0135	0.0140
Public Fire Protection	0.0045	0.0024			0.8366	0.0692	0.0716
<b>Total</b>	<b>1.0000</b>	<b>0.5396</b>	<b>1.0000</b>	<b>0.3777</b>	<b>1.0000</b>	<b>0.0827</b>	<b>1.0000</b>

JFC-10

Schedule C-JFC

**MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY 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 1.70 and the average daily system sendout for 2008 of 3.52 MGD. The system demand for fire protection is 3,000 Gallons per minute for 3 hours.

	<u>Ratio</u>	<u>Rate of Flow, (GPD)</u>	<u>Weight</u>
Average Day	1.00	3,523,000	0.5396
Maximum Day Extra Capacity	<u>0.70</u>	<u>2,466,100</u>	<u>0.3777</u>
Subtotal	<u>1.70</u>	5,989,100	0.9173
Fire Protection		<u>540,000</u>	<u>0.0827</u>
Total		<u>6,529,100</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  
JEFFERSON CITY 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	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		Allocation Factor
	Thousand Gallons	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	
(1)	(2)	(3)	(4)=(3) X 0.2919	(5)	(6)=(5) X 0.3502	(7)	(8)=(7) X 0.3579	(9)=(4)+(6)+(8)
Residential	59.5	0.4359	0.1272	0.5317	0.1862			0.3134
Commercial	44.1	0.3231	0.0943	0.3073	0.1076			0.2019
Industrial	20.8	0.1524	0.0445	0.0796	0.0279			0.0724
Other Public Authority	11.4	0.0835	0.0244	0.0814	0.0285			0.0529
Sales for Resale	0.0	0.0000	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.1	0.0007	0.0002			0.1634	0.0585	0.0587
Public Fire Protection	0.6	0.0044	0.0013			0.8366	0.2994	0.3007
<b>Total</b>	<b>136.5</b>	<b>1.0000</b>	<b>0.2919</b>	<b>1.0000</b>	<b>0.3502</b>	<b>1.0000</b>	<b>0.3579</b>	<b>1.0000</b>

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

JFC-12

Schedule C-JFC



**MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY 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 2.20 and the average daily system sendout for 2008 of 3.52 MGD. The system demand for fire protection is 3,000 gallons per minute.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	2,447	0.2919
Maximum Hour Extra Capacity	1.20	2,936	0.3502
Subtotal	<u>2.20</u>	5,383	0.6421
Fire Protection		3,000	0.3579
Total		<u>8,383</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	59.5	3.5	208.3	0.5317
Commercial	43.0	2.8	120.4	0.3073
Industrial	20.8	1.5	31.2	0.0796
Other Public Authority	11.4	2.8	31.9	0.0814
Sales for Resale	0.0	2.0	0.0	0.0000
Total	<u>134.7</u>		<u>391.8</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  
JEFFERSON CITY 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 0.3727	Allocation Factor (5)	Weighted Factor (6)=(5) X 0.4473	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.1800	
Residential	59.5	0.4359	0.1625	0.5317	0.2378			0.4003
Commercial	44.1	0.3231	0.1204	0.3073	0.1375			0.2579
Industrial	20.8	0.1524	0.0568	0.0796	0.0356			0.0924
Other Public Authority	11.4	0.0835	0.0311	0.0814	0.0364			0.0675
Sales for Resale	0.0	0.0000	0.0000	0.0000	0.0000			0.0000
Private Fire Protection	0.1	0.0007	0.0003			0.1634	0.0294	0.0297
Public Fire Protection	0.6	0.0044	0.0016			0.8366	0.1506	0.1522
<b>Total</b>	<b>136.5</b>	<b>1.0000</b>	<b>0.3727</b>	<b>1.0000</b>	<b>0.4473</b>	<b>1.0000</b>	<b>0.1800</b>	<b>1.0000</b>

The weighting of the factors is based on the ratio of the capacity required for a 3 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY 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 3 hour demand of fire flow, as related to total storage capacity.

$$\text{Fire Protection Weight} = \frac{3,000 \text{ GPM} \times 60 \text{ Min.} \times 3 \text{ Hrs.}}{3,000,000 \text{ Gallons}} = 0.1800$$

$$\text{General Service Weight} = 1.0000 - 0.1800 = 0.8200$$

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

	<u>Maximum Hour Ratio</u>	<u>Percent</u>	<u>Weight</u>
Average Hour	1.00	45.45	0.3727
Extra Capacity Maximum Hour	<u>1.20</u>	<u>54.55</u>	<u>0.4473</u>
Total	<u><u>2.20</u></u>	<u><u>100.00</u></u>	<u><u>0.8200</u></u>

**MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY 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 0.7545	(4)	(5)=(4)X 0.2455	(6)	(7)=(6)X 0.0000	(8)=(3)+ (5)+(7)
Residential	0.4724	0.3564	0.4332	0.1064	0.3134	0.0000	0.4628
Commercial	0.3151	0.2377	0.2891	0.0710	0.2019	0.0000	0.3087
Industrial	0.1271	0.0959	0.1166	0.0286	0.0724	0.0000	0.1245
Other Public Authority	0.0823	0.0621	0.0755	0.0185	0.0529	0.0000	0.0806
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0005	0.0004	0.0140	0.0034	0.0587	0.0000	0.0038
Public Fire Protection	0.0026	0.0020	0.0716	0.0176	0.3007	0.0000	0.0196
<b>Total</b>	<b>1.0000</b>	<b>0.7545</b>	<b>1.0000</b>	<b>0.2455</b>	<b>1.0000</b>	<b>0.0000</b>	<b>1.0000</b>

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	1,160	0.7545
Associated with Maximum Day and Fire	378	0.2455
Associated with Maximum Hour	0	0.0000
<b>Total</b>	<b>1,538</b>	<b>1.0000</b>

**MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY 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 (3)=(2)X	Allocation Factor 4	Weighted Factor (5)=(4)X	
(1)	(2)	(3)=(2)X	(4)	(5)=(4)X	(6)=(3)+(5)
		0.1578		0.8422	
Residential	0.4332	0.0684	0.3134	0.2640	0.3324
Commercial	0.2891	0.0456	0.2019	0.1700	0.2156
Industrial	0.1166	0.0184	0.0724	0.0610	0.0794
Other Public Authority	0.0755	0.0119	0.0529	0.0446	0.0565
Sales for Resale	0.0000	0.0000	0.0000	0.0000	0.0000
Private Fire Protection	0.0140	0.0022	0.0587	0.0494	0.0516
Public Fire Protection	0.0716	0.0113	0.3007	0.2532	0.2645
<b>Total</b>	<b>1.0000</b>	<b>0.1578</b>	<b>1.0000</b>	<b>0.8422</b>	<b>1.0000</b>

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	123,963	0.1578
Distribution Mains	661,444	0.8422
<b>Total</b>	<b>785,407</b>	<b>1.0000</b>

**MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY 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	1.0000
Total	<u>1.0000</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	9,074	0.6989
Commercial	2,694	0.2075
Industrial	101	0.0078
Other Public Authority	1,114	0.0858
Sales for Resale	<u>0</u>	<u>0.0000</u>
Total	<u>12,983</u>	<u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size	5/8" Dollar Equivalent	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Total	
		Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting	Number of Meters	Weighting
(1)	(2)	(3)	(4)=(2)X(3)	(5)	(6)=(2)X(5)	(7)	(8)=(2)X(7)	(9)	(10)=(2)X(9)	(11)	(12)=(2)X(11)	(13)	(14)
5/8	1.0	8,812	8,812	874	874	3	3	60	60	0	0	9,749	9,749
3/4	1.3	0	0	0	0	0	0	0	0	0	0	0	0
1	1.7	137	233	285	485	2	3	76	129	0	0	500	850
1-1/2	3.5	2	7	71	249	0	0	30	105	0	0	103	361
2	4.3	5	22	163	701	4	17	108	464	0	0	280	1,204
3	19.0	0	0	10	190	1	19	11	209	0	0	22	418
4	29.3	0	0	5	147	2	59	5	147	0	0	12	353
6	48.4	0	0	1	48	0	0	0	0	0	0	1	48
8	112.9	0	0	0	0	0	0	0	0	0	0	0	0
Total		8,956	9,074	1,409	2,694	12	101	290	1,114	0	0	10,667	12,983

JFC-19

Schedule C-JFC

**MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY 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	8,985	0.7717
Commercial	1,697	0.1457
Industrial	22	0.0019
Other Public Authority	460	0.0395
Sales for Resale	0	0.0000
Private Fire Protection	<u>480</u>	<u>0.0412</u>
Total	<u><u>11,644</u></u>	<u><u>1.0000</u></u>



MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

Service Size	3/4" Dollar Equivalent	Residential		Commercial		Industrial		Other Public Authority		Sales for Resale		Private Fire Protection		Total	
		Number of Services	Weighting (4)=(2)X(3)	Number of Services	Weighting (6)=(2)X(5)	Number of Services	Weighting (8)=(2)X(7)	Number of Services	Weighting (10)=(2)X(9)	Number of Services	Weighting (12)=(2)X(11)	Number of Services	Weighting (14)=(2)X(13)	Number of Services	Weighting (16)
(1)	(2)	(3)	(4)=(2)X(3)	(5)	(6)=(2)X(5)	(7)	(8)=(2)X(7)	(9)	(10)=(2)X(9)	(11)	(12)=(2)X(11)	(13)	(14)=(2)X(13)	(15)	(16)
3/4	1.00	8,812	8,812	874	874	3	3	60	60	0	0	0	0	9,749	9,749
1	1.17	137	160	285	333	2	2	78	89	0	0	0	0	500	584
1-1/2	1.58	2	3	71	112	0	0	30	47	0	0	0	0	103	162
2	2.04	5	10	163	333	4	8	108	220	0	0	8	16	288	587
3	2.73	0	0	10	27	1	3	11	30	0	0	1	3	23	63
4	2.88	0	0	5	14	2	6	5	14	0	0	28	75	38	109
6	4.24	0	0	1	4	0	0	0	0	0	0	49	208	50	212
8	6.98	0	0	0	0	0	0	0	0	0	0	20	140	20	140
10	9.50	0	0	0	0	0	0	0	0	0	0	4	38	4	38
12	12.16	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		8,956	8,985	1,409	1,697	12	22	290	460	0	0	108	480	10,775	11,644

JFC-21

Schedule C-JFC

**MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY 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	Transmission & Distribution Operating Expenses	Allocation Factor
(1)	(2)	(3)
Residential	\$ 10,669	0.3743
Commercial	6,118	0.2147
Industrial	2,029	0.0712
Other Public Authority	1,706	0.0599
Sales for Resale	-	0.0000
Private Fire Protection	1,302	0.0457
Public Fire Protection	6,675	0.2342
Total	<u>28,500</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	Transmission & Distribution Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Residential	\$ 54,005	0.6565
Commercial	13,487	0.1640
Industrial	1,825	0.0222
Other Public Authority	3,615	0.0439
Sales for Resale	-	0.0000
Private Fire Protection	3,612	0.0439
Public Fire Protection	5,715	0.0695
Total	<u>\$82,259</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY 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	8,956	0.8282
Commercial	1,409	0.1303
Industrial	12	0.0011
Other Public Authority	290	0.0268
Sales for Resale	0	0.0000
Private Fire Protection	147	0.0136
Public Fire Protection	0	0.0000
 Total	 <u>10,814</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	8,956	0.8396
Commercial	1,409	0.1321
Industrial	12	0.0011
Other Public Authority	290	0.0272
Sales for Resale	0	0.0000
 Total	 <u>10,667</u>	 <u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY 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 (1)	Operation & Maintenance Expenses (2)	Allocation Factor (3)
Residential	\$641,698	0.6048
Commercial	241,627	0.2278
Industrial	71,649	0.0675
Other Public Authority	61,535	0.0580
Sales for Resale	0	0.0000
Private Fire Protection	15,865	0.0150
Public Fire Protection	28,409	0.0269
Total	<u>\$1,060,783</u>	<u>1.0000</u>

## FACTOR 15A. ALLOCATION OF CASH WORKING CAPITAL

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

Customer Classification (1)	Operation & Maintenance Expenses (2)	Allocation Factor (3)
Residential	\$2,050,884	0.5849
Commercial	842,661	0.2403
Industrial	277,461	0.0791
Other Public Authority	214,575	0.0612
Sales for Resale	0	0.0000
Private Fire Protection	43,819	0.0125
Public Fire Protection	76,714	0.0219
Total	<u>\$3,506,114</u>	<u>0.9999</u>

**MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY 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.

<u>Customer Classification</u> (1)	<u>Direct Labor Expense</u> (2)	<u>Allocation Factor</u> (3)
Residential	\$593,646	0.5916
Commercial	236,348	0.2355
Industrial	72,805	0.0725
Other Public Authority	60,631	0.0604
Sales for Resale	0	0.0000
Private Fire Protection	14,444	0.0144
Public Fire Protection	25,668	0.0256
<b>Total</b>	<b><u>\$1,003,542</u></b>	<b><u>1.0000</u></b>

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:

<u>Customer Classification</u> (1)	<u>Original Cost Less Depreciation</u> (2)	<u>Allocation Factor</u> (3)
Residential	\$8,285,221	0.4422
Commercial	4,635,654	0.2474
Industrial	1,620,624	0.0865
Other Public Authority	1,271,907	0.0679
Sales for Resale	0	0.0000
Private Fire Protection	373,413	0.0199
Public Fire Protection	2,551,075	0.1361
<b>Total</b>	<b><u>\$18,737,894</u></b>	<b><u>1.0000</u></b>

**MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY 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	\$7,571,157	0.4441
Commercial	4,213,657	0.2472
Industrial	1,471,133	0.0863
Other Public Authority	1,155,047	0.0678
Sales for Resale	0	0.0000
Private Fire Protection	338,412	0.0199
Public Fire Protection	2,296,453	0.1347
Total	<u>\$17,045,858</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	\$3,512,095	0.5246
Commercial	1,636,106	0.2444
Industrial	553,438	0.0827
Other Public Authority	430,893	0.0644
Sales for Resale	0	0.0000
Private Fire Protection	101,904	0.0152
Public Fire Protection	459,842	0.0687
Total	<u>\$6,694,278</u>	<u>1.0000</u>

**MISSOURI-AMERICAN WATER COMPANY**  
**JEFFERSON CITY 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)	Public Authorities (7)	Sales for Resale (8)	Fire Protection	
								Private (9)	Public (10)
<b>RATE BASE</b>									
Organization	17	\$ 5,368	\$ 2,374	\$ 1,328	\$ 464	\$ 364	\$ -	\$ 107	\$ 731
Franchises	17	0	0	0	0	0	0	0	0
Land & Ld Rights SS	2	0	0	0	0	0	0	0	0
Land & Ld Rights P	6	944	437	291	118	76	0	4	19
Land & Ld Rights WT	2	70,255	33,188	22,137	8,929	5,782	0	35	183
Land & Ld Rights TD	7	100,364	33,361	21,638	7,989	5,671	0	5,179	26,546
Land & Land Rights AG	15	7,181	4,343	1,636	485	417	0	108	193
Struct & Imp SS	2	57,825	27,317	18,221	7,350	4,759	0	29	150
Struct & Imp P	6	515,092	238,385	159,009	64,129	41,516	0	1,957	10,096
Struct & Imp Pump Boosters	6	0	0	0	0	0	0	0	0
Struct & Imp WT	2	1,923,118	908,481	605,974	244,428	158,273	0	962	5,000
Struct & Imp TD	7	180,547	60,014	38,926	14,335	10,201	0	9,316	47,755
Struct & Imp TD Spec Cross	7	0	0	0	0	0	0	0	0
Struct & Imp AG	7	2,263	752	488	180	128	0	117	599
Struct & Imp Offices	15	141,414	85,527	32,214	9,545	8,202	0	2,121	3,804
Gen Structures HVAC	15	0	0	0	0	0	0	0	0
Struct & Imp Leasehold	15	11	7	3	1	1	0	0	0
Struct & Imp Leasehold	15	0	0	0	0	0	0	0	0
Struct & Imp Store,Shop,Gar	15	0	0	0	0	0	0	0	0
Struct & Imp Misc	15	0	0	0	0	0	0	0	0
Collect & Impounding	1	0	0	0	0	0	0	0	0
Lake, River & Other Intakes	2	317,022	149,761	99,894	40,293	26,091	0	159	824
Wells & Springs	2	0	0	0	0	0	0	0	0
Supply Mains	2	0	0	0	0	0	0	0	0
Power Generation Equip	6	619,203	286,567	191,148	77,091	49,908	0	2,353	12,136
Power Generation Equip Othe	6	0	0	0	0	0	0	0	0
Boiler Plant Equipment P	6	0	0	0	0	0	0	0	0
Pump Equip Steam	6	0	0	0	0	0	0	0	0
Pump Equip Electric	6	1,133,995	524,813	350,064	141,182	91,400	0	4,309	22,226
Pump Equip Elec Boosters Po	6	0	0	0	0	0	0	0	0
Pump Equip Diesel	6	0	0	0	0	0	0	0	0
Pump Equip Hydraulic	6	30,608	14,165	9,449	3,811	2,467	0	116	600
Pump Equip Other	6	31,450	14,555	9,709	3,916	2,535	0	120	616
Pump Equip WT	6	0	0	0	0	0	0	0	0
Pump Equip TD	6	0	0	0	0	0	0	0	0
WT Equip Non-Media	2	1,592,522	752,307	501,804	202,409	131,065	0	796	4,141
WT Equip Filter Media	2	144,672	68,343	45,586	18,388	11,906	0	72	376
Dist Reservoirs & Standpipe	5	41,601	16,653	10,729	3,844	2,808	0	1,236	6,332
Elevated Tanks & Standpipes	5	873,088	349,497	225,170	80,673	58,933	0	25,931	132,884
Ground Level Facilities	5	4,376	1,752	1,129	404	295	0	130	666
TD Mains Not Classified by	7	3,169,368	1,053,498	683,316	251,648	179,069	0	163,539	838,298
TD Mains 4" & Less	4	101,941	31,948	20,582	7,381	5,393	0	5,984	30,654
TD Mains 6 to 8"	4	1,484,131	465,127	299,646	107,451	78,511	0	87,119	446,278
TD Mains 10 to 16"	3	2,056,740	890,980	594,604	239,816	155,284	0	28,794	147,263
TD Mains 18" & Grtr	3	1,326	575	383	155	100	0	19	95

JFC-27

Schedule C-JFC

MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY 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)	Public Authorities (7)	Sales for Resale (8)	Fire Protection	
								Private (9)	Public (10)
TD Mains Cl <10 1900-28 (S"	4	0	0	0	0	0	0	0	0
TD Mains Cl <10 1929-56 (S"	4	0	0	0	0	0	0	0	0
TD Mains Cl <10 1957-93 (S"	4	17,963	5,630	3,627	1,301	950	0	1,054	5,401
Fire Mains	8	0	0	0	0	0	0	0	0
Services	10	435,074	335,746	63,390	827	17,185	0	17,925	0
Meters Bronze Case	9	1,008,419	704,784	209,247	7,866	86,522	0	0	0
Meters Plastic Case	9	(9,838)	(6,876)	(2,041)	(77)	(844)	0	0	0
Meters Other	9	614,026	429,142	127,410	4,789	52,683	0	0	0
Meters Other-Rem Rdr Unts	9	9,421	6,584	1,955	73	808	0	0	0
Meter Installations	9	313,128	218,845	64,974	2,442	26,866	0	0	0
Meter Installation Other	9	0	0	0	0	0	0	0	0
Meter Vaults	9	0	0	0	0	0	0	0	0
Hydrants	8	782,893	0	0	0	0	0	0	782,893
Other P/E Intangible	17	22,227	9,829	5,499	1,923	1,509	0	442	3,025
Other P/E WT Res Hand Equip	2	0	0	0	0	0	0	0	0
Other P/E TD	7	0	0	0	0	0	0	0	0
Other P/E CPS	15	208,052	125,830	47,394	14,044	12,067	0	3,121	5,597
Office Furniture & Equip	15	(16,969)	(10,263)	(3,866)	(1,145)	(984)	0	(255)	(456)
Comp & Periph Equip	15	339,801	205,512	77,407	22,937	19,708	0	5,097	9,141
Computer Software	15	22,566	13,648	5,141	1,523	1,309	0	338	607
Comp Software Personal	15	1,039	628	237	70	50	0	16	28
Comp Software Other	15	0	0	0	0	0	0	0	0
Data Handling Equipment	15	0	0	0	0	0	0	0	0
Other Office Equipment	15	103	62	23	7	6	0	2	3
Trans Equip Lt Duty Trks	15	4,926	2,979	1,122	332	286	0	74	133
Trans Equip Hvy Duty Trks	15	26,918	16,280	6,132	1,817	1,561	0	404	724
Trans Equip Autos	15	24,459	14,793	5,572	1,651	1,419	0	367	658
Trans Equip Other	15	1,320	798	301	89	77	0	20	35
Stores Equipment	15	2,303	1,393	525	155	134	0	35	62
Tools Shop, Garage Equip	15	93,373	56,472	21,270	6,303	5,416	0	1,401	2,512
Tools Shop, Garage Equip Oth	15	0	0	0	0	0	0	0	0
Laboratory Equipment	2	33,594	15,870	10,585	4,270	2,765	0	17	87
Laboratory Equip Other	2	4,735	2,237	1,492	602	390	0	2	12
Power Operated Equipment	15	(26,216)	(15,856)	(5,972)	(1,770)	(1,521)	0	(393)	(705)
Comm Equip Non-Telephone	15	12,426	7,515	2,831	839	721	0	186	334
Remote Control & Instr	15	11,574	7,000	2,637	781	671	0	174	311
Comm Equip Telephone	15	342	207	78	23	20	0	5	9
Misc Equipment	15	221,409	133,908	50,437	14,945	12,842	0	3,321	5,956
Other Tangible Property	17	0	0	0	0	0	0	0	0
<b>Total Utility Plant in Service</b>		<b>18,765,489</b>	<b>8,297,423</b>	<b>4,642,481</b>	<b>1,623,011</b>	<b>1,273,780</b>	<b>0</b>	<b>373,963</b>	<b>2,554,831</b>

JFC-28

Schedule C-JFC



**MISSOURI-AMERICAN WATER COMPANY**  
**JEFFERSON CITY 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)	Public Authorities (7)	Sales for Resale (8)	Fire Protection	
								Private (9)	Public (10)
<b>Other Rate Base Items</b>									
Add:									
Other Utility Plant Adjustments	17	0	0	0	0	0	0	0	0
Cash Working Capital	15A	126,000	73,697	30,278	9,967	7,711	0	1,575	2,759
Materials and Supplies	15	149,711	90,545	34,104	10,105	8,683	0	2,246	4,027
Prepayments	15	31,976	19,339	7,284	2,158	1,855	0	480	860
OPEB's Contributed to External Fund	16	0	0	0	0	0	0	0	0
Pension / OPEB Tracker	16	37,859	22,397	8,916	2,745	2,287	0	545	969
Regulatory Deferrals	17	107,415	47,499	26,574	9,291	7,293	0	2,138	14,619
Less:									
Accumulated Deferred ITC (3%)	17	0	0	0	0	0	0	0	0
Deferred Income Taxes	17	(2,045,205)	(904,390)	(505,984)	(176,910)	(138,869)	0	(40,700)	(278,352)
Pensions	16	(127,374)	(75,354)	(29,997)	(9,235)	(7,693)	0	(1,834)	(3,261)
<b>Total Other Rate Base Elements</b>		<b>(1,719,618)</b>	<b>(726,266)</b>	<b>(428,824)</b>	<b>(151,878)</b>	<b>(118,734)</b>	<b>0</b>	<b>(35,551)</b>	<b>(258,378)</b>
<b>Total Original Cost Measure of Value</b>		<b>\$ 17,045,871</b>	<b>\$ 7,571,157</b>	<b>\$ 4,213,657</b>	<b>\$ 1,471,133</b>	<b>\$ 1,155,047</b>	<b>\$ -</b>	<b>\$ 338,412</b>	<b>\$ 2,296,453</b>

JFC-29

Schedule C-JFC

MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY 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.

<u>Customer Classification</u> (1)	<u>5/8" Dollar Equivalents</u> (2)	<u>Allocation Factor</u> (3)
Residential	9,074	0.6989
Commercial	2,694	0.2075
Industrial	101	0.0078
Other Public Authority	1,114	0.0858
Sales for Resale	0	0.0000
Private Fire	0	0.0000
 Total	 <u>12,983</u>	 <u>1.0000</u>

MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE  
FOR THE YEARS 1999-2008

Year	Average Daily Send out (MGD)	Maximum Daily Use		
		MGD	Ratio to Average	Highest Use Day
(1)	(2)	(3)	(4)	(5)
1999	3.810	6.500	1.71	7/22/1999
2000	4.101	5.690	1.39	7/11/2000
2001	3.739	5.240	1.40	8/21/2001
2002	3.861	5.980	1.55	8/5/2002
2003	4.171	6.990	1.68	8/17/2003
2004	4.042	5.760	1.42	7/22/2004
2005	4.270	6.348	1.49	8/2/2005
2006	4.040	6.830	1.69	8/1/2006
2007	3.840	6.260	1.63	8/9/2007
2008	3.523	5.199	1.48	7/21/2008

**MISSOURI-AMERICAN WATER COMPANY  
JEFFERSON CITY 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)
<b><u>PRIVATE FIRE PROTECTION</u></b>				
<u>Fire Lines</u>				
2 -inch	4.00	8	32	
3 -inch	9.00	1	9	
4 -inch	16.00	26	416	
6 -inch	36.00	49	1,764	
8 -inch	64.00	20	1,280	
10 -inch	100.00	4	400	
12 -inch	144.00	0	0	
Private Hydrants	26.50	39	1,028	
<b>Total Private Fire Protection</b>		<u>146.8</u>	<u>4,929</u>	0.1634
<b><u>PUBLIC FIRE PROTECTION</u></b>				
<u>Hydrant</u>	<u>Nozzle Sizes</u>			
5 1/4" Valve	2- 2-1/2" & 1- 4.5"	26.50	947	25,096
4 1/2" Valve	1- 2-1/2"	12.50	11	138
<b>Total Public Fire Protection</b>		<u>958</u>	<u>25,234</u>	0.8366
<b>Total Fire Protection</b>		<u>1,105</u>	<u>30,163</u>	<u>1.0000</u>