EXHIBIT

Exhibit No.: 12
Issue(s): Acquisition Adjustment/
St. Joseph Water Treatment Plant Excess Capacity/
St. Joseph Retired Treatment Plant/
Main Incident Expense/
American Water Resources and Affiliated Transactions/
Security AAO/Advertising Expense
Witness: Kimberly K. Bolin
Type of Exhibit: Direct Testimony
Sponsoring Party: Public Counsel
Case Number: WR-2003-0500
Date Testimony Prepared: October 3, 2003

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JAN 23 2004

Missouri Public
Service Commission

DIRECT TESTIMONY

OF

KIMBERLY K. BOLIN

Submitted on Behalf of
The Office of the Public Counsel

MISSOURI-AMERICAN WATER COMPANY

Case No. WR-2003-0500

October 3, 2003

Exhibit No. 12
Case No(s). WR-2003-0500
Date 12/16/03 Rptr SULM

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 Rates for Water and Sewer Service.	))))	Case No. WR-2003-0500

AFFIDAVIT OF KIMBERLY K. BOLIN

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Kimberly K. Bolin, of lawful age and being first duly sworn, deposes and states:

1. My name is Kimberly K. Bolin. I am a Public Utility Accountant for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my direct testimony consisting of pages 1 through 34 and Schedules KKB-1 through KKB-9.

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

Kimberly Bolin
Kimberly K. Bolin
Public Utility Accountant I

Subscribed and sworn to me this 3rd day of October 2003.

KATHLEEN HARRISON
Notary Public - State of Missouri
County of Cole
My Commission Expires Jan. 31, 2006

Kathleen Harrison
Kathleen Harrison
Notary Public

My commission expires January 31, 2006.

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DIRECT TESTIMONY

OF

KIMBERLY K. BOLIN

ST. LOUIS COUNTY WATER COMPANY

CASE NO. WR-2003-0500

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. Kimberly K. Bolin, P.O. Box 7800, Jefferson City, Missouri 65102.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the Office of the Public Counsel of the State of Missouri (OPC or Public Counsel) as a Public Utility Accountant I.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.

A. I graduated from Central Missouri State University in Warrensburg, Missouri, with a Bachelor of Science in Business Administration, major in Accounting, in May, 1993.

Q. WHAT IS THE NATURE OF YOUR CURRENT DUTIES WITH THE OFFICE OF THE PUBLIC COUNSEL?

A. Under the direction of the Chief Public Utility Accountant, I am responsible for performing audits and examinations of the books and records of public utilities operating within the state of Missouri.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION?

A. Yes. Please refer to Schedule KKB-1, attached to this direct testimony, for a listing of cases in which I have previously submitted testimony.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of my direct testimony is to express the Public Counsel's position regarding several issues. These include the appropriate main incidence expense, advertising expense the proper treatment of the acquisition adjustment, the exclusion of the old St. Joseph treatment plant from the cost of service, the treatment of the security AAO, affiliated transactions and the excess plant capacity at the St. Joseph water treatment facility.

Q. BY ADDRESSING THE LISTED ISSUES IN YOUR TESTIMONY, DOES THAT MEAN THAT PUBLIC COUNSEL TAKES NO POSITION ON OTHER ISSUES CONTAINED IN MISSOURI-AMERICAN'S DIRECT FILING?

A. Not necessarily. We are a small office and do not have the resources to address every issue. Also our investigation is continuing. As further issues arise in the testimony of other parties, Public Counsel reserves the right to address these issues in rebuttal or surrebuttal as appropriate.

Q. ARE YOU AWARE THAT THE MISSOURI PUBLIC SERVICE COMMISSION STAFF (STAFF) HAS FILED A NOTICE OF EXCESSIVE EARNINGS COMPLAINT?

A. Yes. I will address Staff's filing in my rebuttal testimony in this case.

ACQUISITION ADJUSTMENT

Q. WHAT IS AN ACQUISITION ADJUSTMENT?

A. An acquisition adjustment refers to an amount paid, in excess of or below net book value, by the acquiring company. Net book value is the original cost of the property when the property is first placed in public service minus accumulated deprecation and amortization. Original cost, as applied to utility plant, means the cost of property to the utility devoting it to public service.

If the utility property is purchased by another utility, the purchaser must record the acquisition in the appropriate plant and property accounts at the selling utility's original cost. Any difference between the original cost and the actual price paid by the subsequent purchaser is recorded as the acquisition adjustment. An acquisition adjustment does not represent a contribution of capital (i.e., neither cash or new investment) to the public service. It merely represents a purchase of the legal interest in the properties that were possessed by the seller.

Q. IS MISSOURI-AMERICAN SEEKING TO RECOVER ANY ACQUISITION ADJUSTMENT IN THIS CASE?

A. Yes. Missouri American Water Company has included the acquisition premium in its test year rate base and requested recovery of the related amortization as an expense. The acquisition premium was a result from the Company's acquisition of four water systems, United Water Missouri (Jefferson City) and the municipal systems of Valley Park, Webster Groves, and Florissant.

Q. WHAT AMOUNT OF THE ACQUISITION ADJUSTMENT IS THE COMPANY REQUESTING TO BE RECOGNIZED IN RATE BASE?

A. $7,607,696. See Schedule KKB-2 for more detail.

Q. IS THIS THE ORIGINAL TOTAL AMOUNT OF THE ACQUISITION ADJUSTMENT?

A. No. The original amount was $7,801,318. Company has already begun amortizing the acquisition adjustment for financial reporting purposes. Therefore, leaving a balance of $7,607,696 as of June 30, 2003 for the Company's financial net acquisition adjustment.

Q. PLEASE EXPLAIN HOW THE COMPANY SEEKS TO RECOVER THE $7,607,696?

A. The Company is requesting inclusion of the unamortized amount of the acquisition premium in rate base. This would allow the Company to receive a "return on" the premium amount. Company is also seeking to receive a "return of" the additional money spent to acquire the property by amortizing the premium over a 38 year period.

Q. WHAT IS PUBLIC COUNSEL'S POSITION REGARDING COMPANY'S INCLUSION OF THE ACQUISITION PREMIUM IN THE RATE BASE?

A. Public Counsel is opposed to the inclusion of the acquisition premium in rate base because the rate base component for plant should only include the original cost (net of accumulated depreciation and contributions in aid of construction) of the property when it is first devoted to public service. The Company's proposed acquisition adjustment does not represent a contribution of capital or additional benefit to Missouri ratepayers. The acquisition adjustment merely represents additional funds expended to acquire the legal interest to property already devoted to public service.

Q. HAS THE MISSOURI PUBLIC SERVICE COMMISSION PREVIOUSLY DENIED ACQUISITION ADJUSTMENTS?

A. Yes, on a number of occasions. For example, in the Missouri American Water Company Case No. WR-95-205 the Commission ruled the following:

> Missouri-American is proposing recovery of this acquisition adjustment in its revenue requirement. Missouri-American is requesting that it be authorized to amortize the acquisition adjustment over a 40-year period as well as include the unamortized acquisition adjustment in its rate base. This has the effect of increasing the company's revenue requirement by $692,513. Missouri-American has stated four primary arguments in support of its request. First, the Company has demonstrated that the acquisition has already resulted in actual cost savings which more that offset the associated revenue requirement of including the acquisition adjustment in cost of service. Second, these (aforementioned) cost savings to ratepayers will continue to increase over time. Third, ratepayers of Missouri-American (including former ratepayers of MAWC) are receiving improved service as a result of the acquisition. Fourth, public policy is best served by encouraging mergers and acquisitions where cost savings or other benefits can be demonstrated to accrue to ratepayers.
>
> The Commission finds in this case that the Company has failed to justify an allowance for the acquisition adjustment . . . . . Therefore, the Commission finds that the original cost principle is sound for the purposes of this case. The Commission finds that the original cost principle is sound for the purposes of this case. The Commission finds it appropriate that the excess purchase costs over and above the net original cost of the Missouri Cities Water Company properties be booked to USOA Account 114 (Utility Plant Acquisition Adjustment) and amortized below the line over 40 years to USOA Account 425 (Miscellaneous Amortization).

Q. WHAT DOES THE ACQUISITION PREMIUM REPRESENT?

A. The acquisition premium merely represents a financial transaction among shareholders. A portion of the acquisition premium actually represents the procurement of additional shareholder value (a control premium) that exceeds the market price of the selling utility. That financial gain has nothing to do with the determination of the value of the actual plant and service investment utilized in the operation and provision of services to utility customers. As far as those investments are concerned the purchase transaction itself changes nothing and they will remain fixed until the new owners implement any changes.

Q. DOES AN ACQUISITION PREMIUM PROVIDE ANY ADDITIONAL BENEFITS TO MISSOURI RATEPAYERS?

A. No. The acquisition premium consists of nothing more than financial transaction that values the excess purchase cost over and above the net original cost of the newly acquired utility water systems. In and of itself, the acquisition premium provides no additional benefit to Missouri ratepayers; therefore, to allow the Company recovery through a rate base return or cost of service treatment unjustly penalizes consumers.

Q. HAS THE COMMISSION DENIED A NEGATIVE ACQUISITION ADJUSTMENT ?

A. Yes. In the U.S. Water/Lexington, Missouri general rate case, Case No. WR-888-255, the Commission denied a negative adjustment that was proposed by a party other than the Company.

Q. ARE YOU AWARE OF ANY RECENT COURT RULINGS THAT ADDRESS THE ISSUE OF RECOVERY OF AN ACQUISITION PREMIUM?

A. Yes. In the recent case of State of Missouri ex. rel. AG Processing, Inc. v. Public Service Commission, Case No. WD60631 (Slip Op. 4/22/03), the Missouri Court of Appeals for the Western District stated that the Public Service Commission was required to consider and decide whether UtiliCorp would be allowed to "recoup any of the acquisition premium" it obtained in its acquisition of St. Joseph Light and Power Co., at the time of the merger, rather than leaving this issue to a future rate case. The Court stated that "We fail to see how the PSC could make critical findings with respect to cost allocations of the merger without making a determination as to whether UtiliCorp would be permitted to recoup any of the $92,000,000 acquisition premium from those same ratepayers." The Court of Appeals found this especially compelling because, in its determination that the acquisition was not detrimental to the public interest, the Court stated that "the PSC was obviously persuaded by the theme asserted by the applicants in their joint application that the merger was essential to insuring that the ratepayers of SJLP would continue to receive low-cost power in the future." (Slip Op. at p. 9 of 12.)

Public Counsel notes that, while this case is still pending a final decision from the Missouri Supreme Court, it would be appropriate to consider these concerns in reviewing any request for an acquisition premium in this case.

Q. HOW SHOULD THE COMPANY RECORD THE ACQUISITION ADJUSTMENT IN THE COMPANY BOOKS?

A. Public Counsel recommends that the Company follow Commission precedent by continuing to record the acquisition adjustment in Account 114, Utility Plant Acquisition Adjustment and amortized over a 37 year period to Account 115, Accumulated Amortization – UPAA with no ratemaking consideration.

ST. JOSEPH WATER TREATMENT PLANT EXCESS CAPACITY

Q. IN MISSOURI-AMERICAN CASE NO. WR-2000-281 DID THE COMMISSION DISALLOW A PORTION OF THE NEW ST. JOSEPH WATER TREATMENT PLANT FROM RATE BASE?

A. Yes. The Commission ruled that $2,271,756 should be deducted from the value of the new St. Joseph water treatment plant to be included in rate base.

Q. WHY DID THE COMMISSION DISALLOW THIS AMOUNT FROM RATE BASE?

A. The Commission disallowed this amount because not all of the capacity was being used and useful. The new plant had a rated capacity of 28.5 million gallons daily however, the peak day usage was only 23 million gallons daily.

Q. HOW DID THE COMMISSION ARRIVE AT THE DISALLOWANCE OF $2,271,756 FROM RATE BASE?

A. In Staff witness James Merceil's rebuttal testimony he identified and valued specific items and components built to an excess capacity that would not be needed if the plant was built to the capacity that is used and useful. (See attached schedule KKB-3)

Q. WHAT WAS THE HIGHEST PEAK DAY USAGE FOR THE LAST THREE YEARS FOR THE ST. JOSEPH DIVISION?

A. The highest peak day usage in the last three years occurred July 16, 2003 at 22.005 million gallons daily. (Source: Staff Data Request number 4301)

Q. IN THE FUTURE IF THE MGD OF PRODUCTION INCREASES ABOVE 23 MGD SHOULD THE COMPANY BE ALLOWED TO INCREASE ITS PLANT-IN-SERVICE ?

A. Yes. Rate base should only include values associated with plant that is used and useful in the provision of service to current customers. If a utility has built excess capacity that is not currently necessary for the provision of service to current customers, the associated cost or value should not be included in the overall cost of service on which rates are set. Allowing the Company to increase its plant-in-service as the excess capacity of the plant becomes needed properly matches the rate base with the customer's needs. To require customers to pay for excess capacity provide utilities with incentives to make uneconomical choices from the ratepayers perspective. The incentive is the opportunity to reap greater returns. Inclusion of excess capacity in rate base also shifts the risk associated with the financial impacts of management decision from the stockholders to the ratepayers. Such a shifting of risk is neither appropriate nor consistent with competitive markets.

ST. JOSEPH RETIRED TREATMENT PLANT

Q. EXPLAIN THE HISTORY OF THE RETIREMENT OF THE OLD ST. JOSEPH WATER TREATMENT PLANT.

A. The company built a new water treatment plant in 2000 in St. Joseph, Missouri, that replaced a still operating water treatment plant. When the new plant went online, the Company retired the existing plant. The old plant is no longer providing service to St. Joseph. However, the old plant was not fully depreciated before the plant's retirement. The net plant investment associated with the retired

St. Joseph water treatment plant was $2,832,906 plus $344,955 for the cost of removing the plant from service.

Q. DOES MISSOURI-AMERICAN WATER COMPANY STILL OWN THE ST. JOSEPH TREATMENT PLANT?

A. No. The Company sold the St. Joseph water treatment facilities to Riverine Park, LLC on July 1, 2002 for $115,000.

Q. PLEASE DESCRIBE THE CONCEPT OF ''USED AND USEFUL.''

A. The "used and useful' test is commonly used by regulatory commissions to determine if an item should be included in rate base. Under this concept, only plant or property currently providing utility service to the public is allowed rate base treatment.

Q. PLEASE EXPLAIN THE ACCOUNTING TERMS ''RETURN OF'' AND ''RETURN ON.''

A. If an expenditure is recorded on the income statement as an expense it is compared dollar for dollar to revenues. This comparison is referred to as a "return of" because a dollar of expense is matched by a dollar or revenue.

"Return on" occurs when an expenditure is capitalized within the balance sheet because it increased the value of a balance sheet asset or investment. This capitalization is then included in the rate base calculation, which is a preliminary step in determining the earnings the company achieves on its total regulatory investment.

Q. WHAT IS DEPRECIATION?

A. As applied to depreciable utility plant, depreciation means the loss in service value not restored by current maintenance, incurred with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities, etc.

Q. SHOULD THE COMPANY BE ALLOWED TO INCLUDE IN THE COST OF SERVICE THE AMORTIZATION OF THE PREMATURE RETIREMENT OF THE OLD ST. JOSEPH WATER TREATMENT PLANT?

A. No. The old St. Joseph water treatment plant is no longer used and useful and is no longer owned by the Company. The Company is entitled to the opportunity to earn a fair return on prudent investments that are used and useful in rendering utility service. Ratepayers should not have to pay for plant that is no longer rendering utility service and is no longer owned by the Company. In addition, new customers should not be expected to pay for plant that served past customers, that is no longer on the system and from which they receive no benefit.

MAIN INCIDENT EXPENSE

Q. WHAT ARE MAIN INCIDENTS?

A. Main incidents have been defined in Case Nos. WR-95-145 and WR-96-263 as all breaks including main breaks, joint leaks, flush valve and blocking failures, and any other type of event requiring a maintenance call, except main breaks caused by others.

Q. IS THIS ISSUE A STATE-WIDE ISSUE FOR MISSOURI-AMERICAN WATER COMPANY?

A. No. the issue of main break incident expense only applies to the St. Louis County district of Missouri-American Water Company.

Q. IS THERE A CALCULATION THAT WILL DETERMINE THE EXACT NUMBER OF MAIN INCIDENTS THAT WILL OCCUR IN THE FUTURE YEARS?

A. No. Due to the very nature of main incidents, it is impossible to know the exact number of main incidents that will occur each year. Multiple factors effect the occurrence rate. Several internal factors include system design, pipe type, and installation method. External factorssuch as weather also have a significant bearing on the occurrence rate. Therefore, it is appropriate to determine a normalized number of main incidents expected to occur in the future years. The basis for estimation should be the historical data of the St. Louis County district.

Q. HOW IS THE RATEPAYER PROTECTED FROM RATE VOLATILITY WHEN EXPENSES FLUCTUATE FROM YEAR TO YEAR AS THEY DO FOR COMPANY'S MAIN INCIDENT EXPENSE?

A. A normalization of the expenses, which smoothes out the level of fluctuating expenses in the cost of service, is performed to protect the ratepayer from rate volatility and to provide the stockholder with an opportunity to earn an adequate return on that investment. This approach stabilizes rates and develops a reasonable level of expenses that may occur in the future. This approach anticipates that actual expenses may be greater or less than the normalized level in any specific year. The goal is to utilize a normalized level that is equal to the actual experience over a period of years.

Q. PLEASE DESCRIBE THE NORMALIZATION PROCESS.

A. First the Company's historical data regarding specific expense items is reviewed to determine if any fluctuations exist in the data. If the expense fluctuates from year to year, an average over a several year period is calculated. The number of years used should be long enough to capture high or low levels of activity. Only if the expense does not fluctuate significantly should the test year amount be used as being representative of a normalized on-going level.

Q. DID PUBLIC COUNSEL EXAMINE COMPANY'S HISTORICAL DATA CONCERNING THE NUMBER OF MAIN INCIDENTS THAT OCCUR EACH YEAR?

A. Yes, Public Counsel examined Company historical data concerning main incidents. Public Counsel found that the number of main incidents per year have fluctuated dramatically over the last 15 years. In the last ten years, Company has had as few as 1,991 main incidents per year (2001) to as many as 3151 main incidents per year (1999) (See Attached KKB-4). This fluctuation results in a 58.3% change from the low level to the high level. Public Counsel's analysis has detected a general downward trend in the number of main incidents occurring each year over the last ten years (the data was unadjusted for weather effects) (See Schedule KKB-5). However, to conclude from this that the Company will have fewer main incidents in the next 12 months than calendar year 2001 or more main incidents than calendar year 1999 is not appropriate in my opinion in the instant case. As Schedule KKB-5 shows that the number of main incidents fluctuates significantly from year to year.

Q. WHAT AMOUNT OF MAIN INCIDENTS DID PUBLIC COUNSEL RECOMMEND IN THE LAST RATE CASE, CASE NO. WR-2000-844?

A. In the last case for St. Louis County Water company, which is now a division of Missouri-American Water Company, Public Counsel recommended using 2,586 as the level of main incidents as the proper level for ratemaking purposes. Public Counsel used a five-year average to develop its recommended normalized level .

Q. BASED STRICTLY UPON PUBLIC COUNSEL'S ANALYSIS OF THE HISTORICAL DATA, WHAT IS PUBLIC COUNSEL'S NORMALIZED NUMBER OF MAIN INCIDENTS TO BE USED IN THIS CASE?

A. After reviewing the data, Public Counsel again determined a five-year average of main incidents would be the best representation of the level of main incidents expected to occur in the future. Public Counsel used the 12 months ending June 30, 2003, June 30, 2002, June 30, 2001, June 30, 2000 and June 30, 1999 to arrive at an average number of main incidents per year of 2397.

Q. WHY DID PUBLIC COUNSEL CHOOSE TO USE A FIVE YEAR AVERAGE INSTEAD OF THE TEST YEAR NUMBER OF MAIN INCIDENTS?

A. Due to the fluctuation in the number of main breaks from year to year , Public Counsel believes more than one year of data is needed to arrive at a normalized expected level of main breaks. Public Counsel believes three years of data would be a long enough time frame to capture the high and the low levels of activity that has occurred, however, Public Counsel chose the five-year average because it was at the high end of the range.

Q. DID PUBLIC COUNSEL TEST THE APPROPRIATENESS OF ITS RECOMMENDATION?

A. Yes. Public Counsel compared the five year average (July 1998 through June 2003) to the following averages (See Schedule KKB-6):

1. Three-year average based on calendar years 2000, 2001 and 2002 (2108 main incidents)
2. Four-year average based on calendar years 1999, 2000, 2001 and 2002 (2369 main incidents)
3. Five-year average based on calendar years 1998, 1999, 2000, 2001 and 2002 (2310 main incidents)
4. Three-year average based on twelve months ending June 30, 2001, June 30, 2002 and June 30, 2003 (2182 main incidents)
5. Four –year average based on twelve months ending June 30, 2000, June 30, 2001, June 30, 2002 and June 30, 2003 (2361 main incidents)

Q. ARE THERE OTHER FACTORS THAT HAVE COME TO PUBLIC COUNSEL'S ATTENTION THAT COULD AFFECT THE PROJECTIONS OF MAIN BREAK INCIDENTS IN THE FUTURE?

A. Yes. In August 2003 new Missouri statutory sections became effective in Chapter 393 RSMo. The sections, 393.1000, 393.1003 and 393.1006, give eligible water companies the ability to recover certain infrastructure system replacement costs outside of a formal rate case proceeding through an Infrastructure System Replacement Surcharge (ISRS) in counties with over 1 million residents. On September 2, 2003 the company filed an Application and Petition for Establishment of an Infrastructure System Replacement Surcharge. This new surcharge will allow the Company to recover more costs associated with replacing mains in St. Louis County, thus the Company will have an incentive to replace mains at a faster rate than the Company has in the previous years. By replacing the mains the Company should reduce the number of main incidents occurring in the future.

Q. ARE YOU FAMILIAR WITH THE WESTIN STUDY?

A. Yes. This economic model analyzes actual main break experience. The results of this model set out main replacement schedules that are premised on lowering overall cost, whether it be capital costs (new investment in replacing mains) or maintenance cost (repairs of existing mains).

Q. WHAT COST PER MAIN INCIDENT SHOULD BE APPLIED TO THE LEVEL OF MAIN INCIDENTS TO ARRIVE AT THE ANNUAL COST OF MAIN INCIDENTS?

A. Public Counsel has determined the level of expense per main break incurred during the 12 months ending June 30, 2003 should be applied to the five-year average number of main incidents. The Company incurred $4,974.109 of main incident repair costs for the 12 months ending June 2003. During this time frame the number of main incidents was 2,705, thus the average cost per main incident equals $1,839. (See Schedule KKB-7)

Q. WHY DID PUBLIC COUNSEL CHOOSE THE AVERAGE COST PER MAIN INCIDENT FOR 12 MONTHS ENDING JUNE 2003?

A. Public Counsel choose the average cost per main incident for the 12 months ending June 2003 because provides the most recent costs of repairing a main incident.

Q. PLEASE SUMMARIZE PUBLIC COUNSEL'S RECOMMENDATION FOR MAIN INCIDENT COSTS.

A. Public Counsel recommends that Commission use a five year average in setting the level of main incidents and apply that level of main incidents (2397) to average cost per main incident for the twelve months ending June 2003 ($1,839) to arrive at a normalized level of main incident expense of $4,408,083.

AMERICAN WATER RESOURCES AND AFFILIATED TRANSACTIONS

Q. DOES PUBLIC COUNSEL HAVE CONCERNS ABOUT THE AFFILIATED TRANSACTIONS THAT ARE OCCURRING BETWEEN THE COMPANY AND IT AFFILIATE AMERICAN WATER RESOURCE

A. Yes. Public Counsel is aware that American Water Resources (AWR) an affiliate of Missouri-American Water Company is providing a water line protection program. This service is being offered to customers in all of the Missouri American districts expect for the St. Louis County district. Notice of this service was sent to customers through the mail on Missouri-American Water Company letterhead and signed by the president of Missouri-American Water Company. (See Schedule KKB-8.

Q. PLEASE EXPLAIN YOUR UNDERSTANDING OF HOW AFFILIATED TRANSACTIONS CAN HAVE A DETRIMENTAL EFFECT ON THE RATEPAYERS.

A. An affiliated transaction is any transaction between two companies or operating divisions that also have a corporate relationship. This relationship could include one firm being a subsidiary of the other, both firm's stock being held by the same parent, or other various corporate relationships.

Transactions between affiliated companies may not be truly arms length transactions and this can result in detriments to a utility's captive customers – the ratepayers.

The potential detrimental financial consequences for ratepayers stem from the distinct possibility that the utility will use its monopoly position to extract higher rates from the captive or monopoly ratepayers or use its monopoly advantage to stifle potential competitors in the unregulated industry. The utility may also incur higher costs, thus producing higher rates, by purchasing goods or services from the affiliated non-regulated entity at a price higher than the non-regulated entity's competitor.

Any cross-subsidization that occurs between the regulated and non-regulated companies could create an unfair advantage to the non-regulated affiliate. The Commission must ensure that any transfer pricing and cost allocations that occur will adequately recover utility costs and prevent cross-subsidization, it must also prevent anti-competitive consequences by ensuring that confidential market sensitive information is not transferred between the utility and the non-regulate affiliate.

Q. WHAT DO YOU MEAN WHEN YOU USE THE TERM ''CROSS-SUBSIDIZATION''?

A. The term describes the transfer of goods and services, financial or non-financial, from the regulated company to the non-regulated company at a price or cost below the actual cost to the regulated company. When such an event occurs the regulated company does not receive compensation for the goods or services equal to the actual costs of the goods or services. Such an event penalizes ratepayers because the costs for which the regulated utility did not receive compensation from the non-regulated affiliate, are likely to be passed on to the regulated utility's captive ratepayers as an element of the regulated company cost of service when, in fact, ratepayers have already compensated the utility for the costs.

Q. IF THE RATES CHARGED THE RATEPAYER ARE EQUAL TO THE COST THE UTILITY INCURS, PLEASE EXPLAIN HOW THE RATEPAYERS COULD BE CHARGED RATES HIGHER THAN APPROPRIATE RATES.

A. Purchases of goods or services by an affiliate company result in a revenue or any asset being recorded on the utility company's financial records. The revenue or asset will offset the utility's cost of producing the goods or services. However, if the price paid by the affiliate is below the production cost of the good or service, the utility company must recover the difference elsewhere. The customer most likely to make up the difference will be the regulated company's captive utility customers.

Stated another way, there is the potential for a non-regulated affiliate to gain a competitive advantage due to transfer pricing below fair market value. There is also the potential for excessive use of utility services or property in a way that may diminish the quality of service or increase the cost of service provided by the utility to the ratepayer.

Q. PLEASE EXPLAIN HOW A UTILITY COULD USE ITS MONOPOLY POSITION TO STIFLE COMPETITION IN THE CERTAIN COMPETITIVE INDUSTRIES.

A. There are multiple ways, both direct and indirect, that a utility could adversely affect competition, for example:

1. A utility would be able to give preferential treatment to an affiliate company that supplies goods or services by not requiring a competitive

bidding process or allowing insider information on the bid process via direct means of the use of common employees.

2. A utility could supply a marketing affiliate with data not normally available to the affiliates competitors such as customer billing information in either a direct means or through the use of common employees or other access to the joint corporate records.

3. A utility and an affiliate could jointly advertise thereby allowing the affiliate to utilize the goodwill that the monopoly utility has developed over the decades it has served as a sole purpose provider of a ratepayer funded basic service.

4. A utility could offer single billing for both its services and those of the affiliate.

5. A utility could jointly market its services and those of the affiliate via the customer service personnel.

6. A utility could allow an affiliate to utilize the brand name and logo of the utility in conducting affiliates business.

Q. WHO HAS THE BURDEN OF DEMONSTRATING THE REASONABLENESS OF THE COST OF AFFILIATED TRANSACTIONS?

A. The utility bears the responsibility to demonstrate the reasonableness of the revenues and costs associated with affiliated transactions. Absent evidence of reasonableness such transactions cannot be considered to be accomplished at arm's length. Such transactions should be subjected to close scrutiny.

Q. IS PUBLIC COUNSEL OPPOSED TO AFFILIATED COMPANIES OF UTILITY COMPANIES ENTERING COMPETITIVE BUSINESS SEGMENTS RELATED TO THE WATER INDUSTRY?

A. Public Counsel does not believe that the Missouri Public Service Commission should allow affiliate transactions absent well-defined rules and guidelines to insure that ratepayers are not adversely effected as previously discussed. If affiliated transactions are allowed, rules must be put in place to insure that competition flourishes in the areas of the water industry that are not regulated. Absent viable competitors and the resulting service and price competition, customers will not benefit. Public Counsel does believe that ratepayers will be best served and protected by either the regulation of a monopoly provider or by introduction of true competition with multiple providers thereby demonopolizing the industry. Ratepayers will not benefit from deregulation absent demonopolization.

Q. DOES PUBLIC COUNSEL BELIEVE IT IS APPROPRIATE TO ADDRESS AFFILIATED TRANSACTION RULES IN A COMPANY SPECIFIC PROCEEDING?

A. Yes. The underlying concepts of any affiliated transaction rules designed to protect captive monopoly ratepayers will not change. However, the implementation of these concepts may need to be tailored to each regulated utility that embarks on unregulated activities. There are multiple factors that could cause the need for tailoring the conceptual framework such as corporate structure, lines of business, and location of businesses. Other factors that could influence decisions on the necessary to protect ratepayers include; market share, incremental and fully allocated costs determinations, and local, federal or state laws or regulations. Each utility that embarks into non regulated activities will probably not do so in exactly the same manner.

Q. PLEASE IDENTIFY SOME ''STANDARDS OF CONDUCT'' YOU WOULD EXPECT THE COMPANY TO FOLLOW DURING ITS INTERACTIONS WITH ITS NON-REGULATED AFFILIATES?

A. The following list though not exhaustive, identifies the types of safeguards OPC would expect to see to protect ratepayers from abuse by Missouri-American and its non-regulated affiliates:

I. Non-Discrimination Standard of Conduct:

A. Affiliates should not be allowed to take advantage of the regulated utility's brand recognition if (1) this causes an unfair and harmful competitive advantage relative to existing or potential competitors, or (2) the regulated utility's ratepayers have not been compensated for an affiliate's use of the brand recognition which has resulted from allowing the utility to have an exclusive franchise to service the market and funding of the utility's monopoly operations by ratepayers.

B. MAWC shall maintain its books of account and records completely separate and apart from those of its non-regulated affiliates.

C. Confidential public utility information should not be disclosed to, transferred to, or shared with AWR without prior Commission approval, and pursuant to any other applicable laws or regulations.

D. MAWC employees shall not disclose to AWR or any other market participants any information about any customer in AWR's service area unless the customer requests, in writing, that this information is released.

E. MAWC shall not provide "leads' to AWR and will refrain from giving the appearance that MAWC speaks on behalf of AWR. MAWC will not promote AWR to specific customers.

F. MAWC may not disclose to AWR or any other market participant information such as:

1. Customer-specific information: names, addresses, names of customers employees, usage history, non-tariff and competitive pricing information, class and service schedules under which utility service is provided, credit information, and similar customer-specific information

that is not generally available to the public, unless the customer authorizes the release.

2. Information contained in any filing with the Commission under confidentiality.

3. Information subject to a confidentiality agreement prohibiting MAWC from disclosing the information to AWR.

4. Information the disclosure of which legal counsel has determined would violate applicable laws and regulations.

G. MAWC and its employees shall not communicate with any customer, supplier, or third party as to any advantage that may accrue to such customer, supplier, or third party in the use of MAWC's services as a result of the customer, supplier, or other third party dealing with AWR.

II. Affiliate Transactions Standards of Conduct:

MAWC shall not provide a financial or non-financial advantage to its non-regulated affiliates. When MAWC does business with its affiliates, the following standards should apply:

A. Financial transactions – MAWC shall be deemed to provide a financial advantage to a non-regulated affiliate if:

1. It buys goods or services from an affiliate above the lessor of

a. Fair market price, or
b. The cost to the regulated utility to provide the goods or services for itself

2. MAWC transfers goods or service of any kind (including, but not limited to land, patents, employee's services, data processing, research, training etc.) to an affiliate below the greater of:

a. Fair market price, or
b. The fully allocated cost to the regulated utility.

B. Non-financial transactions – MAWC shall be deemed to provide a non-financial advantage to a non-regulated affiliate if:

1. It provides any service to an affiliate company which is not made available, on the same terms and conditions, to the affiliate's competitors.

2. It provides planning, coordination, or design knowledge; customer information,; or cooperation of any kind, to an affiliate company, which is not available to the affiliate's competitors.

III. Affiliated Transactions Evidentiary Standards:

A. In any proceeding before the Commission in which any affiliate transactions are at issue, MAWC shall bear the burden of persuasion.

B. MAWC shall present proof of the reasonableness of all affiliated transactions.

C. MAWC shall provide for competitive bids which it purchases good or services from an affiliate.

D. In transactions involving sales of goods or service to affiliates, MAWC shall provide proof that, at the time of the transaction MAWC considered all costs incurred to complete the transactions, calculated the costs at times relevant to the transactions, allocated joint and common costs appropriately, and adequately determined the market value of the services.

E. In transactions involving the purchase of goods or services by MAWC from an affiliate, MAWC will present evidence as to both the cost of the affiliate to produce the goods or service, and the cost to the regulated utility to produce the good or service for itself.

IV. Affiliated Transactions Record Keeping Requirements:

A. Report to the Commission annually all affiliates as defined by these standards.

B. Report to the Commission all contracts entered into with its non-regulated affiliates, and all transactions undertaken with its affiliates without a written contract.

C. Report the annual amount of affiliated transactions by affiliate, by USOA account charged.

D. Report the basis used (e.g., market value, book value, etc.) used to record affiliate transactions.

E. MAWC should develop a cost allocation manual which details how the financial records shall verify that these standards are met and shall maintain books of account supporting records in sufficient detail to permit verification of compliance with these standards. For example:

1. Allocations should be made on the basis of fully-distributed cost allocation methodology.

2. For transactions in which MAWC provides benefits to the subsidiary, the cost of any of these services should be based on the full cost of such service, including both direct and indirect costs that can be clearly ascertained.

3. For services which could reasonable be marketed by MAWC to the public and which have a clear value to the subsidiary, fair market value of such services must be allocated as an imputed cost.

4. For transfers of assets, asymmetric pricing principles should be adopted as necessary for the protection of the regulated utility operations, so that transfers of assets between the parent to the affiliate should be recorded at the greater of book cost or market value, whereas, transfers for the non-regulated operations to the utility operations should be the lessor of book cost or market value.

F. MAWC shall maintain accurate and detailed records, in accordance with generally accepted accounting principles consistently applied, of all expenditures or costs relating to any services, property, rights, or things of any kind bought or sold in transactions with AWR. MAWC will make available all books and records of the parent company, and all affiliates, when required.

SECURITY AAO

Q. IS THE COMPANY SEEKING RECOVERY OF A SECURITY ACCOUNTING AUTHORITY ORDER (AAO)?

A. Yes. The Company was granted on AAO to defer and book to Account 186 expenditures relating to security improvements and enhancements beginning September 11, 2001 and continuing through September 11, 2003.

Q. WHAT IS AN ACCOUNTING AUTHORITY ORDER?

A. An accounting authority order is an accounting mechanism that permits deferral of costs from one period to another. The items deferred are booked as an asset rather than as an expense, thus improving the financial picture of the utility in question during the deferral period. During a subsequent rate case, the Commission determines what portion, if any, of the deferred amounts will be recovered in rates. AAOs should be used sparingly because they permit ratemaking consideration of items from outside the test year.

Q. WHAT DOES THE COMPANY MEAN WHEN IT USES THE TERM DEFER?

A. When a cost (expense) is deferred, it is removed from the income statement and entered on the balance sheet (e.g., Account 186, Miscellaneous Deferred Debits), pending the final disposition of these costs at some future time, usually a rate case. The National Association of Regulatory Utility Commissioners (NARUC), Uniform System of Accounts (USOA) Account No. 186, Miscellaneous Deferred Debits states:

> A. This account shall include all debits not elsewhere provided for, such as miscellaneous work in progress, losses on disposition of property, net of income taxes, deferred by authorization of the Commission, and unusual or extraordinary expenses, not included in other accounts, which are in process of amortization and items the proper final disposition of which is uncertain.

Q. WHAT IS THE DEFERRED BALANCE AS OF JUNE 30,2003?

A. The deferred balance as of June 30, 2003 is $4,292,333.

Q. IS THE COMPANY PROPOSING TO INCLUDE THE DEFERRED BALANCE IN RATE BASE?

A. Yes. The Company is proposing to include $4,726,487 in rate base. This amount is the estimated security AAO balance as of May 2004 (including amortizations).

Q. WHAT AMORTIZATION PERIOD IS THE COMPANY USING?

A. Company is using a 10 year amortization period that was began immediately after the AAO was granted in December 2002.

Q. YOU STATED EARLIER THAT THE COMPANY HAS INCLUDED THE DEFERRED BALANCE IN RATE BASE, IS THAT AN APPROPRIATE ADJUSTMENT?

A. No. The Public Counsel recommends that that deferred balance not be included in the Company's rate base. The rationale for this position is that the Company is being given an effective guaranteed "return of" the deferrals associated with Security AAO; therefore, is should not be also provided with a guaranteed return on those same amounts.

Q. WILL THE SECURITY ENHANCEMENTS AND IMPROVEMENTS BE INCLUDED IN THE COMPANY'S RATE BASE IN THIS CURRENT CASE AND IN THE FUTURE?

A. Yes. The security capital additions are in the Company's test year rate base and will be included on a going forward basis, thus the Company will recover depreciation and earn a return on the capital expenditures.

Q. PLEASE EXPLAIN THE TERMS ''RETURN OF'' AND ''RETURN ON.''

A. If an expenditure is recorded on the income statement as an expense it is compared dollar for dollar to revenues. This comparison is referred to as a "return of" because a dollar of expense is matched by a dollar of revenue.

"Return on" occurs when an expenditure is capitalized within the balance sheet because it increased the value of a balance sheet asset or investment. This capitalization is then included in the rate base calculation, which is a preliminary step in determining the earnings the company achieves on its total regulatory investment.

Q. DOES THE AAO INSULATE THE COMPANY FROM THE EFFECTS OF REGULATORY LAG?

A. Yes. The Security AAO insulates the Company's shareholders from a significant majority of the risks associated with regulatory lag that may occur if the security construction projects are completed and placed in service before the operation of law date of a general rate increase case.

Q. PLEASE EXPLAIN THE CONCEPT OF REGULATORY LAG.

A. This concept is based on the difference in timing of a decision by management and the Commission's recognition of that decision and its effect on the rate base rate of return relationship in the determination of a company's revenue requirement. Prudent management decisions which reduce the cost of service without changing revenues result in a change in the rate base/rate of return relationship. This change increases the profitability of the firm in the short-run, and until such time as the Commission reestablishes rates which properly match the new level of service cost. Companies are allowed to retain cost savings, i.e., excess profits during the lag period between rate cases. When faced with escalating costs which will change the rate base/rate of return relationship adversely with respect to profits, regulatory lag places pressure on management to minimize the change in the relationship, by filing an application for a rate increase.

Q. HAS THIS COMMISSION RULED THAT IT IS NOT REASONABLE TO PROTECT SHAREHOLDERS FROM ALL REGULATORY LAG?

A. Yes. In Missouri Public Service Company, Cases Nos. EO-91-348 and EO-91-360, the Commission stated:

> Lessening the effect of regulatory lag by deferring costs is beneficial to a company but not particularly beneficial to ratepayers. Companies do not propose to defer profits to subsequent rate cases to lessen the effects of regulatory lag, but insist it is a benefit to defer costs. Regulatory lag is a part of the regulatory process and can be a benefit as well as a detriment. Lessening regulatory lag by deferring costs is not a reasonable goal unless the costs are associated with an extraordinary event.
>
> Maintaining the financial integrity of a utility is also a reasonable goal. The deferral of costs to maintain current financial integrity through is of questionable benefit. If a utility's financial integrity is threatened by high costs so that its ability to provide service is threatened, then it should seek interim rate relief. If maintaining financial integrity means sustaining a specific return on equity, this is not the purpose of regulation. It is not reasonable to defer costs to insulate shareholders from any risks.

Q. SHOULD RATEPAYERS BE REQUIRED TO PROVIDE THE COMPANY WITH AN EFFECTIVE GUARANTEED RETURN ON THE SECURITY EXPENDITURES?

A. No, ratepayers should not be required to fund such a return. Planning and operations of the Company's security upgrades are a fundamental responsibility of Missouri American's management. Only management has complete access to the data and resources necessary to fulfill these responsibilities, and as such, management should be able to implement a security upgrade program that minimizes the effects of regulatory lag on the Company's finances. To the extent regulatory lag moves against the Company, the Commission has already decided, as mentioned earlier, that lessening regulatory lag by deferring costs is not a reasonable goal.

The purpose of the accounting variance is to protect the Company from adverse financial impact caused by the regulatory delay period, and to afford it the opportunity to recover these charges. The accounting variance should not be used to place the Company in a better position than it would have been in if plant investment and rate synchronization had been achieved.

ADVERTISING

Q. PLEASE DESCRIBE THE RECENT HISTORY OF COMMISSION DECISIONS CONCERNING ADVERTISING EXPENSE.

A. In Case No. GR-99-315, Laclede Gas Company, the Commission state in its Report and Order:

> The Commission finds that the proposal of a cap on advertising expenses set at .5 percent of total utility revenues of Laclede is not supported by competent and substantial evidence. The Commission could not fulfill its duties of determining if Laclede's expenses on advertising were prudent without some review of the advertising. The Commission will continue to follow the standards set out in the KCPL case.

Q. PLEASE PROVIDE THE HISTORY OF THE COMMISSION ADOPTING THE KCPL STANDARD.

A. Prior to 1986, the Commission used the "New York Rule" to determine the amount of advertising expense to be included in rates for gas and electric utilities operating in Missouri. The "New York Rule" excluded all political and promotional advertising and then allowed all other advertising, including a percentage of goodwill advertising.. RE: Union Electric Company, 25 Mo. P.S.C. (N.S.) 194, 200 (1982).

However, in 1986, in RE: Kansas City Power and Light Company, 28 Mo. P.S.C. (N.S.) 228, 75 PUR4th 1 (1986) (KCPL), the Commission abandon the New York Rule and replaced it with an analysis which separates advertisements into five categories and provides separate rate treatment for each category. The five categories of advertisements recognized by the Commission for purposes of this approach are:

1. General – adverting that is useful in the provision of adequate service;

2. Safety – advertising which conveys the ways to safely use the company's service and to avoid accidents;

3. Promotional – advertising used to encourage or promote the use of the particular commodity the utility is selling;

4. Institutional – advertising used to improve the company's public image;

5. Political – advertising which is associated with political issues

KCPL, ppg 269-271

The Commission adopted these categories of advertisements because it believed that a utility's revenue requirement should; (1) always include the costs of general and safety ads, provided such costs are reasonable, (2) never include the cost of institutional or political ads, and (3) include the cost of promotional ads only to the extent that the utility can provide cost-justification for the ads. (KCPL, pp. 269-172) The Commission also noted that it was abandoning the New York Rule because its use had not eliminated the need for an ad-by-ad review of each utility. (KCPL, p. 270)

Q. WHAT EXAMINATION AND ANALYSIS HAVE YOU PERFORMED REGARDING MISSOURI-AMERICAN'S ADVERTISING EXPENDITURES?

A. I examined copies of printed ads and categorized each ad using the five categories established by the Commission in the KCPL case as discussed above.

Q. DID YOU EXAMINE COPIES OF ALL PRINTED ADS?

A. No, not all invoices had copies of the printed ad attached. Therefore, I removed these ads from the cost of service, until further evidence proves that the ad falls into the general or safety category and should be included.

Q. DID YOU REVIEW VIDEO COPIES OR SCRIPTS OF THE TELEVISION ADS?

A. I have not review video copies of the television ad as of the date of this filing. I will be doing this after this filing. I have removed these ads from the cost of service for the time being until I can conduct a further review of the ads.

Q. HOW DID YOU DETERMINE EACH ADVERTISING CLASSIFICATION UNDER THE KCPL STANDARD?

A. Each advertisement was reviewed to determine which of the following "primary messages" the advertisement was designed to communicate:

1. The promotion of a product or service (promotional)
2. The dissemination of information necessary to obtain safe and adequate water service (safety and general)
3. The promotion of the company image (institutional); or
4. The endorsement of a political candidate/message (political).

Q. **HAVE YOU INCLUDED GENERAL ADVERTISING IN THE COST OF SERVICE?**

A. Yes. General advertisements that detail the hours and days business offices will be open, locations of business offices ,rates customers are charged, office telephone numbers, and bill payment procedures. This type of advertisement provides the customers with useful and needed information.

Q. **DID THE COMPANY INCUR ANY SAFETY ADVERTISING EXPENDITURES DURING THE TEST YEAR?**

A. No.

Q. **DID THE COMPANY INCUR ANY PROMOTIONAL ADVERTISING EXPENDITURES DURING THE TEST YEAR?**

A. No.

Q. **DID THE COMPANY INCUR ANY INSTITUTIONAL ADVERTISING IN THE TEST YEAR?**

A. Yes.

Q. **HAVE YOU INCLUDED INSTITUTIONAL ADVERTISING IN THE COST OF SERVICE?**

A. No. Institutional advertising is used by a company to enhance its public image. Institutional advertising is not necessary for Missouri-American to provide safe and reasonable service to its customers; therefore it should not be included in the cost of service recovered from ratepayers.

Q. DID MISSOURI-AMERICAN INCUR ANY POLITICAL ADVERTISING EXPENDITURES DURING THE TEST YEAR?

A. No.

Q. IN WHICH ACCOUNTS DID MAWC BOOK ADVERTISING EXPENSE?

A MAWC booked advertising expense in account 921, 930.1 and 930.2.

Q. WHAT IS THE TOTAL AMOUNT OF ADVERTISING EXPENSE YOU ARE PROPOSING TO DISALLOW?

A. $33,723. See Schedule KKB-9 for more detail.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

CASE PARTICIPATION

OF

KIMBERLY K. BOLIN

Company Name	Case Number
St. Louis County Water Company	WR-95-145
Missouri-American Water Company	WR-95-205
Steelville Telephone Company	TR-96-123
St. Louis Water Company	WR-96-263
Imperial Utility Corporation	SR-96-427
Missouri-American Water Company	WA-97-45
Associated Natural Gas Company	GR-97-272
St. Louis County Water Company	WR-97-382
Union Electric Company	GR-97-393
Gascony Water Company, Inc.	WA-97-510
Missouri Gas Energy	GR-98-140
Laclede Gas Company	GR-98-374
St. Joseph Light & Power	ER-99-247 GR-99-246 HR-99-245
Laclede Gas Company	GR-99-315
Missouri-American Water Company	WR-2000-281
St. Louis County Water Company	WR-2000-844
Osage Water Company	SR-2000-556 WR-2000-557
Empire District Electric Company	ER-2001-299
Gateway Pipeline Company	GM-2001-585
Warren County Water & Sewer	WC-2002-155 SC-2002-160
Laclede Gas Company	GR-2001-629
Environmental Utilities	WA-2002-65
Missouri-American Water Company	WO-2002-273
Laclede Gas Company	GR-2002-356
Empire District Electric	ER-2002-424

System Purchased	Acquisition Adjustment
Valley Park	$ (860,745)
Webster Groves	$ 2,947,822
Florisant	$ 4,626,260
Jefferson City	$ 1,087,981
Total	$ 7,801,318
Less:	
11 months Amorization	$ (193,622)
Balance as of 12/31/02	$ 7,607,696

Historical usage from plant records

	Pumped to system actual		Total production actual	
7/20/91	24,628,000	2.8%	25,328,000	gpd total production including plant use water
	actual		estimates	
1994 peak	21,204,000		21,790,023	
1995 peak	22,125,000		22,736,477	
1999 peak	21,880,000		22,484,706	

use **23 mgd**

Filters 5.6 gpm/sqft 4 gpm/sqft initial approval

Of each of the 6 filters, each twin (1/2 filter) dimensions are 15 25 feet

375 sq ft

times 12 4500 sq ft total

	Filters, 6 twin filters,	4500	sq feet
at	30 mgd	4.63	gpm/sqft
	1 out of service	3750	sq feet
		5.56	gpm/sqft
	Filters, 6 twin filters,	4500	sq feet
at	23 mgd	3.55	gpm/sqft
	1 out of service	3750	sq feet
		4.26	gpm/sqft

NO EXCESS FILTER CAPACITY AT CURRENTLY APPROVED FILTER RATE

Wellfield

7 vertical wells		2650 gpm capacity of each vertical well			
3 horiz pumps		4650 gpm capacity of each horizontal well pump			
Run	6 wells				
	2 horizontals				
Produces	25200 gpm		36.3 mgd		
Run	4 wells				
	2 horizontals				
Produces	19900 gpm		28.7 mgd		
Run	4 wells				
	1 horizontals				
Produces	15250 gpm		22.0 mgd		
Run	5 wells				
	0 horizontals				
Produces	13250 gpm		19.1 mgd		

TWO VERTICAL WELLS MAY BE DISALLOWED FOR EXCESS CAPACITY

Vertical wells, total	$ 675,000	7 wells		
(rounded up to account for	$ 96,429 each			
electrical, controls, pipe, etc.				
		2 wells	$	192,857
Estimated cost - well pumps	$ 800,000			
7 300	$ 22,222	cost per 100 hp		
3 500				
		600 hp disallowance	$	133,333

Distributive Pumps

1 200hp	5560 gpm	8.0	
2 300hp	9730 gpm	14.0	
3 200hp	5560 gpm	8.0	
4 300hp	9730 gpm	14.0	
			observed flows
calculated flows:	3 and 4	22.0	21.2 mgd 3 and 4
	1, 2 and 3	30.0	28.6 mgd with 1,2,3
	1 and 3	16.0	
	2 and 4	28.0	

ONE 200 HP MAY BE DISALLOWED IF THE REMAINING 200 HP WERE REPLACED WITH A 300 HP

Using the same cost as well pumps,

100 hp disallowance	$	22,222

St. Joseph Plant
Recommended Excess Capacity Disallowance

James A. Merciel, Jr.
Rebuttal Testimony
WR-2000-281

Clearwell

30	mgd	23	mgd
611000	CT	468433	CT
341600	wash	250000	wash
48000	plant	48000	plant
900000	eq	690000	eq

1,900,600	gallons	1,456,433	gallons	say two	750,000 units
				instead of two	1,000,000 units
					500,000 gallon disallowance

At a cost of $ 1.00 per gallon — $ **500,000**

Clarifiers

1 gpm/sqft
90 minutes detention
105 feet diamter — 22 feet water depth
3.5 feet dia center column
8649 settling area each — 1,423,343 gallon volume each

30 MGD		
3 in service	0.80 gpm per sqft	205 minutes detention
2 in service	1.20 gpm per sqft	137 minutes detention
23 MGD		
2 in service	0.92 gpm per sqft	178 minutes detention
1 in service	1.85 gpm per sqft	89 minutes detention

ONE CLARIFIER COULD BE DISALLOWED FOR EXCESS CAPACITY

At a cost of $ 1.00 per gallon — $ **1,423,343**

TOTAL RECOMMENDED EXCESS CAPACITY DISALLOWANCE — $ **2,271,756**

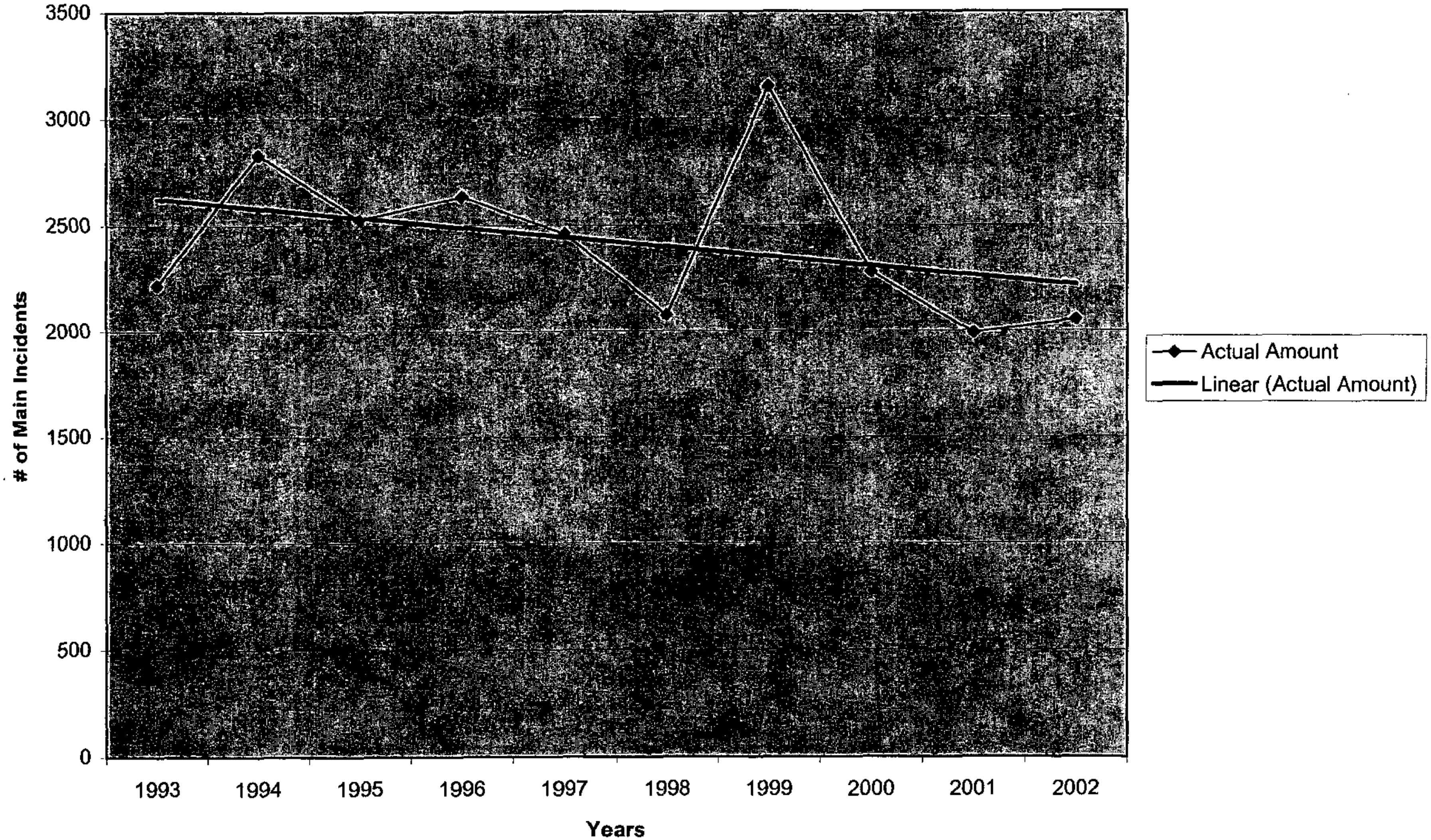
Schedule KKB-3.3

St. Louis County Water Company
Main Incidents

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Month											
January	334	216	305	345	643	200	293	444	266	663	287
February	487	77	100	228	130	121	106	367	160	168	263
March	148	86	92	115	129	125	140	160	144	134	215
April	102	85	64	110	130	131	123	136	101	113	105
May	110	86	71	129	141	145	123	132	111	160	124
June	128	107	135	160	168	151	179	214	187	267	153
July		187	214	195	285	252	288	226	236	261	191
August		209	251	143	322	160	250	236	203	266	190
September		241	234	150	375	168	230	203	253	230	127
October		262	206	115	276	192	288	128	224	216	133
November		213	154	63	207	163	225	163	270	165	173
December		284	165	527	345	268	216	226	373	187	258
Total		2053	1991	2280	3151	2076	2461	2635	2528	2830	2219

Direct Testimony of
Kimberly K. Bolin
Case No. WR-2003-0500

Water Main Incidents over the Last 10 Years



Schedule KKB-5

12 months ending December

	2002	2001	2000	1999	1998
January	216	305	345	643	200
February	77	100	228	130	121
March	86	92	115	129	125
April	85	64	110	130	131
May	86	71	129	141	145
June	107	135	160	168	151
July	187	214	195	285	252
August	209	251	143	322	160
September	241	234	150	375	168
October	262	206	115	276	192
November	213	154	63	207	163
December	284	165	527	345	268
Total	2053	1991	2280	3151	2076
Average	3 year	2108			
Average	4 year	2369			
Average	5 year	2310			

12 months ending June

	2003/2002	2002-2001	2001-2000	2000-1999	1999-1998
January	334	216	305	345	643
February	487	77	100	228	130
March	148	86	92	115	129
April	102	85	64	110	130
May	110	86	71	129	141
June	128	107	135	160	168
July	187	214	195	285	252
August	209	251	143	322	160
September	241	234	150	375	168
October	262	206	115	276	192
November	213	154	63	207	163
December	284	165	527	345	268
Totals	2705	1881	1960	2897	2544
Average	3 year	2182			
Average	4 year	2361			
Average	**5 year**	**2397**			

Missouri-American Water Company
WR-2003-0500
St. Louis Operations
Main Incident Repair Costs

	12 Months Ending 06/27/03
Total Costs	$ 4,974,109
# of Main Incidents (Excludes Contractor Breaks)	2,705
Cost Per Main Incident	$ 1,839

Costs	
620000 Materials & Supplies	704,853
675000 Misc. Maint TD	1,008
675650 Paving	3,956,346
635000 Contractual Services Other	241,611
675655 Permits	70,291
Total Direct Costs	4,974,109

Costs Per Break	
620000 Materials & Supplies	261
675000 Misc. Maint TD	-
675650 Paving	1,463
635000 Contractual Services Other	89
675655 Permits	26
	1,839

Missouri-American Water Company

535 North New Ballas Road St. Louis, Missouri 63141
An American Water System Company

Thomas R Schwarz
1506 Hayselton Dr
Jefferson City MO 65109-1284

Dear Thomas R Schwarz:

Recently you received a letter from us describing the Water Line Protection Program being offered by our affiliate, American Water Resources, Inc. In a short amount of time the Program has grown rapidly and thousands of our customers have enrolled to take advantage of this unique offer. Please take a few minutes now to revisit how the Progam can save you thousands of dollars and many sleepless nights - your peace of mind is worth it.

Costs for repairing your water line could amount to thousands of dollars.

You may not realize it, but as a homeowner, you own the water line that runs through your property between the street and your home. At any time, normal wear and tear can cause your water line to leak or break, as shown on the enclosed diagram. You can't prevent it. You can't predict it. And, worst of all, most homeowner insurance policies do not cover repairing it, so you'll have to pay for it.

For just pennies a day, you can be protected from unexpected worries and costs.

In cooperation with our affiliate, American Water Resources, Inc., the Missouri-American Water Company is pleased to introduce a special Water Line Protection Program to cover these unexpected costs and provide you with peace of mind. This also means that you won't have to spend hours searching for a qualified repair contractor — you can leave that up to the experts.

When you consider all the advantages, I'm sure you'll agree that this Program is one of the best opportunities available to you as a homeowner.

- Save thousands of dollars in unexpected repairs for just pennies a day ($4 a month)
- Enjoy peace-of-mind protection from the most experienced water resource manager in the country
- Eliminate the hassles of searching for a qualified repair contractor

We are pleased to make the protection you need and the peace of mind you deserve available to you while continuing to deliver the quality service you depend on from Missouri-American.

Please carefully read the Program terms and conditions on the back of this letter, and keep this information for future reference. For just pennies a day, I'm sure you will agree that the Water Line Protection Program is a good value. So, I encourage you to complete the enclosed enrollment form today. For only $4 a month, join the thousands of other homeowners that are protected from the expense and worry that a broken water line can cause.

Sincerely,

Eric W. Thornburg
President

P.S. For just pennies a day, you can save thousands of dollars and countless hours of worry and hassle.

Schedule KKB-8.1

01-0004063-48 AWRLTR010

American Water Resources, Inc.

AMERICAN WATER RESOURCES, INC.
American Water Resources, Inc. an affiliate of Missouri-American Water Company is dedicated to offering products and services that enhance those services currently offered by Your regulated water provider.

WATER LINE PROTECTION PROGRAM
This agreement is between American Water Resources, Inc. and You, a participant in the Water Line Protection Program, hereinafter referred to as the Contract or the Program. Please read the Contract and retain it for Your records.

THIS AGREEMENT COVERS
American Water Resources, Inc.'s Water Line Protection Program will cover the cost for repair of Your Customer-Owned Water Line should You have a water leak caused by normal wear and tear.

DEFINITIONS
"Administrator" means American Water Resources, Inc., 1410 Discovery Parkway, Alton, Illinois 62002. Toll Free 1-866-430-0819.

"Confirmation Letter" means the acknowledgement letter You will receive from Us following enrollment outlining Your Program specifications. The Confirmation Letter will include the following information:

Your Name

Your Covered Address

Your Customer Number

Your Program Effective Date

Your Program Term

"Customer-Owned Water Line" means the section of the single water supply line You own that runs from Your home to the connection owned by Missouri-American Water Company, Inc. It does not include any connections/extensions such as water lines to sprinklers and/or agricultural meters.

- If the meter is located inside Your home, it is the section of the water supply line from the shut-off value to the inlet side of the meter.
- If the meter is located outside Your home, it is the section of the water supply line from the outlet side of the meter to the shut-off valve inside Your home.

"Effective Date" means the date protection begins under the Program, which is thirty (30) days after Your Enrollment Date. Your Program Effective Date is listed on Your Confirmation Letter.

"Enrollment Date" means the date Your enrollment form is received, processed and confirmed by Us.

"Lapse of Coverage" means We requested payment from You for an additional Term or Your periodic Program fee and We did not receive Your full payment within thirty (30) days from the date said payment was due. The Program will lapse without notice.

"Program" means American Water Resources, Inc.'s Water Line Protection Program.

"Term" means the period of time, from the Program Effective Date, Your Program will be in effect. The Program Term is annual [three hundred sixty five (365) days] unless it is terminated or cancelled sooner as provided herein. Your Program Term is listed on Your Confirmation Letter.

"We", "Us" and "Our" mean the Administrator.

"You" and "Your" mean a residential customer and customer of record of Missouri-American Water Company, the homeowner of a single-family residence and the purchaser of this Program.

ELIGIBILITY FOR PROTECTION
You must be a residential customer, customer of record of Missouri-American Water Company and owner of the residence to which the Customer-Owned Water Line is attached. The Customer-Owned Water Line must be free of leaks and in working order prior to Your Enrollment Date in the Program. **Homeowners in multi-unit dwellings such as condominiums, town homes, duplexes and apartment houses are not eligible for the Program.**

PERIOD OF PROTECTION
Program Protection initiates thirty (30) days after Your Enrollment Date. Your protection will continue for the Term listed on Your Confirmation Letter. Your Program Term can automatically be extended provided You make timely payments to Us at the then-current annual Program fee. If You purchase additional Terms without a Lapse of Coverage, Your protection will remain the Program Effective Date listed on Your Confirmation Letter. If the Program lapses as outlined under "Lapse of Coverage," You may re-enroll in the Program at any time subject to a new Enrollment Date and Effective Date.

LIMIT OF PROTECTION
The maximum amount We will pay for any covered repair under the Program is $3,000 per occurrence. Before the line is repaired, if a permit is required, We will obtain proper permitting before work will commence. We will provide basic site restoration to the repair area once the repair work is completed. Site restoration is limited to filling in, raking and reseeding one time only. All repairs to Your Customer-Owned Water Line will comply with local water code requirements. Any subsequent repair made within 60 days of a prior covered repair will be considered as a part of that prior covered repair and limited to the $3,000 per occurrence limit. If a permit was acquired to commence work on covered water lines and requires a sidewalk, located in a public easement, to be repaired, the Program will provide repair of said sidewalk up to $500. Cost to repair sidewalks applies toward the Program $3,000 maximum. You will not, unless at Your own expense, engage a contractor or otherwise incur costs to repair the Customer-Owned Water Line on Our behalf. You may neither transfer the Program to a new owner of the covered property nor transfer the Program to a different residence owned by You.

THIS AGREEMENT DOES NOT COVER

- Damage to Customer-Owned Water Line incurred or existing prior to the Program Enrollment Date.
- Damage to Customer-Owned Water Line caused by the actions or negligence of You or third parties.
- Damage to Customer-Owned Water Line caused by natural disasters, or acts of nature, including, but not limited to, earthquakes, floods, landslides or sinkholes or any other insurable cause.
- Any consequential, incidental or special damages You incur including lost water, regardless of whether they are caused by delays, failure to service or for conditions beyond the control of the Administrator.
- Restoration of trees, shrubs, paved surfaces, or structures, for any reason.
- Any damage to finished or unfinished walls or surfaces inside Your home necessary to access and repair Your Customer-Owned Water Line.
- Leak repairs to any interior pipes beyond the shut-off valve inside Your home.
- Restoration of sidewalks not located in public easement. Also, restoration of sidewalks located in public easements but not required on the permit.
- Removal of debris necessary to access and repair Your Customer-Owned Water Line, including but not limited to old cars, trash, storage, rocks or materials.
- Movement of the meter at the time of repair, unless required by local code.
- Coverage for multi-unit housing including, but not limited to, town homes, condominiums, duplexes and apartment houses; and any facility used for commercial purposes.
- Updating non-leaking pipes to meet code, law or ordinance requirements or changes thereto.
- Movement of working pipes and/or lines.

YOUR RESPONSIBILITIES
If You suspect there is a water leak, call the toll-free number shown on Your water bill from Missouri-American Water Company who will investigate the source of the problem. In the event Missouri-American determines that the leak is to Your Customer-Owned Water Line, We will arrange to have an approved, independent contractor call You to set up a time to come out to Your home. The contractor will contact You within 12 hours for emergency service, or by 5:00 pm the next business day for all other service, to arrange for repair of Your Customer-Owned Water Line.

If a permit was acquired that requires repair to sidewalks located in public easements, and the cost to repair exceeds the Program maximum of $500, it is Your responsibility to pay any additional costs. If repair cost to the Customer-Owned Water Line exceeds the Program maximum of $3,000, it is Your responsibility to pay any additional costs. Any costs in excess of the Program maximum will be stated to You before work is performed and We will send You an invoice for all expenses over any Program maximum. Beyond the previously outlined exceptions, You will not be charged any deductible or service call fees in conjunction with a covered repair. It is Your responsibility to secure permission (right-of-way) associated with gaining access to repair Your Customer-Owned Water Line that may pass through property that You do not own.

American Water Resources, Inc.
Water Line Protection Program
1410 Discovery Parkway, Alton, IL 62002
Toll Free 1-866-430-0819

ADMINISTRATOR'S RIGHTS
We reserve the right to change Your Program fee and/or the Program terms and conditions with thirty (30) days written notice to You. We reserve the right to transfer or assign Your Program contract. You grant Us the right to obtain customer of record information from Missouri-American Water Company limited to Your name, address and any other pertinent information. This information will not be sold to any outside marketing companies.

CANCELLATION
You may cancel this Program at any time by mailing a cancellation request to American Water Resources, Inc., Attention: Water Line Protection Administrator, 1410 Discovery Parkway, Alton, Illinois 62002. If You cancel, the effective date of cancellation is the date We receive Your notice. You have thirty (30) days from Your Enrollment Date to cancel and receive a full refund of any payments made. Your Program participation will be subject to cancellation without notice once You are thirty (30) days past due on any payment for the Program. If Your Program protection has been cancelled due to non-payment, You may re-enroll in the Program with a new Enrollment Date and new Effective Date. We reserve the right to cancel the Program at any time upon ninety (90) days notice to You. Any refund as a result of the cancellation of the contract by either You or Us, will be determined on a prorated basis less the cost of any service performed under the Program. If You are owed a refund, it will be processed via the enrollment payment method You chose to join the Program.

PAYMENT ARRANGEMENTS
You may make payment for this Program by check. In the event that Your check is returned for Non-Sufficient Funds, Your status in the Program will be terminated as of your Enrollment Date without notice.

You may make payment for this Program by authorizing a charge to Your credit card account (Visa/MasterCard only). The charge to Your credit card account will be for a full year's participation in the Program. If Your credit card charge is not valid for any reason, Your status in the Program will be terminated as of your Enrollment Date without notice. In the event of Cancellation as provided above, the refund described in the Cancellation paragraph will be credited to Your credit card account.

Your Program participation will be subject to cancellation without notice once You are thirty (30) days past due on any payment for the Program.

TAXES
American Water Resources, Inc. will collect any and all appropriate taxes if required by the local municipal government (s), county government or the State of Missouri. These taxes will be collected at the time of payment. This Program is not currently taxed in the State of Missouri.

LIMITATION OF LIABILITY
In the event that Your property is not eligible for coverage under the terms and conditions of the Program, our only obligation is to refund any payments made by You to Us. Once we have paid You this refund, the Program will be voided as of Your Enrollment Date. The liability of the Administrator, its affiliated companies, its officers, employees, contractors and/or agents to You, or to any other third party or person, for damages resulting from the provision of, or failure to provide services under this Program, or as the result of any fault, failure, defect or deficiency in any service, labor, material, work or product furnished in connection with this Program shall be limited to an amount not to exceed $3,000. In no event, however, shall the Administrator, its affiliated companies, its employees, agents and contractors have any liability for special, indirect, incidental, consequential or punitive damages resulting from the provision of or failure to provide service under this Program, or from any fault, failure, defect or deficiency in any service, labor, material, work or product furnished in connection with this Program. These limitations of and exclusions from liability shall apply regardless of the nature of the claim or the remedy sought.

THE WATER LINE PROTECTION PROGRAM IS NOT AN INSURANCE CONTRACT OR POLICY. THE PROGRAM PROVIDES FOR THE REPAIR OF LEAKS TO YOUR CUSTOMER-OWNED WATER LINE DUE TO NORMAL WEAR AND TEAR. THIS CONTRACT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN AMERICAN WATER RESOURCES, INC. AND YOU, AND THERE ARE NO OTHER PROMISES OR CONDITIONS IN ANY OTHER AGREEMENT WHETHER WRITTEN OR ORAL.

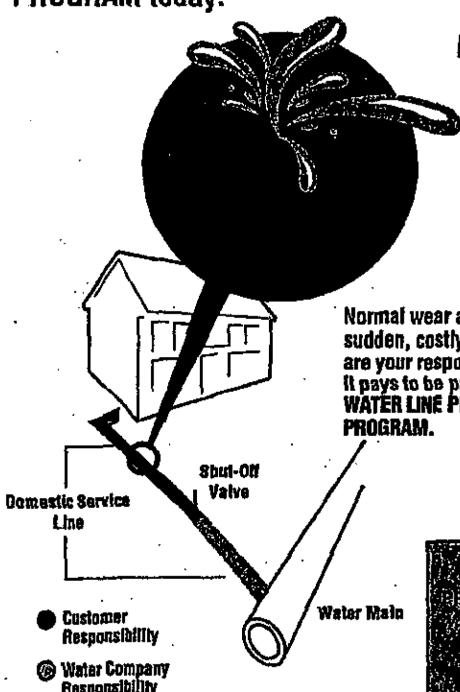
MO0603TC

American Water Resources, Inc.

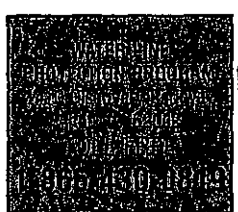
American Water Resources, Inc. is an affiliate of Missouri-American Water Company

☐ **YES! I want *protection* and *peace of mind*. Enroll me in the WATER LINE PROTECTION PROGRAM today.**

Special Introductory Offer



Normal wear and tear can cause sudden, costly water leaks that are your responsibility to repair. It pays to be protected by the WATER LINE PROTECTION PROGRAM.



1003846 MO48063R

Schedule KKB-8.3

IMMEDIATE ACTION FORM

MO48063R

Homeowner's Name: Thomas R Schwarz

SERVICE ADDRESS: PROGRAM NOT AVAILABLE TO MULTI-UNIT DWELLERS AND RENTERS

Street: 1506 Hayselton Dr

City: Jefferson City **State:** MO **Zip:** 65109

Reference Number: 1003846

MAILING ADDRESS

Street: 1506 Hayselton Dr

City: Jefferson City **State:** MO **Zip:** 65109-1284

CONTACT INFORMATION

Home Phone: **Work Phone:**

E-mail:

PAYMENT OPTIONS

☐ **I PREFER TO PAY BY CREDIT CARD**

I authorize American Water Resources, Inc. to charge the amount of $48.00 to my credit card:

☐ VISA® ☐ MasterCard® Expires: /

Account#

Signature ______________ Date ______________

(required if using credit card)

☐ **I WISH TO PAY BY CHECK**

I've enclosed a check or money order in the amount of $48.00 **made payable to American Water Resources, Inc.** in the enclosed postage-paid envelope.

By signing this enrollment form you agree to all terms and conditions of the WATER LINE PROTECTION PROGRAM as outlined on the back of the letter. Confirmation of enrollment will be sent to the above mailing address. Coverage begins 30 days after enrollment form is received and confirmed by American Water Resources, Inc. The expiration date for this introductory offer is 11/30/03. After 11/30/03 call 1-866-430-0819 for current offer.

X Signature: **Date:**

Direct Testimony of
Kimberly K.Bolin
Case No. WR-2003-0500

Account Number	District	Description	Amount Incurred	Amount Disallowed	Advertising Category
921	Brunswick	Water Quailty Report notification	$ 34		General
921	Brunswick	Hydrant flushing announcements	$ 65		General
921	Brunswick	Institutional advertising	$ 96	$ 96	Copy of ad not provided
930.1	Statewide	Supporting MO Jaycees	$ 125	$ 125	Institutional
930.1	Statewide	Supporting MO Jaycees	$ 125	$ 125	Institutional
930.1	JC	Progress Section	$ 140	$ 140	Copy of ad not provided
930.1	JC	Graduation ad	$ 55	$ 55	Copy of ad not provided
930.1	JC	Water Quality Report notification	$ 586	$ -	General
930.1	JC	Guide to JC	$ 697	$ -	General
930.1	JC	Hydrant flushing announcement	$ 210	$ -	General
930.1	JC	Ad supporting JC	$ 245	$ 245	Institutional
930.1	Joplin	We make the connection	$ 100	$ 100	Institutional
930.1	Joplin	Water Quality Report notification	$ 667	$ -	General
930.1	Joplin	Merger notification	$ 830	$ -	General
930.1	Mexico	Outlook	$ 101	$ 101	Institutional
930.1	Mexico	We make the connection	$ 122	$ 122	Institutional
930.1	Mexico	We make the connection	$ 95	$ 95	Institutional
930.1	Mexico	Water Quality Report notification	$ 183	$ -	General
930.1	Mexico	We make the connection	$ 125	$ 125	Institutional
930.1	Platte County	Thank You	$ 350	$ 350	Institutional
930.1	Platte County	Graduation ad	$ 39	$ 39	Copy of ad not provided
930.1	Platte County	Water Quality Report notification	$ 206	$ -	General
930.1	Platte County	Hero Salute	$ 45	$ 45	Copy of ad not provided
930.1	Platte County	NorthKeepsake	$ 68	$ 68	Copy of ad not provided
930.1	Platte County	North Parkville Xmas	$ 19	$ 19	Copy of ad not provided
930.1	Platte County	Institutional	$ 47	$ 47	Copy of ad not provided
930.1	Platte County	Institutional	$ 19	$ 19	Copy of ad not provided
930.1	St. Joe	Apple Blossom Parade Sponsorship	$ 575	$ 575	Institutional
930.1	St. Joe	Benton High School Calendar	$ 85	$ 85	Institutional
930.1	St. Joe	Dear Customer	$ 727	$ 727	Institutional
930.1	St. Joe	2001 Water Quality Report	$ 363	$ -	General

Account Number	District	Description	Amount Incurred	Amount Disallowed	Advertising Category
930.1	St. Joe	Dear Customer	$ 374	$ -	General
930.1	St. Joe	40th Anniversary	$ 363	$ 363	Institutional
930.1	St. Joe	Water & Life	$ 387	$ 387	Institutional
930.1	St. Joe	Dear Customer	$ 1,301	$ -	General
930.1	St. Joe	Veteran's Day	$ 60	$ 60	Institutional
930.1	St. Joe	We make the connection	$ 10	$ 10	Institutional
930.1	St. Joe	Water Quality Report notification	$ 99	$ -	General
930.1	St. Joe	We make the connection	$ 90	$ 90	Institutional
930.1	St. Joe	We make the connection	$ 99	$ 99	Institutional
930.1	St. Joe	Christmas greeting	$ 100	$ 100	Institutional
930.1	St. Louis County	Purchase of Florissant water system0	$ 150	$ -	General
930.1	St. Louis County	Purchase of Webster Groves	$ 375	$ -	General
930.1	St. Louis County	Water Quality Report notification	$ 1,715	$ -	General
930.1	St. Louis County	Jack Buck special	$ 890	$ 890	Institutional
930.1	St. Louis County	Old Newsboys Day	$ 500	$ 500	Institutional
930.1	St. Louis County	RGGA Welcome Book	$ 495	$ 495	Institutional
930.1	St. Louis County	Ad in Chamber Member Directory	$ 275	$ 275	Copy of ad not provided
930.1	St. Louis County	KMOV TV ads	$ 22,675	$ 22,675	Needs further review
930.1	St. Louis County	Pattonville High School Ad	$ 310	$ 310	Institutional
930.1	Warrensburg	KOKO Radio	$ 55	$ 55	Institutional
930.1	Warrensburg	Storm Thank you	$ 135	$ 135	Institutional
930.1	Warrensburg	Storm Thank you	$ 86	$ 86	Institutional
930.1	Warrensburg	Water Quality Report notification	$ 50	$ -	General
930.2	St. Joe	KQTV ad	$ 3,890.00	$ 3,890	Needs further review
930.2	Warrensburg	Flushing Hydrants Notice	$ 442.53		General
930.2	Warrensburg	Water Quality Report Notice	$ 77.22		General
		Totals	$ 42,148.16	$ 33,723	