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Service Commission

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| Exhibit No.: | Cost Allocation/Rate Design |
| Issues: | Paul R. Herbert |
| Witness: | Direct |
| Exhibit Type: | Missouri-American Water Company |
| Sponsoring Party: | WR-2015-0301 |
| Case No.: | SR-2015-0302 |
| Date: | July 31, 2015 |

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. WR-2015-0301
CASE NO. SR-2015-0302

DIRECT TESTIMONY

OF

PAUL R. HERBERT

ON BEHALF OF

MISSOURI-AMERICAN WATER COMPANY

MAWC Exhibit No. 7
Date 3-21-16 Reporter JH
File No. WR-2015-0301

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-2015-0301 |
| RATES FOR WATER AND SEWER) | CASE NO. SR-2015-0302 |
| 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 inquiries 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 15th day of July 2015.


Notary Public

My commission expires: February 20, 2019

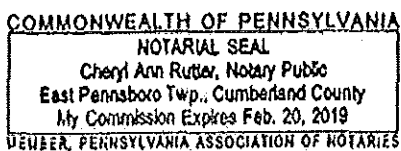


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1
2

I. WITNESS INTRODUCTION AND
QUALIFICATIONS AND EXPERIENCE

3 **1. Q. PLEASE STATE YOUR NAME AND ADDRESS.**

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

6

7 **2. Q. BY WHOM ARE YOU EMPLOYED?**

8 A. I am employed by Gannett Fleming Valuation and Rate Consultants, LLC.

9

10 **3. Q. PLEASE DESCRIBE YOUR POSITION WITH GANNETT FLEMING**
11 **VALUATION AND RATE CONSULTANTS, LLC AND BRIEFLY STATE**
12 **YOUR GENERAL DUTIES AND RESPONSIBILITIES.**

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

17

18 **4. Q. HAVE YOU PRESENTED TESTIMONY IN RATE PROCEEDINGS BEFORE**
19 **A REGULATORY AGENCY?**

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

1 Public Regulation Commission, the Public Utilities Commission of the State of
2 California, the Illinois Commerce Commission, the Arizona Corporation
3 Commission, the Delaware Public Service Commission, the Connecticut
4 Department of Public Utility Control, the Idaho Public Utility Commission, and
5 the Tennessee Regulatory Authority, concerning revenue requirements, cost
6 of service allocation, rate design and cash working capital claims. A list of
7 cases in which I have testified is attached to my testimony.

8
9 **5. Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

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

12
13 **6. Q. WOULD YOU PLEASE DESCRIBE YOUR PROFESSIONAL
14 AFFILIATIONS?**

15 A. I am a member of the American Water Works Association and served as a
16 member of the Management Committee for the Pennsylvania Section. I am
17 also a member of the Pennsylvania Municipal Authorities Association. In
18 1998, I became a member of the National Association of Water Companies
19 as well as a member of its Rates and Revenue Committee.

20
21 **7. Q. BRIEFLY DESCRIBE YOUR WORK EXPERIENCE.**

22 A. I joined the Valuation Division of Gannett Fleming Corddry and Carpenter,
23 Inc., predecessor to Gannett Fleming, Inc., in September 1977, as a Junior

1 Rate Analyst. Since then, I advanced through several positions and was
2 assigned the position of Manager of Rate Studies on July 1, 1990. I was
3 promoted to Vice President on June 1, 1994 and Senior Vice President in
4 November 2003. On July 1, 2007, I was promoted to my current position as
5 President.

6 While attending Penn State, I was employed during the summers of
7 1972, 1973 and 1974 by the United Telephone System - Eastern Group in its
8 accounting department. Upon graduation from college in 1975, I was
9 employed by Herbert Associates, Inc., Consulting Engineers (now Herbert
10 Rowland and Grubic, Inc.), as a field office manager until September 1977.

11
12 **8. Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

13 A. The purpose of my testimony is to present and explain Missouri-American
14 Water Company's (or MAWC or Company) State-wide cost of service
15 allocation study for water operations (sometimes called class cost of service
16 study) and proposed rate design set forth in Schedule No. PRH-1. Schedule
17 No. PRH-2, sets forth the cost of service and the revenues under proposed
18 rates for wastewater operations.

19
20 **9. Q. WERE SCHEDULE NOS. PRH-1 AND PRH-2 PREPARED BY YOU OR**
21 **UNDER YOUR DIRECTION AND SUPERVISION?**

22 A. Yes, they were.
23

1 responsibilities of each class of customers. The allocated cost of service is
2 one of several criteria appropriate for consideration in designing customer
3 rates to produce the required revenues. The results of the allocation of the
4 State-wide cost of service for the test year ended December 31, 2014, and
5 the revenues from the proposed rates, which produce the pro forma revenue
6 requirements, are presented in the study.

7
8 **11. Q. PLEASE DESCRIBE THE METHOD OF COST ALLOCATION THAT WAS**
9 **USED IN YOUR STUDY.**

10 A. The base-extra capacity method, as described in 2012 and prior Water Rates
11 Manuals published by the American Water Works Association (AWWA), was
12 used to allocate the pro forma costs. Base-extra capacity is a recognized
13 method for allocating the cost of providing water service to customer
14 classifications in proportion to the classifications' use of the commodity,
15 facilities, and services. It is generally accepted as a sound method for
16 allocating the cost of water service and was used by the Company in previous
17 cases.

18
19 **12. Q. PLEASE DESCRIBE THE PROCEDURE FOLLOWED IN THE STATE-WIDE**
20 **(ALL DISTRICTS) COST ALLOCATION STUDY.**

21 A. Each identified classification of cost in the cost of service study was allocated
22 to the customer classifications through the use of appropriate factors. These
23 allocations are presented in Schedule B for each study. The items of cost,
24 which include operation and maintenance expenses, depreciation expense,

1 taxes and income available for return, are identified in column 1 of Schedule
2 B. The cost of each item, shown in column 3, is allocated to the several
3 customer classifications based on allocation factors referenced in column 2.
4 The development of the allocation factors is presented in Schedule C. I will
5 use some of the larger cost items to illustrate the principles and
6 considerations used in the cost allocation methodology.

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

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

22 Costs associated with storage facilities and the capital costs of
23 distribution mains were allocated partly on the basis of average consumption
24 and partly on the basis of maximum hour extra demand, including the

1 demand for fire protection service, because these facilities are designed to
2 meet maximum hour and fire demand requirements. The development of the
3 factors, referenced as Factors 4 and 5, used for these allocations is shown in
4 Schedule C.

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

8 For operation and maintenance of mains, the relative weightings of
9 Factor 3 (maximum day and fire) and Factor 4 (maximum hour) were based
10 on the footage of transmission and distribution mains. Generally, for cost
11 allocation purposes, mains larger than 10-inch were classified as serving a
12 transmission function and mains 10-inch and smaller were classified as
13 serving a distribution function. The development of this weighted factor is
14 referenced as Factor 6.

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

23 Costs for customer accounting, billing and collecting were allocated
24 on the basis of the number of customers for each classification, and costs for

1 meter reading were allocated on the basis of metered customers. The
2 development of these factors is referenced as Factor 12 and Factor 13.

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

7 Cash working capital is allocated based on total operation and
8 maintenance expense. The development of the factor is referenced as Factor
9 15.

10 Annual depreciation accruals were allocated on the basis of the
11 function of the facilities represented by the depreciation expense for each
12 depreciable plant account. The original cost less depreciation of utility plant
13 in service was similarly allocated for the purpose of developing factors,
14 referenced as Factor 18, for allocating items such as income taxes and
15 return. The development of Factor 18 is presented on the last three pages of
16 Schedule C.

17 Factors 15 and 18, as well as Factors 10, 11, 16, 17 and 19, are
18 composite allocation factors. These factors are based on the result of
19 allocating other costs and are computed internally in the cost allocation
20 program. Refer to Schedule C for a description of the bases for each
21 composite allocation factor.

22

23 **13. Q. WHAT WAS THE SOURCE OF THE TOTAL COST OF SERVICE DATA**
24 **SET FORTH IN COLUMN 3 OF SCHEDULE B?**

1 A. The pro forma costs of service were furnished by the Company, and are set
2 forth in Company accounting exhibits and workpapers.

3

4 **14. Q. REFER TO SCHEDULE C, AND EXPLAIN THE SOURCE OF THE SYSTEM**
5 **MAXIMUM DAY AND MAXIMUM HOUR RATIOS USED IN THE**
6 **DEVELOPMENT OF FACTORS REFERENCED AS FACTORS 2, 3 AND 4.**

7 A. The ratios were based on a review of State-wide system deliveries for the
8 Company. Schedule D shows the experienced maximum day ratios over the
9 last several years. The maximum hour ratios were estimated based on actual
10 data or the relationship of system maximum hour ratios compared to system
11 maximum day ratios for similar systems.

12

13 **15. Q. WHAT FACTORS WERE CONSIDERED IN ESTIMATING THE MAXIMUM**
14 **DAY EXTRA CAPACITY AND MAXIMUM HOUR EXTRA CAPACITY**
15 **DEMANDS USED FOR THE CUSTOMER CLASSIFICATIONS IN THE**
16 **DEVELOPMENT OF FACTORS 2, 3 AND 4?**

17 A. The estimated demands were based on judgment which considered field
18 studies of actual customer class demands conducted for other American
19 Water Companies, field observations of the service areas of the Company,
20 and generally-accepted customer class maximum day and maximum hour
21 demand ratios.

22

23 **16. Q. PLEASE EXPLAIN THE ALLOCATION OF SMALL MAINS.**

24 A. Factor 4, used to allocate distribution mains, was modified to exclude

1 consumption for certain Rate B and Rate J large customers connected
2 primarily to large mains, commonly referred to as transmission mains, in
3 Joplin, St. Joseph and St. Louis Metro Area districts. This was done to
4 recognize that certain industrial and sales for resale customers are connected
5 directly to the transmission system and do not benefit from the smaller
6 distribution mains.

7
8 **17. Q. HOW WAS THIS ADJUSTMENT ACCOMPLISHED?**

9 A. In Joplin, the five largest industrial customers are connected to mains 12-inch
10 and larger. The test year consumption for these five customers was excluded
11 from the Rate J class for the basis of developing Factor 4. In addition, all
12 sales for resale customers are served from the transmission system and
13 therefore were excluded from Factor 4.

14 In St. Joseph, the four largest industrial accounts and all sales for
15 resale accounts are served from mains 12-inch and larger. The test year
16 consumption for these customers was excluded in the development of Factor
17 4. In addition, all sales for resale customers are served from the transmission
18 system and therefore were excluded from Factor 4.

19 In the St. Louis Metro Area, all sales for resale customers (Rates B)
20 are served from the transmission system and therefore, were excluded from
21 Factor 4. For the large user or Rate J classification, an analysis of the
22 customers was performed to determine the size of main which serves each
23 Rate J customer. The analysis showed that out of 141 Rate J customers, 73
24 customers representing 54.2% of the Rate J consumption are connected to

1 mains 12-inch and larger. The remaining 68 customers with 45.8% of the
2 consumption are connected to mains smaller than 12-inch.

3 A further analysis of the 68 customers connected to small mains was
4 conducted to measure the length of distribution mains used to serve these
5 customers from the transmission system. This analysis showed that
6 approximately 130,000 feet of small mains are used from the transmission
7 system to the connection point of the 68 Rate J customers. The 130,000 feet
8 represents about 0.7% of the total 19.3 million feet of distribution mains in the
9 St. Louis Metro area. This analysis clearly shows that although certain Rate J
10 customers are connected to smaller mains, the length of those mains are only
11 a small fraction of the total distribution main system. Therefore, based on this
12 analysis, 10% of the Rate J consumption was used in the development of
13 Factor 4, to reflect that a small part of the distribution mains are used by Rate
14 J customers. In a St. Louis Metro only allocation, this results in an allocation
15 factor of 0.66% for Rate J, which approximates the 0.7% share of the
16 distribution mains.

17

18 **18. Q. HAVE YOU SUMMARIZED THE RESULTS OF YOUR COST ALLOCATION**
19 **STUDY?**

20 A. Yes. The results are summarized in columns 1, 2 and 3 of Schedule A.
21 Column 2 sets forth the total allocated pro forma, State-wide cost of service
22 as of December 31, 2014, for each customer classification identified in
23 column 1. Column 3 presents each customer classification's cost respon-
24 sibility as a percent of the total cost.

1

2 **19. Q. HAVE YOU COMPARED THESE COST RESPONSIBILITIES WITH THE**
3 **PROPORTIONATE REVENUE UNDER EXISTING RATES FOR EACH**
4 **CUSTOMER CLASSIFICATION?**

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

11

12 **III. CUSTOMER RATE DESIGN – WATER**

13

14 **20. Q. WHAT ARE THE APPROPRIATE FACTORS TO BE CONSIDERED IN THE**
15 **DESIGN OF THE 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

24 **21. Q. DID MANAGEMENT DISCUSS RATE DESIGN GUIDELINES WITH YOU?**

1 A. Yes, they did. The guidelines were as follows: (1) Develop rate schedules for
2 three rate zones as a step toward a consolidated tariff pricing rate schedule
3 applicable to all water customers State-wide; (2) propose uniform customer
4 charges to recover the pro forma customer costs by meter size; (3) design
5 volumetric rates for Rate A and Rate J for each rate zone and for Rate B for
6 two rate zones so that proposed revenues by customer classification move
7 toward or approximate the indicated cost of service; (4) design private fire line
8 and private hydrant rates for two rate zones to recover the indicated cost of
9 service; and (5) develop consolidated tariff rates for all wastewater service
10 areas except for Arnold which has its own rate schedule .

11

12 **22. Q. DO YOU AGREE WITH THESE GUIDELINES?**

13 A. Yes, I do.

14

15 **23. Q. HAVE YOU PREPARED PROPOSED RATE SCHEDULES FOR EACH**
16 **CLASSIFICATION FOR THREE RATE ZONES?**

17 A. Yes. Comparisons of present and proposed rate schedules for Rate Zones 1,
18 2, and 3 are set forth in Company Schedule CAS-12. Rate Zone 1 includes
19 St. Louis Metro (SLM), St. Joseph's (SJO), Joplin (JOP), Warrensburg
20 (WAR), Maplewood, Stonebridge, Saddlebrooke, and Emerald Point (MRS),
21 Anna Meadows (AMW), and Tri-States (TRI). Rate Zone 2 includes Mexico
22 (MEX), Jefferson City (JFC) and Platte County (PTC). Rate Zone 3 includes
23 Brunswick (BRU), Ozark Mountain and Lake Tanneycomo (OML), Rankin
24 Acres and White Branch (RKA), and Spring Valley and Lakewood Manor

1 (SPV),

2

3 **24. Q. PLEASE EXPLAIN THE PROPOSED CUSTOMER CHARGES.**

4 A. An analysis of the State-wide customer costs was prepared to determine the
5 appropriate monthly and quarterly minimum charges by meter size. The pro
6 forma customer costs for a 5/8-inch meter is \$17.42 per month and \$31.08
7 per quarter (See Schedule F). Based on this analysis, the 5/8-inch minimum
8 charge was set at \$17.40 per month and \$31.00 per quarter. The increases to
9 the larger sizes (3/4-inch through 12-inch meters) were based on the existing
10 meter ratios by size to the 5/8-inch charge.

11

12 **25. Q. PLEASE EXPLAIN THE VOLUMETRIC CHARGES.**

13 A. Generally, a one-block uniform volumetric rate is proposed for Rate Zones 1,
14 2, and 3 for Rate A and Rate J classifications and Rate Zones 1 and 2 for the
15 Rate B class. The rates were set so that proposed revenues would be nearly
16 aligned with the indicated cost of service without decreasing revenues for any
17 class.

18

19 **26. Q. PLEASE EXPLAIN PRIVATE FIRE CHARGES.**

20 A. The existing private fire revenues exceed the indicated cost of service. Since
21 there is a large disparity between the private fire rates for St. Louis Metro and
22 St. Joseph and the other districts, two separate private fire rate schedules are
23 proposed – Rate F-1 and Rate F-2. St. Louis Metro, St. Joseph and
24 Maplewood will be under Rate F-1 and all other districts will be under Rate F-

1 2.

2

3 **27. Q. PLEASE EXPLAIN THE PUBLIC FIRE HYDRANT CHARGES.**

4 A. The cost of service for public fire protection was established and allocated
5 back to Rate A and Rate J based on meter equivalents. Under proposed
6 rates, public fire service is included in the customer charge and recovered
7 based on meter size.

8

9 **28. Q. HAS THE COMPANY PREPARED PROOF OF REVENUE SCHEDULES**
10 **UNDER PRESENT AND PROPOSED RATES?**

11 A. Yes. The proof of revenue shows that the application of the present and
12 proposed rates to the billing determinants or bill analysis produce the pro
13 forma present and proposed revenue and proves that the proposed rates filed
14 in the proposed tariffs recover the requested revenue requirements.

15 Schedule CAS-11 and 12, sponsored by Mr. Petry, sets forth the proof
16 of revenues from the application of present and proposed rates to the
17 customer consumption analysis. The revenues from these exhibits are
18 brought forward to Schedule A, columns 4 and 6.

19

20 **IV. CONSOLIDATED TARIFF PRICING**

21

22 **29. Q. YOU MENTIONED EARLIER THAT THE PROPOSED RATE DESIGN FOR**
23 **THE THREE RATE ZONES WAS A STEP TOWARD STATE-WIDE**
24 **CONSOLIDATED TARIFF PRICING. PLEASE DESCRIBE THE CONCEPT**

1 **OF CONSOLIDATED TARIFF PRICING.**

2 A. Consolidated tariff pricing (CTP) is the use of the same rates for the same
3 service rendered by a water company regardless of the customer's location.

4

5 **30. Q. WHAT ARE THE FACTORS THAT SUPPORT THE USE OF**
6 **CONSOLIDATED RATES?**

7 A. Consolidated rates are based on the long-term rate stability which results from
8 a consolidated tariff, the operating characteristics of the tariff groups, the
9 equivalent services offered, the cost of service on a district specific basis, and
10 the principle of gradualism.

11

12 **31. Q. PLEASE EXPLAIN HOW CONSOLIDATED RATES WILL PROVIDE LONG-**
13 **TERM RATE STABILITY FOR THE SEVERAL AREAS.**

14 A. Utility customer rates are dependent on the total expenses and rate base of
15 the utility and the amount of the commodity which the utility sells. Changes in
16 rate base, particularly as the result of the Safe Drinking Water Act, have a
17 significant potential for adversely impacting the rates for certain areas within a
18 utility.

19 The ability to absorb the cost of such projects over a larger customer
20 base is a compelling argument in support of rate equalization. Capital
21 programs will never be uniform in the several operating areas, even over
22 periods of 5 to 10 years. The cost of specific programs should be shared by
23 all customers rather than burdening those of the affected areas. Rate
24 increases will be more stable and major increases in specific tariff groups will

1 be avoided.

2

3 **32. Q. IN WHAT MANNER DO THE OPERATING CHARACTERISTICS OF THE**
4 **SEVERAL AREAS SUPPORT CONSOLIDATED TARIFF PRICING?**

5 A. There are many similarities in the manner in which the several areas are
6 operated. All of the systems pump their treated water through transmission
7 lines to distribution areas that include mains, booster pump stations and
8 storage facilities. All of the areas provide water to individual customers
9 through a service line and meter. All of the areas rely on a centralized work
10 force for billing, accounting, engineering, administration, and regulatory
11 matters. All of the areas rely on a common source of funds for financing
12 working capital and plant construction. Inasmuch as the costs of operation are
13 related to functions in which the operating characteristics are the same, the
14 use of equal rates is supported.

15

16 **33. Q. PLEASE EXPLAIN WHY THE EQUIVALENCE OF SERVICES OFFERED**
17 **SUPPORT CONSOLIDATED TARIFF PRICING.**

18 A. The use of the same rates in a utility with noncontiguous service areas is
19 supported by the equivalent service rendered in each area. Although there
20 would be considerable debate with respect to the equivalency of the service
21 rendered to different customer classifications, there is no question that the
22 service rendered to a residence in one area is the same as the service
23 rendered to a residence in another area. Residential customers are relatively
24 consistent in their uses of water: cooking, bathing, cleaning and other sanitary

1 purposes, and lawn sprinkling. If customers use water for the same purposes,
2 the service offering is the same and should be priced accordingly. Thus, from
3 this perspective, there is no basis for charging different prices to customers in
4 different areas.

5
6 **34. Q. DO VARIANCES BETWEEN ALLOCATED COSTS OF THE DISTRICTS**
7 **WARRANT THE USE OF SEPARATE RATE SCHEDULES?**

8 A. No, they do not. Charging one group of customers higher rates because they
9 may be served by a newer plant whose original cost exceeds that of other
10 plants (as a result of inflation) is not logical. The concepts previously
11 discussed outweigh this consideration and justify the goal of moving toward a
12 consolidated tariff. The electric industry reflects such concepts when it serves
13 customers in geographically dispersed areas. A kilowatt-hour delivered in one
14 area has the same price as a kilowatt-hour delivered in another area despite
15 the fact that cost of service studies could be performed to identify differences
16 in the cost of providing service to customer classes in different regions.

17
18 **35. Q. ARE THERE OTHER COST OF SERVICE CONSIDERATIONS THAT**
19 **SUPPORT CONSOLIDATED TARIFF PRICING?**

20 A. Yes. The Company manages the State-wide operations from a common
21 location. Common costs which must be assigned or allocated to each
22 operating area to establish district specific revenue requirements include
23 management fees, corporate headquarter costs, office costs, customer service
24 costs, depreciation expense developed on the basis of Company-wide

1 depreciation rates, capital structure, and income tax expense based on total
2 Company financing and tax provisions. The allocations of common costs,
3 while reasonable, are subject to judgment and may not result in the
4 development of district specific revenue requirements which reflect precisely
5 the cost of serving each area.
6

7 **36. Q. BRIEFLY SUMMARIZE YOUR ANALYSIS OF CONSOLIDATED TARIFF**
8 **PRICING FOR MAWC.**

9 A. Consolidated Tariff Pricing is appropriate for MAWC. Such pricing is
10 supported by considerations of the benefits of sharing the impact of capital
11 programs on a Company-wide basis, the significant majority of common costs,
12 and the equivalent service rendered. The best interests of the customers are
13 served through gradualism by continuing to implement consolidated rates
14 during this case and in subsequent rate cases.

15 For additional testimony regarding the merits of CTP, please refer to
16 the direct testimony of Mr. Karl McDermott.
17

18 **V. STRAIGHT FIXED VARIABLE PRICING**
19

20 **37. Q. THE COMPANY IS PROPOSING IN THIS CASE THE REVENUE**
21 **STABILIZATION MECHANISM (RSM). PLEASE COMMENT ON THE**
22 **MERITS OF RSM VERSUS AN ALTERNATIVE PRICING SUCH AS**
23 **STRAIGHT FIXED VARIABLE PRICING.**

24 A. The Company believes that a move toward consolidated tariff that consists of

1 a fixed customer charge that recovers customer costs with a volumetric charge
2 by class and the RSM is the most efficient rate structure and protects the
3 Company from declining sales. An alternative to the RSM would be a straight
4 fixed variable rate structure.

5
6 **38. Q. WHAT IS A STRAIGHT FIXED VARIABLE RATE STRUCTURE?**

7 A. A straight fixed variable rate structure would recover all of the company's fixed
8 costs in a monthly fixed charge and only the variable costs would be recovered
9 in the volumetric charge. For a typical water company, over 90% of the costs
10 are fixed and only the true variable costs such as power, chemicals, waste
11 disposal and purchased water are included in the volumetric rate. For MAWC,
12 only 7.26% of the total costs are considered variable.

13
14 **39. Q. WHAT WOULD A STRAIGHT FIXED VARIABLE RATE STRUCTURE LOOK
15 LIKE FOR MAWC?**

16 A. Preliminary calculations show that a 5/8-inch customer would pay a monthly
17 fixed charge of approximately \$56 and a volumetric rate of about \$0.039 per
18 hundred gallons. Larger meter sizes would pay higher fixed charges with the
19 same volumetric rate.

20
21 **40. Q. WHAT IS YOUR OPINION REGARDING SUCH A RATE STRUCTURE?**

22 A. This would be an alternative to an RSM by having a guarantee of recovering
23 the Company's fixed costs, however low-use customers would be adversely
24 affected and there would be little incentive for customers to conserve.

1

2

VI. CUSTOMER RATE DESIGN – WASTEWATER

3

4 **41. Q. PLEASE DESCRIBE THE RATE DESIGN FOR THE WASTEWATER**
5 **OPERATIONS.**

6 A. Class cost of service studies were not performed for wastewater since the
7 customer base is predominantly residential. The proposed rate design
8 consists of two rate zones – one for Arnold and a consolidated tariff for all the
9 REMAINING DISTRICTS.

10

11 **42. Q. WHY WAS ARNOLD LEFT OUT OF THE CONSOLIDATED TARIFF?**

12 A. The increase for Arnold was limited to Arnold's cost of service. Placing
13 Arnold on the consolidated tariff would have generated more revenue than
14 their costs. Arnold's proposed rates reflect a 25.35% increase to their
15 existing minimum and volumetric charges as well as their flat rate charge.

16

17 **43. Q. WHAT ARE THE CONSOLIDATED RATES?**

18 A. The rate structure for the remaining districts includes a \$40.00 per month
19 minimum charge for customers with 5/8-inch water meters, increasing for
20 larger-sized meters, and a volumetric charge of \$0.5900 per hundred gallons.
21 The flat rate charge of \$69.50 per month reflects an average monthly usage
22 of 5,000 gallons priced out at the above rates.

23

24 **44. Q. DOES THIS COMPLETE YOUR TESTIMONY AT THIS TIME?**

1 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 | WV PSC | 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 | Rev. Requirements and Rate Design |
| 13. | 1995 | Pa. PUC | R-953379 | Carnegie Natural Gas Company | Rev. 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 | WV PSC | 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. CC | 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.CC | PUE-2002-0375 | 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.CC | 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 |
| 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 |

LIST OF CASES IN WHICH PAUL R. HERBERT TESTIFIED

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|------|-------------|---------------------|---------------------------------------|--|----------------------------------|
| 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-IR | 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 Reqmts, Cost Alloc. |
| 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 CC | PUE-2008-0009 | 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 CC. | 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 | Pa PUC | 2008-2079660 | UGI – Penn Natural Gas | Cost of Service Allocation |
| 74. | 2009 | Pa PUC | 2008-2079675 | UGI – Central Penn Gas | Cost of Service Allocation |
| 75. | 2009 | Pa PUC | 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 | 09-0319 | 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 |
| 79. | 2009 | Pa PUC | R-2009-2132019 | Aqua Pennsylvania, Inc. | Cost Allocation and Rate Design |
| 80. | 2009 | Va St CC | PUE-2009-0059 | Aqua Virginia, Inc. | Cost Allocation (only) |
| 81. | 2009 | Mo PSC | WR-2010-0131 | Missouri American Water Company | Cost Allocation and Rate Design |
| 82. | 2010 | VaSt CorpCom | PUE-2010-00001 | Virginia American Water Company | Cost Allocation and Rate Design |
| 83. | 2010 | Ky PSC | 2010-00036 | Kentucky American Water Company | Cost Allocation and Rate Design |
| 84. | 2010 | NJ BPU | WR10040260 | New Jersey American Water Company | Cost Allocation and Rate Design |
| 85. | 2010 | Pa PUC | 2010-2167797 | T.W. Phillips Gas and Oil Co. | Cost Allocation and Rate Design |
| 86. | 2010 | Pa PUC | 2010-2166212 | Pennsylvania American Water Co. - Wastewater | Cost Allocation and Rate Design |
| 87. | 2010 | Pa PUC | R-2010-2157140 | The York Water Company | Cost Allocation and Rate Design |
| 88. | 2010 | Ky PSC | 2010-00094 | Northern Kentucky Water District | Cost Allocation and Rate Design |
| 89. | 2010 | WV PSC | 10-0920-W-42T | West Virginia American Water Co. | Cost Allocation and Rate Design |
| 90. | 2010 | Tn Reg Auth | 10-00189 | Tennessee American Water Company | Cost Allocation and Rate Design |
| 91. | 2010 | Ct PU RgAth | 10-09-08 | United Water Connecticut | Cost Allocation and Rate Design |
| 92. | 2010 | Pa PUC | R-2010-2179103 | City of Lancaster-Bureau of Water | Rev Rqmts, Cst Alloc/Rate Design |
| 93. | 2011 | Pa PUC | R-2010-2214415 | UGI Central Penn Gas, Inc. | Cost Allocation |
| 94. | 2011 | Pa PUC | R-2011-2232359 | The Newtown Artesian Water Co. | Revenue Requirement |
| 95. | 2011 | Pa PUC | R-2011-2232243 | Pennsylvania-American Water Co. | Cost Allocation and Rate Design |
| 96. | 2011 | Pa PUC | R-2011-2232985 | United Water Pennsylvania Inc. | Demand Study, COS/Rate Design |
| 97. | 2011 | Pa PUC | R-2011-2244756 | City of Bethlehem-Bureau of Water | Rev. Rqmts/COS/Rate Design |
| 98. | 2011 | Mo PSC | WR-2011-0337-338 | Missouri American Water Company | Cost Allocation and Rate Design |
| 99. | 2011 | Oh PUC | 11-4161-WS-AIR | Ohio American Water Company | Cost Allocation and Rate Design |
| 100. | 2011 | NJ BPU | WR11070460 | New Jersey American 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> |
|------|-------------|---------------------|-------------------|--------------------------------------|---------------------------------|
| 101. | 2011 | Id PUC | UWI-W-11-02 | United Water Idaho Inc. | Cost Allocation and Rate Design |
| 102. | 2011 | Il CC | 11-0767 | Illinois-American Water Company | Cost Allocation and Rate Design |
| 103. | 2011 | Pa PUC | R-2011-2267958 | Aqua Pennsylvania, Inc. | Cost Allocation and Rate Design |
| 104. | 2011 | VaStCom | 2011-00099 | Aqua Virginia, Inc. | Cost Allocation |
| 105. | 2011 | VaStCom | 2011-00127 | Virginia American Water Company | Cost Allocation and Rate Design |
| 106. | 2012 | TnRegAuth | 12-00049 | Tennessee American Water Company | Cost Allocation and Rate Design |
| 107. | 2012 | Ky PSC | 2012-00072 | Northern Kentucky Water District | Cost Allocation and Rate Design |
| 108. | 2012 | Pa PUC | R-2012-2310366 | Lancaster, City of – Sewer Fund | Cost Allocation and Rate Design |
| 109. | 2012 | Ky PSC | 2012-00520 | Kentucky American Water Co. | Cost Allocation and Rate Design |
| 110. | 2013 | WV PSC | 12-1649-W-42T | West Virginia American Water Co. | Cost Allocation and Rate Design |
| 111. | 2013 | Ia St Util Bd | RPU-2013-000_ | Iowa American Water Company | Cost Allocation and Rate Design |
| 112. | 2013 | Pa PUC | R-2013-2355276 | Pennsylvania American Water Co. | Cost Allocation and Rate Design |
| 113. | 2013 | Pa PUC | R-2012-2336379 | The York Water Company | Cost Allocation and Rate Design |
| 114. | 2013 | Pa PUC | R-2013-2350509 | City of DuBois – Bureau of Water | Cost Allocation and Rate Design |
| 115. | 2013 | Pa PUC | R-2013-2390244 | City of Bethlehem – Bureau of Water | Cost Allocation and Rate Design |
| 116. | 2014 | Pa PUC | R-2014-2418872 | City of Lancaster – Bureau of Water | Cost Allocation and Rate Design |
| 117. | 2014 | Pa PUC | R-2014-2428304 | Borough of Hanover | Cost Allocation and Rate Design |
| 118. | 2014 | VASStCom | 2014-00045 | Aqua Virginia, Inc. | Cost Allocation |
| 119. | 2015 | NJ BPU | WR15010035 | New Jersey American Water Company | Cost Allocation and Rate Design |
| 120. | 2015 | Pa PUC | R-2015-2462723 | United Water PA | Cost Allocation and Rate Design |
| 121. | 2015 | WV PSC | | West Virginia American Water Company | Cost Allocation and Rate Design |
| 122. | 2015 | Id PUC | UWI-W-15-01 | United Water Idaho Inc. | Pro Forma Revenues |

MISSOURI-AMERICAN WATER COMPANY

St. Louis, Missouri

WATER OPERATIONS

COST OF SERVICE ALLOCATION STUDY
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

Harrisburg, Pennsylvania



Excellence Delivered As Promised

July 29, 2015

Missouri-American Water Company
727 Craig Road
St. Louis, MO 63141

Attention Mr. Frank Kartmann, President

Gentlemen:

Pursuant to your request, we have conducted a cost of service allocation study based on the consolidated water utility revenue requirements estimated for the test year ended December 31, 2014.

The attached report presents the results of the allocation study, as well as supporting schedules which set forth the detailed cost allocation calculations. Schedule A 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 VALUATION
AND RATE CONSULTANTS, LLC

A handwritten signature in black ink that reads 'Paul R. Herbert'.

PAUL R. HERBERT
President

A handwritten signature in black ink that reads 'Constance E. Heppenstall'.

CONSTANCE E. HEPPENSTALL
Project Manager, Rate Studies

PRH:krm

Attachment

059980

Gannett Fleming Valuation and Rate Consultants, LLC

P.O. Box 67100 • Harrisburg, PA 17106-7100 | 207 Senate Avenue • Camp Hill, PA 17011-2316

t: 717.763.7211 • f: 717.763.4590

www.gfvrc.com

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| Ozark Mountain / Lake Tanneycomo | SWD-3 |
| Rankin Acres / White Branch | SWD-4 |
| Spring Valley / Lakewood Manor | SWD-5 |
| Tri States | SWD-6 |

PART I. INTRODUCTION

MISSOURI-AMERICAN WATER COMPANY
COST OF SERVICE ALLOCATION STUDY
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

PART I. INTRODUCTION

PLAN OF REPORT

The report sets forth the results of the cost of service allocation study based on the consolidated state-wide revenue requirements and district specific revenue requirements for water utility operations as of December 31, 2014, 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 customer classifications, as well as the bases for the allocations for the consolidated state-wide revenue requirements. Schedule A in Part II summarizes the cost allocation and the revenues produced under present and proposed rates. Part III presents detailed schedules for the allocation of costs to customer classification on a district specific basis.

BASIS OF STUDY

The purpose of the cost allocation study was to determine the relative cost of service responsibilities of the several customer classifications based on considerations of quantity of water consumed, variability of rate of consumption, and costs associated with customer metering, billing and accounting. The allocation study 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 2012 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 studies are set forth in Parts II and III. The data summarized in Schedule A, Comparison of Pro Forma Cost of Service with Revenues Under Present and Proposed Rates for the Test Year Ended December 31, 2014 for each cost of service study, constitute the principal results of the cost allocation studies and subsequent rate design.

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 December 31, 2014, Allocated to Customer Classifications, for each study. 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 through 2014. 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

MISSOURI-AMERICAN WATER COMPANY
ALL WATER DISTRICTS

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| 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) |
| Rate A - Res/Com/Ind/OPA | \$ 269,594,961 | 91.5% | \$ 218,874,687 | 89.4% | \$ 268,134,462 | 91.1% | \$ 49,259,775 | 22.5% |
| Rate B - Sales for Resale | 6,176,888 | 2.1% | 6,923,861 | 2.8% | 6,925,545 | 2.4% | 1,684 | 0.0% |
| Rate J - Large User | 14,345,881 | 4.9% | 14,843,579 | 6.1% | 14,848,577 | 5.0% | 4,997 | 0.0% |
| Rate F - Private Fire | <u>4,077,268</u> | <u>1.4%</u> | <u>4,282,832</u> | <u>1.7%</u> | <u>4,286,048</u> | <u>1.5%</u> | <u>3,215</u> | <u>0.1%</u> |
| Total Sales | 294,194,998 | <u>99.9%</u> | 244,924,959 | <u>100.0%</u> | 294,194,631 | <u>100.0%</u> | 49,269,672 | 20.1% |
| Other Revenues* | <u>7,678,925</u> | | <u>7,671,914</u> | | <u>7,678,925</u> | | <u>7,011</u> | <u>0.1%</u> |
| Total | <u>\$ 301,873,923</u> | | <u>\$ 252,596,873</u> | | <u>\$ 301,873,556</u> | | <u>\$ 49,276,683</u> | <u>19.5%</u> |

* Includes Rate G, H and Contract Sales.

MISSOURI-AMERICAN WATER COMPANY
ALL WATER DISTRICTS
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014 ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA Rate A (4) | Sales for Resale Rate B (5) | Large User Rate J (6) | Fire Protection | |
|---|-----------------------|---------------------------|----------------------------------|-----------------------------------|-----------------------------|-----------------|----------------|
| | | | | | | Rate F (7) | Public (8) |
| OPERATION AND MAINTENANCE EXPENSES | | | | | | | |
| SOURCE OF SUPPLY EXPENSES | | | | | | | |
| Super & Eng Oper SS | 2 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Labor & Exp Oper SS - Labor | 2 | 75,723 | 65,334 | 3,453 | 6,701 | 38 | 197 |
| Labor & Exp Oper SS | 2 | 390,823 | 337,202 | 17,822 | 34,588 | 195 | 1,016 |
| Purchased Water | 1 | 983,579 | 801,617 | 52,326 | 123,636 | 984 | 5,016 |
| TOTAL SS EXPENSE - OPERATION | | 1,450,124 | 1,204,152 | 73,601 | 164,925 | 1,217 | 6,229 |
| Misc Exp Oper SS | 2 | 601,264 | 518,771 | 27,418 | 53,212 | 301 | 1,563 |
| Misc Exp Oper SS | 2 | 673,348 | 580,964 | 30,705 | 59,591 | 337 | 1,751 |
| Rents Oper SS | 2 | 2,603 | 2,246 | 119 | 230 | 1 | 7 |
| Super & Eng Maint SS - Labor | 2 | 58 | 50 | 3 | 5 | 0 | 0 |
| Collect & Impound Maint SS - Labor | 2 | 230 | 198 | 10 | 20 | 0 | 1 |
| Lake, River & Oth Maint SS - Labor | 2 | 372 | 321 | 17 | 33 | 0 | 1 |
| Lake, River & Oth Maint SS | 2 | 21 | 19 | 1 | 2 | 0 | 0 |
| Wells & Springs Maint SS - Labor | 2 | 97,691 | 84,288 | 4,455 | 8,646 | 49 | 254 |
| Wells & Springs Maint SS | 2 | 909 | 784 | 41 | 80 | 0 | 2 |
| Infill Gall & Tunnels Maint SS - Labor | 2 | 605 | 522 | 28 | 54 | 0 | 2 |
| Infill Gall & Tunnels Maint SS | 2 | 0 | | | | | |
| Supply Mains Maint SS - Labor | 2 | 1,138 | 982 | 52 | 101 | 1 | 3 |
| Misc Plant Maint SS - Labor | 2 | 252,884 | 218,188 | 11,532 | 22,380 | 126 | 657 |
| Misc Plant Maint SS | 2 | 31,931 | 27,550 | 1,456 | 2,826 | 16 | 83 |
| TOTAL SS EXPENSE - MAINTENANCE | | 1,663,053 | 1,434,882 | 75,835 | 147,180 | 832 | 4,324 |
| TOTAL SS EXPENSE | | 3,113,178 | 2,639,035 | 149,436 | 312,105 | 2,048 | 10,553 |
| POWER AND PUMPING EXPENSES | | | | | | | |
| Super & Eng Oper P | 3 | 107,156 | 88,479 | 4,661 | 9,055 | 1,093 | 3,868 |
| Fuel for Power Prod | 1 | 12,522 | 10,205 | 666 | 1,574 | 13 | 64 |
| Labor & Exp Oper Pwr Prod - Labor | 3 | 664 | 548 | 29 | 56 | 7 | 24 |
| Purch Fuel/Power for Pump | 1 | 10,292,057 | 8,388,026 | 547,537 | 1,293,712 | 10,292 | 52,489 |
| Labor & Exp Oper Pump - Labor | 3 | 2,394,863 | 1,977,439 | 104,177 | 202,366 | 24,428 | 86,455 |
| Labor & Exp Oper Pump | 3 | 290,887 | 240,186 | 12,654 | 24,580 | 2,967 | 10,501 |
| Misc Exp Oper P | 3 | 25,711 | 21,230 | 1,118 | 2,173 | 262 | 928 |
| Rents Oper P | 3 | 2,415 | 1,994 | 105 | 204 | 25 | 87 |
| TOTAL PUMPING EXPENSE - OPERATION | | 13,126,275 | 10,728,107 | 670,947 | 1,533,719 | 39,086 | 154,417 |

MISSOURI-AMERICAN WATER COMPANY
 ALL WATER DISTRICTS
 COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014 ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA | | Large User Rate J (6) | Fire Protection | |
|---|-----------------------|---------------------------|-------------------|----------------|-----------------------------|-----------------|----------------|
| | | | Rate A (4) | Rate B (5) | | Rate F (7) | Public (8) |
| Super & Eng Maint P | 3 | 115,263 | 95,173 | 5,014 | 9,740 | 1,176 | 4,161 |
| Super & Eng Maint P - Other | 3 | 332 | 274 | 14 | 28 | 3 | 12 |
| Struct & Improve Maint P - Labor | 3 | 694,842 | 573,731 | 30,226 | 58,714 | 7,087 | 25,084 |
| Struct & Improve Maint P | 3 | 89,717 | 74,080 | 3,903 | 7,581 | 915 | 3,239 |
| Pump Equip Maint P - Labor | 3 | 462 | 382 | 20 | 39 | 5 | 17 |
| Pump Equip Maint P - Labor | 3 | 140,274 | 115,824 | 6,102 | 11,853 | 1,431 | 5,064 |
| Pump Equip Maint P | 3 | 39,816 | 32,876 | 1,732 | 3,364 | 406 | 1,437 |
| TOTAL PUMPING EXPENSES - MAINTENANCE | | <u>1,080,707</u> | <u>892,339</u> | <u>47,011</u> | <u>91,320</u> | <u>11,023</u> | <u>39,014</u> |
| TOTAL PUMPING EXPENSES | | 14,206,982 | 11,620,446 | 717,958 | 1,625,039 | 50,109 | 193,430 |
| WATER TREATMENT | | | | | | | |
| Super & Eng Oper WT | 2 | 245,508 | 211,824 | 11,195 | 21,727 | 123 | 638 |
| Super & Eng Oper WT | 2 | 22 | 19 | 1 | 2 | 0 | 0 |
| Chemicals | 1 | 8,921,667 | 7,271,159 | 474,633 | 1,121,454 | 8,922 | 45,501 |
| Labor & Exp Oper WT - Labor | 2 | 1,364,388 | 1,177,194 | 62,216 | 120,748 | 682 | 3,547 |
| Labor & Exp Oper WT | 2 | 569,217 | 491,120 | 25,956 | 50,376 | 285 | 1,480 |
| Misc Exp Oper WT | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Exp Oper WT - Waste Disposal | 1 | 562,667 | 458,574 | 29,934 | 70,727 | 563 | 2,870 |
| Misc Exp Oper WT | 2 | 54,840 | 47,316 | 2,501 | 4,853 | 27 | 143 |
| Misc Exp Oper WT - Purchased Power | 1 | 706,265 | 575,606 | 37,573 | 88,777 | 706 | 3,602 |
| Rents Oper WT | 2 | 12,038 | 10,387 | 549 | 1,065 | 6 | 31 |
| TOTAL WT EXPENSE - OPERATION | | <u>12,436,612</u> | <u>10,243,198</u> | <u>644,558</u> | <u>1,479,730</u> | <u>11,314</u> | <u>57,812</u> |
| Super & Eng Maint WT | 2 | 1,712,813 | 1,477,815 | 78,104 | 151,584 | 856 | 4,453 |
| Super & Eng Maint WT - Contractor | 2 | 61,572 | 53,125 | 2,808 | 5,449 | 31 | 160 |
| Struct & Improve Maint WT - Labor | 2 | 34 | 29 | 2 | 3 | 0 | 0 |
| Struct & Improve Maint WT | 2 | 50 | 43 | 2 | 4 | 0 | 0 |
| WT Equip Maint WT - Labor | 2 | 3,540 | 3,054 | 161 | 313 | 2 | 9 |
| WT Equip Maint WT | 2 | 856,241 | 738,765 | 39,045 | 75,777 | 428 | 2,226 |
| TOTAL WT EXPENSE - MAINTENANCE | | <u>2,634,250</u> | <u>2,272,831</u> | <u>120,122</u> | <u>233,131</u> | <u>1,317</u> | <u>6,849</u> |

MISSOURI-AMERICAN WATER COMPANY
 ALL WATER DISTRICTS
 COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014 ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA Rate A (4) | Sales for Resale Rate B (5) | Large User Rate J (6) | Fire Protection | |
|---|-----------------------|---------------------------|----------------------------------|-----------------------------------|-----------------------------|-----------------|----------------|
| | | | | | | Rate F (7) | Public (8) |
| TOTAL WT EXPENSE | | 15,070,862 | 12,516,029 | 764,680 | 1,712,862 | 12,631 | 64,661 |
| TRANSMISSION AND DISTRIBUTION EXPENSES | | | | | | | |
| Super & Eng Oper TD | 10 | 533,065 | 486,581 | 3,145 | 11,088 | 15,246 | 17,005 |
| Super & Eng Oper - Other | 10 | 26,528 | 24,215 | 157 | 552 | 759 | 846 |
| Storage Facility Exp - Labor | 5 | 48,334 | 36,724 | 2,146 | 3,306 | 1,363 | 4,795 |
| Storage Facility Exp | 5 | 270 | 205 | 12 | 18 | 8 | 27 |
| TD Lines Exp - Labor | 6 | 1,984,052 | 1,755,092 | 18,848 | 62,101 | 32,538 | 115,472 |
| TD Lines Exp | 6 | 120,193 | 106,323 | 1,142 | 3,762 | 1,971 | 6,995 |
| Meter Expense - Labor | 8 | 1,080,296 | 1,056,421 | 864 | 11,235 | 11,775 | 0 |
| Meter Expense | 8 | 31,776 | 31,074 | 25 | 330 | 346 | 0 |
| Customer Install Exp - Labor | 9 | 616,897 | 558,415 | 308 | 1,727 | 56,446 | 0 |
| Customer Install Exp | 9 | 103,958 | 94,103 | 52 | 291 | 9,512 | 0 |
| Misc Exp Oper TD - Labor | 10 | 1,676,007 | 1,529,859 | 9,888 | 34,861 | 47,934 | 53,465 |
| Misc Exp Oper TD | 10 | 1,696,898 | 1,548,929 | 10,012 | 35,295 | 48,531 | 54,131 |
| Rents Oper TD | 10 | 67,227 | 61,365 | 397 | 1,398 | 1,923 | 2,145 |
| TOTAL T & D EXPENSE OPERATION | | <u>7,985,500</u> | <u>7,289,306</u> | <u>46,997</u> | <u>165,966</u> | <u>228,352</u> | <u>254,880</u> |

MISSOURI-AMERICAN WATER COMPANY
ALL WATER DISTRICTS
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014 ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA | | Large User Rate J (6) | Fire Protection | |
|--|-----------------------|---------------------------|-------------------|----------------|-----------------------------|-----------------|------------------|
| | | | Rate A (4) | Rate B (5) | | Rate F (7) | Public (8) |
| Super & Eng Maint TD | 11 | 107,358 | 90,620 | 891 | 2,974 | 1,997 | 10,875 |
| Super & Eng Maint TD - Other | 11 | 982 | 829 | 8 | 27 | 18 | 99 |
| Struct & Improve Maint TD - Labor | 11 | 24,955 | 21,065 | 207 | 691 | 464 | 2,528 |
| Struct & Improve Maint TD | 11 | 2,219 | 1,873 | 18 | 61 | 41 | 225 |
| Dist Res Stand Maint TD - Labor | 5 | 1,617 | 1,229 | 72 | 111 | 46 | 160 |
| TD Main Maint TD - Labor | 6 | 534,907 | 473,179 | 5,082 | 16,743 | 8,772 | 31,132 |
| TD Main Maint TD | 6 | 5,727,405 | 5,066,462 | 54,410 | 179,268 | 93,929 | 333,335 |
| Fire Main Maint TD - Labor | 7 | 240 | 0 | 0 | 0 | 0 | 240 |
| Services Maint TD - Labor | 9 | 254,099 | 230,011 | 127 | 711 | 23,250 | 0 |
| Services Maint TD | 9 | 58,755 | 53,185 | 29 | 165 | 5,376 | 0 |
| Meters Maint TD - Labor | 8 | 252,071 | 246,500 | 202 | 2,622 | 2,748 | 0 |
| Meters Maint TD | 8 | 16,820 | 16,448 | 13 | 175 | 183 | 0 |
| Hydrants Maint TD - Labor | 7 | 307,340 | 0 | 0 | 0 | 0 | 307,340 |
| Hydrants Maint TD | 7 | 58,593 | 0 | 0 | 0 | 0 | 58,593 |
| Misc Plant Maint TD - Labor | 11 | 1,256,412 | 1,060,538 | 10,428 | 34,803 | 23,369 | 127,275 |
| Mat and Sup Maint TD | 11 | 3,180,662 | 2,684,797 | 26,399 | 88,104 | 59,160 | 322,201 |
| Misc Maint TD | 11 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL T & D EXPENSE - MAINTENANCE | | 11,784,434 | 9,946,735 | 97,888 | 326,454 | 219,355 | 1,194,003 |
| TOTAL T & D EXPENSE | | 19,769,934 | 17,236,040 | 144,885 | 492,420 | 447,707 | 1,448,883 |
| CUSTOMER ACCOUNTS | | | | | | | |
| Supervision CA | 12 | 65,406 | 63,771 | 13 | 59 | 1,563 | 0 |
| Supervision CA - Other | 12 | 101 | 98 | 0 | 0 | 2 | 0 |
| Meter Reading Exp CA - Labor | 13 | 1,872,104 | 1,870,045 | 374 | 1,685 | 0 | 0 |
| Meter Reading Exp CA | 13 | 16,460 | 16,442 | 3 | 15 | 0 | 0 |
| Cust Rec & Collection CA - Labor | 12 | 702,794 | 685,224 | 141 | 633 | 16,797 | 0 |
| Cust Rec & Collection CA | 12 | 2,562,582 | 2,498,518 | 513 | 2,306 | 61,246 | 0 |
| Uncollectible Accts | 12 | 3,423,934 | 3,338,336 | 685 | 3,082 | 81,832 | 0 |
| Misc Cust Accts Exp CA - Labor | 12 | 20,215 | 19,709 | 4 | 18 | 483 | 0 |
| Misc Cust Accts Exp CA | 12 | 53,773 | 52,428 | 11 | 48 | 1,285 | 0 |
| Cust Serv & Info Exp CA | 12 | 27 | 27 | 0 | 0 | 1 | 0 |
| Cust Serv & Info Exp CA - Labor | 12 | 338 | 329 | 0 | 0 | 8 | 0 |
| TOTAL CUSTOMER ACCOUNTING EXPENSE | | 8,717,734 | 8,544,927 | 1,744 | 7,846 | 163,217 | 0 |

MISSOURI-AMERICAN WATER COMPANY
ALL WATER DISTRICTS
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014 ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account | Factor Ref. | Cost of Service | Res/Com/Ind/OPA Rate A | Sales for Resale Rate B | Large User Rate J | Fire Protection | |
|---|-------------|--------------------|------------------------|-------------------------|-------------------|------------------|------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | Rate F (7) | Public (8) |
| ADMINISTRATIVE AND GENERAL EXPENSES | | | | | | | |
| Salaries AG | 14 | 7,519,140 | 6,679,252 | 126,322 | 288,735 | 122,562 | 302,269 |
| Salaries AG - Other | 14 | 1,299,471 | 1,154,320 | 21,831 | 49,900 | 21,181 | 52,239 |
| Other Supplies & Exp AG | 14 | 1,888,333 | 1,677,406 | 31,724 | 72,512 | 30,780 | 75,911 |
| Mgmt Fees-Admin | 14 | 22,787,514 | 20,242,149 | 382,830 | 875,041 | 371,436 | 916,058 |
| Mgmt Fees-Customer Service | 12 | 4,186,133 | 4,081,480 | 837 | 3,768 | 100,049 | 0 |
| Mgmt Fees-Belleville Lab | 2 | 131,416 | 113,385 | 5,993 | 11,630 | 66 | 342 |
| Mgmt Fees- Employee | 16 | 1,417,713 | 1,248,580 | 27,220 | 59,686 | 21,975 | 60,253 |
| Outside Services AG | 14 | 1,465,412 | 1,301,725 | 24,619 | 56,272 | 23,886 | 58,910 |
| Outside Services AG | 14 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ins Gen Liab Oper AG | 14 | 3,236,746 | 2,875,201 | 54,377 | 124,291 | 52,759 | 130,117 |
| Ins Work Comp AG | 16 | 1,123,233 | 989,231 | 21,566 | 47,288 | 17,410 | 47,737 |
| Ins Other Oper AG | 14 | 461,829 | 410,242 | 7,759 | 17,734 | 7,528 | 18,566 |
| Property Insurance | 14 | 23,785 | 21,128 | 400 | 913 | 388 | 956 |
| Injuries & Damages | 16 | 51,420 | 45,286 | 987 | 2,165 | 797 | 2,185 |
| Employee Pension & Benefits | 16 | 8,875,014 | 7,816,225 | 170,400 | 373,638 | 137,563 | 377,188 |
| Reg Commision Exp | 19 | 760,665 | 654,096 | 15,974 | 36,664 | 10,573 | 43,358 |
| Rents AG | 14 | 297,280 | 264,074 | 4,994 | 11,416 | 4,846 | 11,951 |
| Goodwill Advertising Exp | 14 | 20,924 | 18,587 | 352 | 803 | 341 | 841 |
| Misc Exp AG | 14 | 1,752,348 | 1,556,611 | 29,439 | 67,290 | 28,563 | 70,444 |
| Research & Development | 14 | 82,715 | 73,476 | 1,390 | 3,176 | 1,348 | 3,325 |
| TOTAL A & G OPERATIONS | | 57,381,089 | 51,222,453 | 929,014 | 2,102,922 | 954,050 | 2,172,650 |
| General Plant Maint AG - Labor | 14 | 9,329 | 8,287 | 157 | 358 | 152 | 375 |
| General Plant Maint AG | 14 | 674,750 | 599,381 | 11,336 | 25,910 | 10,998 | 27,125 |
| TOTAL A & G EXPENSE - MAINTENANCE | | 684,080 | 607,668 | 11,493 | 26,269 | 11,150 | 27,500 |
| TOTAL A & G EXPENSE | | 58,065,169 | 51,830,121 | 940,506 | 2,129,190 | 965,201 | 2,200,150 |
| Total Operation & Maintenance Expenses | | 118,943,858 | 104,386,598 | 2,719,208 | 6,279,461 | 1,640,913 | 3,917,677 |

MISSOURI-AMERICAN WATER COMPANY
 ALL WATER DISTRICTS
 COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014 ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA | | | Fire Protection | |
|----------------------------------|-----------------------|---------------------------|-----------------|---------------|---------------|-----------------|---------------|
| | | | Rate A (4) | Rate B (5) | Rate J (6) | Rate F (7) | Public (8) |
| DEPRECIATION EXPENSE | | | | | | | |
| Struct & Imp SS | 2 | 315,193 | 271,949 | 14,373 | 27,895 | 158 | 820 |
| Struct & Imp P | 3 | 729,241 | 602,134 | 31,722 | 61,621 | 7,438 | 26,326 |
| Struct & Imp WT | 2 | 2,591,498 | 2,235,944 | 118,172 | 229,348 | 1,296 | 6,738 |
| Struct & Imp TD | 6 | 123,917 | 109,617 | 1,177 | 3,879 | 2,032 | 7,212 |
| Struct & Imp AG | 14 | 198,740 | 176,541 | 3,339 | 7,632 | 3,239 | 7,989 |
| Struct & Imp Offices | 14 | 143,274 | 127,270 | 2,407 | 5,502 | 2,335 | 5,760 |
| Gen Structures HVAC | 14 | 28,841 | 25,619 | 485 | 1,107 | 470 | 1,159 |
| Struct & Imp Leasehold | 14 | 522 | 464 | 9 | 20 | 9 | 21 |
| Struct & Imp Store,Shop,Gar | 14 | 83,438 | 74,118 | 1,402 | 3,204 | 1,360 | 3,354 |
| Struct & Imp Misc | 14 | 164,156 | 145,820 | 2,758 | 6,304 | 2,676 | 6,599 |
| Collect & Impounding | 1 | 419 | 341 | 22 | 53 | 0 | 2 |
| Lake, River & Other Intakes | 2 | 284,773 | 245,702 | 12,986 | 25,202 | 142 | 740 |
| Wells & Springs | 2 | 209,002 | 180,327 | 9,530 | 18,497 | 105 | 543 |
| Infiltration Galleries & Tunnels | 2 | 32 | 28 | 1 | 3 | 0 | 0 |
| Supply Mains | 2 | 323,057 | 278,734 | 14,731 | 28,591 | 162 | 840 |
| Power Generation Equip | 3 | 93,856 | 77,497 | 4,083 | 7,931 | 957 | 3,388 |
| Pump Equip Steam | 3 | 202 | 167 | 9 | 17 | 2 | 7 |
| Pump Equip Electric | 3 | 1,170,670 | 966,622 | 50,924 | 98,922 | 11,941 | 42,261 |
| Pump Equip Diesel | 3 | 45,108 | 37,246 | 1,962 | 3,812 | 460 | 1,628 |
| Pump Equip Hydraulic | 3 | 7,589 | 6,266 | 330 | 641 | 77 | 274 |
| Pump Equip Other | 3 | 10,548 | 8,709 | 459 | 891 | 108 | 381 |
| Pump Equip WT | 2 | 38,458 | 33,182 | 1,754 | 3,404 | 19 | 100 |
| Pump Equip TD | 6 | 56 | 50 | 1 | 2 | 1 | 3 |
| WT Equip Non-Media | 2 | 2,936,556 | 2,533,661 | 133,907 | 259,885 | 1,468 | 7,635 |
| WT Equip Filter Media | 2 | 90,467 | 78,055 | 4,125 | 8,006 | 45 | 235 |
| Dist Reservoirs & Standpipe | 5 | 242,259 | 184,068 | 10,756 | 16,571 | 6,832 | 24,032 |
| Elevated Tanks & Standpipes | 5 | 154,248 | 117,198 | 6,849 | 10,551 | 4,350 | 15,301 |
| Ground Level Facilities | 5 | 170,197 | 129,316 | 7,557 | 11,641 | 4,800 | 16,884 |
| Below Ground Facilities | 5 | 782 | 594 | 35 | 53 | 22 | 78 |
| Clearwells | 5 | 2,741 | 2,083 | 122 | 187 | 77 | 272 |
| TD Mains Not Classified by | 6 | 1,453,613 | 1,285,866 | 13,809 | 45,498 | 23,839 | 84,600 |
| TD Mains 4" & Less | 4 | 243,099 | 219,032 | 0 | 3,987 | 4,424 | 15,656 |
| TD Mains 6 to 8" | 4 | 6,914,502 | 6,229,966 | 0 | 113,398 | 125,844 | 445,294 |
| TD Mains 10 to 16" | 3 | 5,383,999 | 4,445,568 | 234,204 | 454,948 | 54,917 | 194,362 |
| TD Mains 18" & Grtr | 3 | 458,834 | 378,859 | 19,959 | 38,771 | 4,680 | 16,564 |
| Fire Mains | 7 | 9,231 | 0 | 0 | 0 | 0 | 9,231 |
| Services | 9 | 1,145,083 | 1,036,529 | 573 | 3,206 | 104,775 | 0 |
| Meters Bronze Case | 8 | 499,891 | 488,843 | 400 | 5,199 | 5,449 | 0 |
| Meters Plastic Case | 8 | 42,887 | 41,939 | 34 | 446 | 467 | 0 |
| Meters Other | 8 | 1,853,663 | 1,812,697 | 1,483 | 19,278 | 20,205 | 0 |
| Meters Other-Rem Rdr Unts | 8 | 113,041 | 110,543 | 90 | 1,176 | 1,232 | 0 |
| Meter Installations | 8 | 473,818 | 463,347 | 379 | 4,928 | 5,165 | 0 |
| Meter Installation Other | 8 | 273,879 | 267,826 | 219 | 2,848 | 2,985 | 0 |
| Meter Vaults | 8 | 28,402 | 27,774 | 23 | 295 | 310 | 0 |

MISSOURI-AMERICAN WATER COMPANY
 ALL WATER DISTRICTS
 COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014 ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA | | | Fire Protection | |
|-----------------------------------|-----------------------|---------------------------|-------------------|----------------|------------------|-----------------|------------------|
| | | | Rate A (4) | Rate B (5) | Rate J (6) | Rate F (7) | Public (8) |
| Hydrants | 7 | 1,393,626 | 0 | 0 | 0 | 0 | 1,393,626 |
| Other P/E intangible | 17 | 144 | 122 | 3 | 6 | 2 | 11 |
| Other P/E SS | 2 | 86 | 74 | 4 | 8 | 0 | 0 |
| Other P/E WT Res Hand Equip | 2 | 49,059 | 42,328 | 2,237 | 4,342 | 25 | 128 |
| Other P/E TD | 6 | 1,115 | 986 | 11 | 35 | 18 | 65 |
| Other P/E CPS | 14 | 56,112 | 49,844 | 943 | 2,155 | 915 | 2,256 |
| Office Furniture & Equip | 14 | 55,448 | 49,254 | 932 | 2,129 | 904 | 2,229 |
| Comp & Periph Equip | 14 | 2,081,852 | 1,849,309 | 34,975 | 79,943 | 33,934 | 83,690 |
| Computer Software | 14 | 712,330 | 632,763 | 11,967 | 27,353 | 11,611 | 28,636 |
| Comp Software Mainframe | 14 | 3,038,081 | 2,698,727 | 51,040 | 116,662 | 49,521 | 122,131 |
| Comp Software Mainframe - CIS | 12 | 1,553,940 | 1,515,091 | 311 | 1,399 | 37,139 | 0 |
| Comp Software Customized | 14 | 5,587 | 4,963 | 94 | 215 | 91 | 225 |
| Comp Software Other | 14 | 4,108 | 3,649 | 69 | 158 | 67 | 165 |
| Data Handling Equipment | 14 | 20,164 | 17,912 | 339 | 774 | 329 | 811 |
| Other Office Equipment | 14 | 21,005 | 18,659 | 353 | 807 | 342 | 844 |
| Trans Equip Lt Duty Trks | 14 | 350,320 | 311,189 | 5,885 | 13,452 | 5,710 | 14,083 |
| Trans Equip Other | 14 | 217,957 | 193,611 | 3,662 | 8,370 | 3,553 | 8,762 |
| Stores Equipment | 14 | 68,100 | 60,493 | 1,144 | 2,615 | 1,110 | 2,738 |
| Tools,Shop,Garage Equip | 14 | 335,560 | 298,078 | 5,637 | 12,886 | 5,470 | 13,490 |
| Tools,Shop,Garage Equip Oth | 14 | 94,576 | 84,012 | 1,589 | 3,632 | 1,542 | 3,802 |
| Laboratory Equipment | 2 | 115,196 | 99,391 | 5,253 | 10,195 | 58 | 300 |
| Laboratory Equip Other | 2 | 7,291 | 6,291 | 332 | 645 | 4 | 19 |
| Power Operated Equipment | 14 | 54,833 | 48,708 | 921 | 2,106 | 894 | 2,204 |
| Comm Equip Non-Telephone | 14 | 180,052 | 159,940 | 3,025 | 6,914 | 2,935 | 7,238 |
| Remote Control & Instr | 14 | 166,885 | 148,244 | 2,804 | 6,408 | 2,720 | 6,709 |
| Comm Equip Telephone | 14 | 6,914 | 6,142 | 116 | 265 | 113 | 278 |
| Misc Equipment | 14 | 237,445 | 210,922 | 3,989 | 9,118 | 3,870 | 9,545 |
| Other Tangible Property | 17 | 5,126 | 4,338 | 99 | 229 | 70 | 390 |
| Total Depreciation Expense | | 39,886,694 | 33,973,153 | 844,892 | 1,848,167 | 569,819 | 2,650,663 |

MISSOURI-AMERICAN WATER COMPANY
 ALL WATER DISTRICTS
 COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014 ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA | | Large User Rate J (6) | Fire Protection | |
|--|-----------------------|---------------------------|-----------------------|-----------------------------------|-----------------------------|---------------------|----------------------|
| | | | Rate A (4) | Sales for Resale Rate B (5) | | Rate F (7) | Public (8) |
| Amort-Other UP | 18 | 159,410 | 134,988 | 3,077 | 7,126 | 2,200 | 12,020 |
| Amort-UPAA | 2 | 211,021 | 182,069 | 9,623 | 18,675 | 106 | 549 |
| Amort-Property Losses | 2 | 158,730 | 136,952 | 7,238 | 14,048 | 79 | 413 |
| Taxes Other Than Income | | | | | | | |
| Utility Reg Assessment Fee | 19 | 2,389,133 | 2,054,415 | 50,172 | 115,156 | 33,209 | 136,181 |
| Property Taxes | 18 | 13,166,307 | 11,149,229 | 254,110 | 588,534 | 181,695 | 992,740 |
| Payroll Taxes | 16 | 2,172,511 | 1,913,330 | 41,712 | 91,463 | 33,674 | 92,332 |
| Other Taxes & Licenses | 14 | 104,240 | 92,596 | 1,751 | 4,003 | 1,699 | 4,190 |
| Gross Receipts Tax | 19 | | 0 | 0 | 0 | 0 | 0 |
| Total Taxes, Other Than Income | | <u>17,832,191</u> | <u>15,209,571</u> | <u>347,745</u> | <u>799,156</u> | <u>250,277</u> | <u>1,225,442</u> |
| Income Taxes | 18 | 37,876,834 | 32,074,103 | 731,023 | 1,693,094 | 522,700 | 2,855,913 |
| Utility Income Available for Return | 18 | 86,805,185 | 73,506,631 | 1,675,340 | 3,880,192 | 1,197,912 | 6,545,111 |
| Total Cost of Service | | <u>301,873,923</u> | <u>259,604,065</u> | <u>6,338,146</u> | <u>14,539,919</u> | <u>4,184,006</u> | <u>17,207,788</u> |
| Less: Other Water Revenues | 19 | 3,895,282 | 3,349,553 | 81,801 | 187,753 | 54,144 | 222,031 |
| Contract Sales | 19 | 3,783,643 | 3,253,555 | 79,457 | 182,372 | 52,593 | 215,668 |
| Total Other Water Revenues | | <u>7,678,925</u> | <u>6,603,108</u> | <u>161,257</u> | <u>370,124</u> | <u>106,737</u> | <u>437,699</u> |
| Total Cost of Service Related to Sales of Water | | <u>\$ 294,194,998</u> | <u>\$ 253,000,958</u> | <u>\$ 6,176,888</u> | <u>\$ 14,169,795</u> | <u>\$ 4,077,268</u> | <u>\$ 16,770,089</u> |
| Reallocation of Public Fire | 20 | 0 | 16,594,003 | 0 | 176,086 | 0 | (16,770,089) |
| Total | | <u>\$ 294,194,998</u> | <u>\$ 269,594,961</u> | <u>\$ 6,176,888</u> | <u>\$ 14,345,881</u> | <u>\$ 4,077,268</u> | <u>\$ -</u> |

**MISSOURI-AMERICAN WATER COMPANY
ALL DISTRICTS**

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, 100 Gallons (2) | Allocation Factor (3) |
|-----------------------------------|---|-----------------------------|
| Rate A - Res/Com/Ind/OPA | 1,228,439 | 0.8150 |
| Rate B - Sales for Resale | 80,247 | 0.0532 |
| Rate J - Large User | 189,473 | 0.1257 |
| Rate F - Private Fire | 1,541 | 0.0010 |
| Public Fire | 7,724 | 0.0051 |
| Total | 1,507,424 | 1.0000 |

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 0.5000 | Allocation Factor (4) | Weighted Factor (5)=(4)x 0.5000 | |
| Rate A - Res/Com/Ind/OPA | 0.8150 | 0.4074 | 0.9110 | 0.4554 | 0.8628 |
| Rate B - Sales for Resale | 0.0532 | 0.0266 | 0.0379 | 0.0190 | 0.0456 |
| Rate J - Large User | 0.1257 | 0.0629 | 0.0511 | 0.0256 | 0.0885 |
| Rate G | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Other | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Rate F - Private Fire | 0.0010 | 0.0005 | | | 0.0005 |
| Public Fire | 0.0051 | 0.0026 | | | 0.0026 |
| Total | 1.0000 | 0.5000 | 1.0000 | 0.5000 | 1.0000 |

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
ALL DISTRICTS

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) |
| Rate A - Res/Com/Ind/OPA | 1,228,439 | 1.1 | 1,351,283 | 0.9110 |
| Rate B - Sales for Resale | 80,247 | 0.7 | 56,173 | 0.0379 |
| Rate J - Large User | 189,473 | 0.4 | 75,789 | 0.0511 |
| | <u>1,498,159</u> | | <u>1,483,245</u> | <u>1.0000</u> |

The weighting of the factors is based on the maximum day ratio of 2.00, based on a review of maximum day ratios experienced during the period 1999 through 2014 (see Schedule D).

| | Maximum Day Ratio | Weight |
|-------------------------------|-------------------------|---------------|
| Average Day | 1.00 | 0.5000 |
| Maximum Day Extra Capacity | <u>1.00</u> | <u>0.5000</u> |
| Total | <u>2.00</u> | <u>1.0000</u> |

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
ALL DISTRICTS

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 0.4783 | (4) | (5)=(4) X 0.4783 | (6) | (7)=(6) X 0.0434 | (8)=(3)+(5)+(7) |
| Rate A - Res/Com/Ind/OPA | 0.8150 | 0.3899 | 0.9110 | 0.4358 | | | 0.8257 |
| Rate B - Sales for Resale | 0.0532 | 0.0254 | 0.0379 | 0.0181 | | | 0.0435 |
| Rate J - Large User | 0.1257 | 0.0601 | 0.0511 | 0.0244 | | | 0.0845 |
| Rate F - Private Fire | 0.0010 | 0.0005 | | | 0.2224 | 0.0097 | 0.0102 |
| Public Fire | 0.0051 | 0.0024 | | | 0.7776 | 0.0337 | 0.0361 |
| Total | 1.0000 | 0.4783 | 1.0000 | 0.4783 | 1.0000 | 0.0434 | 1.0000 |

MISSOURI-AMERICAN WATER COMPANY
ALL DISTRICTS

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 1.90 and the average daily system sendout for 2014 of 198.7 MGD. The system demand for fire protection is 30,000 Gallons per minute for 10 hours.

| | <u>Ratio</u> | <u>Rate of Flow, (GPD)</u> | <u>Weight</u> |
|-------------------------------|--------------|--------------------------------|---------------|
| Average Day | 1.00 | 198,669,681 | 0.4783 |
| Maximum Day Extra Capacity | <u>1.00</u> | <u>198,669,681</u> | <u>0.4783</u> |
| Subtotal | <u>2.00</u> | 397,339,362 | 0.9566 |
| Fire Protection | | <u>18,000,000</u> | <u>0.0434</u> |
| Total | | <u>415,339,362</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
ALL DISTRICTS

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.

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| Customer Classification | Average Hourly Consumption | | | Maximum Hour Extra Capacity | | Fire Protection | | Allocation Factor |
|---------------------------|----------------------------|-------------------|---------------------|-----------------------------|---------------------|-------------------|---------------------|-------------------|
| | 100 Gallons | Allocation Factor | Weighted Factor | Allocation Factor | Weighted Factor | Allocation Factor | Weighted Factor | |
| (1) | (2) | (3) | (4)=(3) X 0.3680 | (5) | (6)=(5) X 0.5520 | (7) | (8)=(7) X 0.0800 | (9)=(4)+(6)+(8) |
| Rate A - Res/Com/Ind/OPA | 51,185.0 | 0.9633 | 0.3546 | 0.9899 | 0.5464 | | | 0.9010 |
| Rate B - Sales for Resale | 0.0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | | | 0.0000 |
| Rate J - Large User | 1,561.9 | 0.0294 | 0.0108 | 0.0101 | 0.0056 | | | 0.0164 |
| Rate F - Private Fire | 64.2 | 0.0012 | 0.0004 | | | 0.2224 | 0.0178 | 0.0182 |
| Public Fire | 321.8 | 0.0061 | 0.0022 | | | 0.7776 | 0.0622 | 0.0644 |
| Total | 53,132.9 | 1.0000 | 0.3680 | 1.0000 | 0.5520 | 1.0000 | 0.0800 | 1.0000 |

The maximum hour extra capacity factors in column 5 are determined as follows:

MISSOURI-AMERICAN WATER COMPANY
ALL DISTRICTS

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 2014 of 198.7 MGD. The system demand for fire protection is 30,000 gallons per minute.

| | <u>Ratio</u> | <u>Rate of Flow, (GPM)</u> | <u>Weight</u> |
|--------------------------------|--------------------|--------------------------------|----------------------|
| Average Hour | 1.00 | 137,965 | 0.3680 |
| Maximum Hour Extra Capacity | <u>1.50</u> | <u>206,948</u> | <u>0.5520</u> |
| Subtotal | <u><u>2.50</u></u> | 344,913 | 0.9200 |
| Fire Protection | | <u>30,000</u> | <u>0.0800</u> |
| Total | | <u><u>374,913</u></u> | <u><u>1.0000</u></u> |

The maximum hour extra capacity factors in column 5 of the previous page are determined as follows:

| <u>Customer Classification</u> | <u>Average Hourly Consumption Thousand Gal.</u> | <u>Maximum Hour Extra Capacity</u> | | |
|------------------------------------|---|------------------------------------|-----------------------------------|------------------------------|
| | | <u>Factor*</u> | <u>1,000 Gallons Per Hour</u> | <u>Allocation Factor</u> |
| (1) | (2) | (3) | (4)=(2)x(3) | (5) |
| Rate A | 51,185.0 | 3.0 | 153,555.0 | 0.9899 |
| Rate J | <u>1,561.9</u> | 1.0 | <u>1,561.9</u> | <u>0.0101</u> |
| Total | <u><u>52,746.9</u></u> | | <u><u>155,116.9</u></u> | <u><u>1.0000</u></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
ALL DISTRICTS

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 |
|---------------------------|----------------------------|-------------------|---------------------|-----------------------------|---------------------|-------------------|---------------------|-------------------|
| | 100 Gallons | Allocation Factor | Weighted Factor | Allocation Factor | Weighted Factor | Allocation Factor | Weighted Factor | |
| (1) | (2) | (3) | (4)=(3) X 0.3499 | (5) | (6)=(5) X 0.5248 | (7) | (8)=(7) X 0.1253 | (9)=(4)+(6)+(8) |
| Rate A - Res/Com/Ind/OPA | 51,185.0 | 0.8150 | 0.2852 | 0.9043 | 0.4746 | | | 0.7598 |
| Rate B - Sales for Resale | 3,343.6 | 0.0532 | 0.0186 | 0.0492 | 0.0258 | | | 0.0444 |
| Rate J - Large User | 7,894.7 | 0.1257 | 0.0440 | 0.0465 | 0.0244 | | | 0.0684 |
| Rate F - Private Fire | 64.2 | 0.0010 | 0.0003 | | | 0.2224 | 0.0279 | 0.0282 |
| Public Fire | 321.8 | 0.0051 | 0.0018 | | | 0.7776 | 0.0974 | 0.0992 |
| Total | 62,809.3 | 1.0000 | 0.3499 | 1.0000 | 0.5248 | 1.0000 | 0.1253 | 1.0000 |

The weighting of the factors is based on the ratio of the capacity required for a 10 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

MISSOURI-AMERICAN WATER COMPANY
ALL DISTRICTS

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 10 hour demand of fire flow, as related to total storage capacity.

$$\text{Fire Protection Weight} = \frac{30,000 \text{ GPM} \times 60 \text{ Min.} \times 10 \text{ Hrs.}}{143,617,103 \text{ Gallons}} = 0.1253$$

$$\text{General Service Weight} = 1.0000 - 0.1253 = 0.8747$$

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 | 0.3499 |
| Extra Capacity Maximum Hour | 1.50 | 60.00 | 0.5248 |
| Total | 2.50 | 100.00 | 0.8747 |

| Customer Classification | Average Hourly Consumption Thousand Gal. | Maximum Hour Extra Capacity | | Allocation Factor |
|----------------------------|---|-----------------------------|---------------------------|----------------------|
| | | Factor* | 1,000 Gallons Per Hour | |
| (1) | (2) | (3) | (4)=(2)x(3) | (5) |
| Rate A - Res/Com/Ind/OPA | 51,185.0 | 3.0 | 153,555.0 | 0.9043 |
| Rate B - Sales for Resale | 3,343.6 | 2.5 | 8,359.0 | 0.0492 |
| Rate J - Large User | 7,894.7 | 1.0 | 7,894.7 | 0.0465 |
| | 62,423.3 | | 169,808.7 | 1.0000 |

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
ALL DISTRICTS

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 6. 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 0.2185 | (4) | (5)=(4)X 0.7815 | (6)=(3)+(5) |
| Rate A - Res/Com/Ind/OPA | 0.8257 | 0.1804 | 0.9010 | 0.7042 | 0.8846 |
| Rate B - Sales for Resale | 0.0435 | 0.0095 | 0.0000 | 0.0000 | 0.0095 |
| Rate J - Large User | 0.0845 | 0.0185 | 0.0164 | 0.0128 | 0.0313 |
| Rate F - Private Fire | 0.0102 | 0.0022 | 0.0182 | 0.0142 | 0.0164 |
| Public Fire | 0.0361 | 0.0079 | 0.0644 | 0.0503 | 0.0582 |
| Total | <u>1.0000</u> | <u>0.2185</u> | <u>1.0000</u> | <u>0.7815</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 | 7,690,745 | 0.2185 |
| Distribution Mains | <u>27,499,573</u> | <u>0.7815</u> |
| Total | <u>35,190,318</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
ALL DISTRICTS

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 7. ALLOCATION OF COSTS ASSOCIATED WITH FIRE HYDRANTS.

Costs are assigned directly to Rate E.

| <u>Customer Classification</u> (1) | <u>Allocation Factor</u> (3) |
|---|-------------------------------------|
| Rate E - Public Fire | <u>1.0000</u> |
| Total | <u><u>1.0000</u></u> |

FACTOR 8. 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) |
|---|---|-------------------------------------|
| Rate A - Res/Com/Ind/OPA | 561,586 | 0.9779 |
| Rate B - Sales for Resale | 452 | 0.0008 |
| Rate J - Large User | 5,964 | 0.0104 |
| Rate F - Private Fire | 6,253 | 0.0109 |
| Public Fire | <u>0</u> | <u>0.0000</u> |
| Total | <u><u>574,255</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
ALL DISTRICTS

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

| Meter Size | 5/8" Dollar Equivalent | Rate A | | Rate B | | Rate J | | Rate F | | 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 (14)=(2)X(11) | Number of Meters | Weighting (16) |
| (1) | (2) | (3) | (4)=(2)X(3) | (5) | (6)=(2)X(5) | (7) | (8)=(2)X(7) | (13) | (14)=(2)X(11) | (15) | (16) |
| 5/8 | 1.0 | 410,943 | 410,943 | 1 | 1 | 3 | 3 | 150 | 150 | 411,097 | 411,097 |
| 3/4 | 2.1 | 28,541 | 59,936 | 0 | 0 | 0 | 0 | 2,844 | 5,972 | 31,385 | 65,908 |
| 1 | 2.0 | 15,094 | 30,188 | 2 | 4 | 16 | 32 | 29 | 58 | 15,141 | 30,282 |
| 1-1/2 | 3.5 | 1,900 | 6,650 | 0 | 0 | 0 | 0 | - | 0 | 1,900 | 6,650 |
| 2 | 4.3 | 5,772 | 24,820 | 22 | 95 | 30 | 129 | 17 | 73 | 5,841 | 25,117 |
| 3 | 7.0 | 373 | 2,611 | 7 | 49 | 18 | 126 | - | 0 | 398 | 2,786 |
| 4 | 10.5 | 312 | 3,276 | 7 | 74 | 41 | 431 | - | 0 | 360 | 3,781 |
| 6 | 16.8 | 232 | 3,898 | 6 | 101 | 34 | 571 | - | 0 | 272 | 4,570 |
| 8 | 64.0 | 241 | 15,424 | 2 | 128 | 40 | 2,560 | - | 0 | 283 | 18,112 |
| 10 | 64.0 | 60 | 3,840 | 0 | 0 | 33 | 2,112 | - | 0 | 93 | 5,952 |
| 12 | 64.0 | 0 | 0 | 0 | 0 | 0 | 0 | - | 0 | 0 | 0 |
| Total | | <u>463,468</u> | <u>561,586</u> | <u>47</u> | <u>452</u> | <u>215</u> | <u>5,964</u> | <u>3,040</u> | <u>6,253</u> | <u>466,770</u> | <u>574,255</u> |

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Schedule C

MISSOURI-AMERICAN WATER COMPANY
ALL DISTRICTS

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 9. 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) |
|---|---|-------------------------------------|
| Rate A - Res/Com/Ind/OPA | 532,877 | 0.9052 |
| Rate B - Sales for Resale | 293 | 0.0005 |
| Rate J - Large User | 1,639 | 0.0028 |
| Rate F - Private Fire | <u>53,846</u> | <u>0.0915</u> |
| Total | <u><u>588,655</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
ALL DISTRICTS

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

| Service Size | 3/4" Dollar Equivalent | Rate A | | Rate B | | Rate J | | Rate F | | 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(11) | Number of Services | Weighting (12) |
| (1) | (2) | (3) | (4)=(2)X(3) | (5) | (6)=(2)X(5) | (7) | (8)=(2)X(7) | (9) | (10)=(2)X(11) | (11) | (12) |
| 3/4 | 1.00 | 439,484 | 439,484 | 1 | 1 | 3 | 3 | 0 | 0 | 439,488 | 439,488 |
| 1 | 2.94 | 15,094 | 44,376 | 2 | 6 | 16 | 47 | 0 | 0 | 15,112 | 44,429 |
| 1-1/2 | 4.02 | 1,900 | 7,638 | 0 | 0 | 0 | 0 | 0 | 0 | 1,900 | 7,638 |
| 2 | 5.55 | 5,772 | 32,035 | 22 | 122 | 30 | 167 | 167 | 927 | 5,991 | 33,251 |
| 3 | 5.55 | 373 | 2,070 | 7 | 39 | 18 | 100 | 3 | 17 | 401 | 2,226 |
| 4 | 6.37 | 312 | 1,987 | 7 | 45 | 41 | 261 | 828 | 5,274 | 1,188 | 7,567 |
| 6 | 9.92 | 232 | 2,301 | 6 | 60 | 34 | 337 | 2,877 | 28,540 | 3,149 | 31,238 |
| 8 | 9.92 | 241 | 2,391 | 2 | 20 | 40 | 397 | 1,715 | 17,013 | 1,998 | 19,821 |
| 10 | 9.92 | 60 | 595 | 0 | 0 | 33 | 327 | 94 | 932 | 187 | 1,854 |
| 12 and above | 12.16 | 0 | 0 | 0 | 0 | 0 | 0 | 94 | 1,143 | 94 | 1,143 |
| Total | | <u>463,468</u> | <u>532,877</u> | <u>47</u> | <u>293</u> | <u>215</u> | <u>1,639</u> | <u>5,778</u> | <u>53,846</u> | <u>469,508</u> | <u>588,655</u> |

11-23

Schedule C

MISSOURI-AMERICAN WATER COMPANY
ALL DISTRICTS

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 10. 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 & Distribution Operating Expenses</u> (2) | <u>Allocation Factor</u> (3) |
|---------------------------------------|--|---------------------------------|
| Rate A - Res/Com/Ind/OPA | \$ 3,638,357 | 0.9128 |
| Rate B - Sales for Resale | 23,398 | 0.0059 |
| Rate J - Large User | 82,771 | 0.0208 |
| Rate F - Private Fire | 113,960 | 0.0286 |
| Public Fire | <u>127,289</u> | <u>0.0319</u> |
| Total | <u>3,985,775</u> | <u>1.0000</u> |

FACTOR 11. 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:

| <u>Customer Classification</u> (1) | <u>Transmission & Distribution Maintenance Expenses</u> (2) | <u>Allocation Factor</u> (3) |
|---------------------------------------|--|---------------------------------|
| Rate A - Res/Com/Ind/OPA | \$ 6,087,013 | 0.8441 |
| Rate B - Sales for Resale | 59,935 | 0.0083 |
| Rate J - Large User | 199,793 | 0.0277 |
| Rate F - Private Fire | 134,305 | 0.0186 |
| Public Fire | <u>730,800</u> | <u>0.1013</u> |
| Total | <u>\$7,211,846</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
ALL DISTRICTS

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 12. ALLOCATION OF BILLING AND COLLECTING COSTS.

Factors are based on the total number of bills.

| <u>Customer Classification</u> (1) | <u>Total Customers</u> (2) | <u>Allocation Factor</u> (3) |
|---|-----------------------------------|-------------------------------------|
| Rate A - Res/Com/Ind/OPA | 2,834,515 | 0.9750 |
| Rate B - Sales for Resale | 564 | 0.0002 |
| Rate J - Large User | 2,580 | 0.0009 |
| Rate F - Private Fire | 69,336 | 0.0239 |
| Public Fire | <u>0</u> | <u>0.0000</u> |
| Total | <u><u>2,906,995</u></u> | <u><u>1.0000</u></u> |

FACTOR 13. ALLOCATION OF METER READING COSTS.

Factors are based on the number of metered bills.

| <u>Customer Classification</u> (1) | <u>Total Metered Customers</u> (2) | <u>Allocation Factor</u> (3) |
|---|---|-------------------------------------|
| Rate A - Res/Com/Ind/OPA | 2,834,515 | 0.9989 |
| Rate B - Sales for Resale | 564 | 0.0002 |
| Rate J - Large User | <u>2,580</u> | <u>0.0009</u> |
| | <u><u>2,837,659</u></u> | <u><u>1.0000</u></u> |

**MISSOURI-AMERICAN WATER COMPANY
ALL DISTRICTS**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 14. 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 <u>(1)</u> | Operation & Maintenance Expenses <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Rate A - Res/Com/Ind/OPA | \$35,626,897 | 0.8883 |
| Rate B - Sales for Resale | 673,606 | 0.0168 |
| Rate J - Large User | 1,539,169 | 0.0384 |
| Rate F - Private Fire | 654,940 | 0.0163 |
| Public Fire | <u>1,611,587</u> | <u>0.0402</u> |
| Total | <u><u>\$40,106,198</u></u> | <u><u>1.0000</u></u> |

FACTOR 15. ALLOCATION OF CASH WORKING CAPITAL

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

| Customer Classification <u>(1)</u> | Operation & Maintenance Expenses <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Rate A - Res/Com/Ind/OPA | \$103,732,502 | 0.8777 |
| Rate B - Sales for Resale | 2,703,235 | 0.0229 |
| Rate J - Large User | 6,242,797 | 0.0528 |
| Rate F - Private Fire | 1,630,340 | 0.0138 |
| Public Fire | <u>3,874,319</u> | <u>0.0328</u> |
| Total | <u><u>\$118,183,193</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
ALL DISTRICTS

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) |
|---|--|-------------------------------------|
| Rate A - Res/Com/Ind/OPA | \$22,964,227 | 0.8807 |
| Rate B - Sales for Resale | 500,675 | 0.0192 |
| Rate J - Large User | 1,098,599 | 0.0421 |
| Rate F - Private Fire | 404,617 | 0.0155 |
| Public Fire | <u>1,107,365</u> | <u>0.0425</u> |
| Total | <u>\$26,075,483</u> | 1.0000 |

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) |
|---|---|-------------------------------------|
| Rate A - Res/Com/Ind/OPA | \$1,106,650,004 | 0.8463 |
| Rate B - Sales for Resale | 25,191,748 | 0.0193 |
| Rate J - Large User | 58,325,513 | 0.0446 |
| Rate F - Private Fire | 17,978,199 | 0.0137 |
| Public Fire | <u>99,467,694</u> | <u>0.0761</u> |
| Total | <u>\$1,307,613,158</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
ALL DISTRICTS

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.

| <u>Customer Classification</u> (1) | <u>Original Cost Measure of Value</u> (2) | <u>Allocation Factor</u> (3) |
|---|--|-------------------------------------|
| Rate A - Res/Com/Ind/OPA | \$895,326,719 | 0.8468 |
| Rate B - Sales for Resale | 20,413,906 | 0.0193 |
| Rate J - Large User | 47,229,697 | 0.0447 |
| Rate F - Private Fire | 14,590,484 | 0.0138 |
| Public Fire | <u>79,749,577</u> | <u>0.0754</u> |
| Total | <u><u>\$1,057,310,383</u></u> | <u><u>1.0000</u></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.

| <u>Customer Classification</u> (1) | <u>Total Cost of Service</u> (2) | <u>Allocation Factor</u> (3) |
|---|---|-------------------------------------|
| Rate A - Res/Com/Ind/OPA | \$256,895,554 | 0.8599 |
| Rate B - Sales for Resale | 6,272,000 | 0.0210 |
| Rate J - Large User | 14,388,099 | 0.0482 |
| Rate F - Private Fire | 4,140,223 | 0.0139 |
| Public Fire | <u>17,028,249</u> | <u>0.0570</u> |
| Total | <u><u>\$298,724,125</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
 ALL WATER DISTRICTS
 COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014 ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA Rate A (4) | Sales for Resale Rate B (5) | Large User Rate J (6) | Fire Protection | |
|----------------------------------|-----------------------|---------------------------|----------------------------------|-----------------------------------|-----------------------------|-----------------|---------------|
| | | | | | | Rate F (7) | Public (8) |
| Rate Base | | | | | | | |
| Organization | 17 | \$ 258,861 | \$ 219,074 | \$ 4,996 | \$ 11,545 | \$ 3,546 | \$ 19,699 |
| Franchises | 17 | 43,698 | 36,982 | 843 | 1,949 | 599 | 3,325 |
| Land & Ld Rights SS | 2 | 1,739,118 | 1,500,511 | 79,304 | 153,912 | 870 | 4,522 |
| Land & Ld Rights P | 3 | 366,787 | 302,856 | 15,955 | 30,994 | 3,741 | 13,241 |
| Land & Ld Rights WT | 2 | 2,317,367 | 1,999,424 | 105,672 | 205,087 | 1,159 | 6,025 |
| Land & Ld Rights TD | 6 | 4,804,276 | 4,249,863 | 45,641 | 150,374 | 78,790 | 279,609 |
| Land & Land Rights AG | 14 | 389,178 | 345,707 | 6,538 | 14,944 | 6,344 | 15,645 |
| Struct & Imp SS | 2 | 10,173,455 | 8,777,657 | 463,910 | 900,351 | 5,087 | 26,451 |
| Struct & Imp P | 3 | 12,388,307 | 10,229,025 | 538,891 | 1,046,812 | 126,361 | 447,218 |
| Struct & Imp WT | 2 | 61,942,274 | 53,443,794 | 2,824,568 | 5,481,891 | 30,971 | 161,050 |
| Struct & Imp TD | 6 | 3,171,059 | 2,805,119 | 30,125 | 99,254 | 52,005 | 184,556 |
| Struct & Imp AG | 14 | 9,493,188 | 8,432,799 | 159,486 | 364,538 | 154,739 | 381,626 |
| Struct & Imp Offices | 14 | 3,559,476 | 3,161,883 | 59,799 | 136,684 | 58,019 | 143,091 |
| Gen Structures HVAC | 14 | 1,382,053 | 1,227,678 | 23,218 | 53,071 | 22,527 | 55,559 |
| Struct & Imp Leasehold | 14 | (156,353) | (138,888) | (2,627) | (6,004) | (2,549) | (6,285) |
| Struct & Imp Store,Shop,Gar | 14 | 2,091,745 | 1,858,097 | 35,141 | 80,323 | 34,095 | 84,088 |
| Struct & Imp Misc | 14 | 2,685,355 | 2,385,401 | 45,114 | 103,118 | 43,771 | 107,951 |
| Collect & Impounding | 1 | 22,175 | 18,073 | 1,180 | 2,787 | 22 | 113 |
| Lake, River & Other Intakes | 2 | 7,750,515 | 6,687,144 | 353,423 | 685,921 | 3,875 | 20,151 |
| Wells & Springs | 2 | 5,717,049 | 4,932,670 | 260,697 | 505,959 | 2,859 | 14,864 |
| Infiltration Galleries & Tunnels | 2 | 1,804 | 1,556 | 82 | 160 | 1 | 5 |
| Supply Mains | 2 | 14,662,844 | 12,651,102 | 668,626 | 1,297,662 | 7,331 | 38,123 |
| Power Generation Equip | 2 | 2,630,598 | 2,269,680 | 119,955 | 232,808 | 1,315 | 6,840 |
| Boiler Plant Equipment P | 3 | 298 | 246 | 13 | 25 | 3 | 11 |
| Pump Equip Steam | 3 | 13,869 | 11,452 | 603 | 1,172 | 141 | 501 |
| Pump Equip Electric | 3 | 40,089,921 | 33,102,248 | 1,743,912 | 3,387,598 | 408,917 | 1,447,246 |
| Pump Equip Diesel | 3 | 643,173 | 531,068 | 27,978 | 54,348 | 6,560 | 23,219 |
| Pump Equip Hydraulic | 3 | 462,796 | 382,131 | 20,132 | 39,106 | 4,721 | 16,707 |
| Pump Equip Other | 3 | 271,605 | 224,264 | 11,815 | 22,951 | 2,770 | 9,805 |
| Pump Equip WT | 2 | 2,024,118 | 1,746,409 | 92,300 | 179,134 | 1,012 | 5,263 |
| Pump Equip TD | 6 | 2,964 | 2,622 | 28 | 93 | 49 | 173 |
| WT Equip Non-Media | 2 | 88,673,123 | 76,507,171 | 4,043,494 | 7,847,571 | 44,337 | 230,550 |
| WT Equip Filter Media | 2 | 4,767,240 | 4,113,175 | 217,386 | 421,901 | 2,384 | 12,395 |
| Dist Reservoirs & Standpipe | 5 | 7,494,329 | 5,694,191 | 332,748 | 512,612 | 211,340 | 743,437 |
| Elevated Tanks & Standpipes | 5 | 4,771,677 | 3,625,520 | 211,862 | 326,383 | 134,561 | 473,350 |
| Ground Level Facilities | 5 | 5,265,123 | 4,000,441 | 233,771 | 360,134 | 148,476 | 522,300 |
| Below Ground Facilities | 5 | 24,178 | 18,370 | 1,073 | 1,654 | 682 | 2,398 |
| Clearwells | 5 | 84,787 | 64,421 | 3,765 | 5,799 | 2,391 | 8,411 |
| TD Mains Not Classified by | 6 | 66,590,655 | 58,906,093 | 632,611 | 2,084,287 | 1,092,087 | 3,875,576 |
| TD Mains 4" & Less | 4 | 11,366,058 | 10,240,818 | 0 | 186,403 | 206,862 | 731,974 |
| TD Mains 6 to 8" | 4 | 440,766,537 | 397,130,650 | 0 | 7,228,571 | 8,021,951 | 28,385,365 |
| TD Mains 10 to 16" | 3 | 226,268,652 | 186,830,026 | 9,842,686 | 19,119,701 | 2,307,940 | 8,168,298 |
| TD Mains 18" & Grtr | 3 | 19,283,039 | 15,922,005 | 838,812 | 1,629,417 | 196,687 | 696,118 |
| Fire Mains | 7 | 446,699 | 0 | 0 | 0 | 0 | 446,699 |

MISSOURI-AMERICAN WATER COMPANY
 ALL WATER DISTRICTS
 COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014 ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA | | Large User Rate J (6) | Fire Protection | |
|---------------------------------------|-----------------------|---------------------------|----------------------|-------------------|-----------------------------|-------------------|-------------------|
| | | | Rate A (4) | Rate B (5) | | Rate F (7) | Public (8) |
| Services | 9 | 25,320,226 | 22,919,868 | 12,660 | 70,897 | 2,316,801 | 0 |
| Meters Bronze Case | 8 | 17,423,169 | 17,038,117 | 13,939 | 181,201 | 189,913 | 0 |
| Meters Plastic Case | 8 | 1,690,291 | 1,652,935 | 1,352 | 17,579 | 18,424 | 0 |
| Meters Other | 8 | 58,557,491 | 57,263,371 | 46,846 | 608,998 | 638,277 | 0 |
| Meters Other-Rem Rdr Unts | 8 | 2,620,303 | 2,562,395 | 2,096 | 27,251 | 28,561 | 0 |
| Meter Installations | 8 | 10,983,128 | 10,740,401 | 8,787 | 114,225 | 119,716 | 0 |
| Meter Installation Other | 8 | 6,348,513 | 6,208,211 | 5,079 | 66,025 | 69,199 | 0 |
| Meter Vaults | 8 | 658,367 | 643,817 | 527 | 6,847 | 7,176 | 0 |
| Hydrants | 7 | 49,491,563 | 0 | 0 | 0 | 0 | 49,491,563 |
| Other P/E Intangible | 17 | 3,421 | 2,895 | 66 | 153 | 47 | 260 |
| Other P/E SS | 2 | 1,170 | 1,009 | 53 | 104 | 1 | 3 |
| Other P/E WT Res Hand Equip | 2 | 1,473,221 | 1,271,095 | 67,179 | 130,380 | 737 | 3,830 |
| Other P/E TD | 6 | 37,653 | 33,308 | 358 | 1,179 | 618 | 2,191 |
| Other P/E CPS | 14 | 1,207,276 | 1,072,423 | 20,282 | 46,359 | 19,679 | 48,532 |
| Office Furniture & Equip | 14 | 236,177 | 209,796 | 3,968 | 9,069 | 3,850 | 9,494 |
| Comp & Periph Equip | 14 | 8,334,207 | 7,403,276 | 140,015 | 320,034 | 135,848 | 335,035 |
| Computer Software | 14 | 4,088,008 | 3,631,377 | 68,679 | 156,979 | 68,635 | 164,338 |
| Comp Software Mainframe | 14 | 22,708,648 | 20,172,092 | 381,505 | 872,012 | 370,151 | 912,888 |
| Comp Software Mainframe - CIS | 12 | 11,615,185 | 11,324,806 | 2,323 | 10,454 | 277,603 | 0 |
| Comp Software Customized | 14 | 41,758 | 37,093 | 702 | 1,603 | 681 | 1,679 |
| Comp Software Other | 14 | 30,711 | 27,280 | 516 | 1,179 | 501 | 1,235 |
| Data Handling Equipment | 14 | 121,641 | 108,054 | 2,044 | 4,671 | 1,983 | 4,890 |
| Other Office Equipment | 14 | 100,155 | 88,988 | 1,683 | 3,846 | 1,633 | 4,026 |
| Trans Equip Lt Duty Trks | 14 | 5,436,678 | 4,829,401 | 91,336 | 208,768 | 88,618 | 218,554 |
| Trans Equip Hvy Duty Trks | 14 | 16,295 | 14,475 | 274 | 626 | 266 | 655 |
| Trans Equip Autos | 14 | (895,293) | (795,288) | (15,041) | (34,379) | (14,593) | (35,991) |
| Trans Equip Other | 14 | 2,809,862 | 2,496,000 | 47,206 | 107,899 | 45,801 | 112,956 |
| Stores Equipment | 14 | 867,151 | 770,290 | 14,568 | 33,299 | 14,135 | 34,859 |
| Tools,Shop,Garage Equip | 14 | 2,072,973 | 1,841,422 | 34,826 | 79,602 | 33,789 | 83,334 |
| Tools,Shop,Garage Equip Oth | 14 | 1,891,512 | 1,680,230 | 31,777 | 72,634 | 30,832 | 76,039 |
| Laboratory Equipment | 2 | 505,398 | 436,058 | 23,046 | 44,728 | 253 | 1,314 |
| Laboratory Equip Other | 2 | 109,312 | 94,314 | 4,985 | 9,674 | 55 | 284 |
| Power Operated Equipment | 14 | (36,913) | (32,790) | (620) | (1,417) | (602) | (1,484) |
| Comm Equip Non-Telephone | 14 | 666,007 | 591,614 | 11,189 | 25,575 | 10,856 | 26,773 |
| Remote Control & Instr | 14 | 2,501,989 | 2,222,517 | 42,033 | 96,076 | 40,782 | 100,580 |
| Comm Equip Telephone | 14 | (10,629) | (9,442) | (179) | (408) | (173) | (427) |
| Misc Equipment | 14 | 2,146,840 | 1,907,038 | 36,067 | 82,439 | 34,993 | 86,303 |
| Other Tangible Property | 17 | 330,564 | 279,756 | 6,380 | 14,743 | 4,529 | 25,156 |
| Total Utility Plant in Service | | 1,308,249,701 | 1,107,188,711 | 25,204,033 | 58,353,902 | 17,986,920 | 99,516,135 |

MISSOURI-AMERICAN WATER COMPANY
 ALL WATER DISTRICTS
 COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014 ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA Rate A (4) | Sales for Resale Rate B (5) | Large User Rate J (6) | Fire Protection | |
|---|-----------------------|---------------------------|----------------------------------|-----------------------------------|-----------------------------|----------------------|----------------------|
| | | | | | | Rate F (7) | Public (8) |
| Other Rate Base Items | | | | | | | |
| Add: | | | | | | | |
| Other Utility Plant Adjustments | 17 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash Working Capital | 15 | 9,708,700 | 8,521,326 | 222,329 | 512,619 | 133,980 | 318,445 |
| Materials and Supplies | 14 | 5,062,777 | 4,497,265 | 85,055 | 194,411 | 32,523 | 203,524 |
| Prepayments | 14 | 1,937,185 | 1,720,801 | 32,545 | 74,388 | 31,576 | 77,875 |
| Pension / OPEB Tracker | 16 | 14,004,177 | 12,333,479 | 268,880 | 589,576 | 217,065 | 595,178 |
| Tank Painting Tracker | 5 | 1,420,051 | 1,078,955 | 63,050 | 97,131 | 40,045 | 140,869 |
| Less: Accumulated Amortization | 17 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accumulated Deferred ITC (3%) | 17 | (8,831) | (7,474) | (170) | (394) | (121) | (672) |
| Deferred Income Taxes | 17 | (269,987,566) | (228,490,477) | (5,210,760) | (12,041,445) | (3,698,830) | (20,546,054) |
| Pensions | 16 | (13,075,811) | (11,515,867) | (251,056) | (550,492) | (202,675) | (555,722) |
| Total Other Rate Base Elements | | <u>(250,939,318)</u> | <u>(211,861,992)</u> | <u>(4,790,127)</u> | <u>(11,124,206)</u> | <u>(3,396,436)</u> | <u>(19,766,557)</u> |
| Total Original Cost Measure of Value | | <u>\$ 1,057,310,383</u> | <u>\$ 895,326,719</u> | <u>\$ 20,413,906</u> | <u>\$ 47,229,697</u> | <u>\$ 14,590,484</u> | <u>\$ 79,749,577</u> |

MISSOURI-AMERICAN WATER COMPANY
ALL DISTRICTS

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) |
|---|---|-------------------------------------|
| Rate A - Res/Com/Ind/OPA | 561,586 | 0.9895 |
| Rate B - Sales for Resale | 0 | 0.0000 |
| Rate J - Large User | 5,964 | 0.0105 |
| Rate F - Private Fire | <u>0</u> | <u>0.0000</u> |
| Total | <u><u>567,550</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
ALL DISTRICTS

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1999-2014

| Year | Average Daily Send out (MGD) | Maximum Daily Use | |
|------|------------------------------------|-------------------|---------------------|
| | | MGD | Ratio to Average |
| (1) | (2) | (3) | (4) |
| 1999 | 213.572 | 395.838 | 1.85 |
| 2000 | 204.770 | 333.278 | 1.63 |
| 2001 | 208.905 | 346.848 | 1.66 |
| 2002 | 213.175 | 389.341 | 1.83 |
| 2003 | 205.553 | 383.625 | 1.87 |
| 2004 | 209.006 | 324.891 | 1.55 |
| 2005 | 224.851 | 393.318 | 1.75 |
| 2006 | 222.755 | 384.467 | 1.73 |
| 2007 | 230.937 | 416.607 | 1.80 |
| 2008 | 196.586 | 330.180 | 1.68 |
| 2009 | 188.216 | 324.997 | 1.73 |
| 2010 | 195.540 | 320.392 | 1.64 |
| 2011 | 202.866 | 355.558 | 1.75 |
| 2012 | 215.858 | 433.486 | 2.01 |
| 2013 | 197.668 | 342.118 | 1.73 |
| 2014 | 192.741 | 311.685 | 1.62 |

MISSOURI-AMERICAN WATER COMPANY
ALL DISTRICTS

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) |
|--------------------------------|--|-----------------|-----------------------------------|-----------------------------|
| <u>PRIVATE FIRE PROTECTION</u> | | | | |
| Fire Lines | | | | |
| 2 -inch | 4.00 | 167 | 668 | |
| 3 -inch | 9.00 | 3 | 27 | |
| 4 -inch | 16.00 | 828 | 13,248 | |
| 6 -inch | 36.00 | 2,877 | 103,572 | |
| 8 -inch | 64.00 | 1,715 | 109,760 | |
| 10 -inch | 100.00 | 94 | 9,400 | |
| 12 -inch | 144.00 | 94 | 13,536 | |
| Private Hydrants | 20.25 | 211 | 4,273 | |
| Total Rate F | | 5,989 | 254,484 | 0.2224 |
| <u>PUBLIC FIRE PROTECTION</u> | | | | |
| <u>Hydrant</u> | <u>Nozzle Sizes</u> | | | |
| 5 1/4 Valve | 1- 2-1/2" & 1- 4 1/2" | 5,855 | 155,158 | |
| 4 1/2" Valve | 2- 2-1/2" & 1- 4 1/2" | 32,356 | 655,209 | |
| 4 3/4" Valve | 2- 2-1/2" & 1- 4 1/2" | 158 | 3,565 | |
| 5" Valve | 1- 2-1/2" & 1- 4 1/2" | 6 | 150 | |
| 4 1/2" Valve | 1- 2 1/2" | 1,033 | 6,456 | |
| 4 1/4" Valve | 2- 2-1/2" & 1- 4.5" | 1,415 | 25,558 | |
| 6" Valve | 2- 2-1/2" & 1- 4.5" | 265 | 8,679 | |
| 6" Valve | 2- 2-1/2" | 2,799 | 34,988 | |
| Total Rate E | | 43,887 | 889,762 | 0.7776 |
| Total Fire Protection | | 49,876 | 1,144,246 | 1.0000 |

MISSOURI AMERICAN WATER COMPANY

CALCULATION OF THE 5/8-INCH CUSTOMER COSTS PER MONTH
INCLUDING THE UNRECOVERED PUBLIC FIRE COSTS

| <u>Cost Function</u> | <u>Cost of Service</u> | <u>Number of Units</u> | <u>Unit Cost Per Month</u> | <u>Unit Cost Per Quarter</u> |
|-------------------------|------------------------|-------------------------|----------------------------|------------------------------|
| Meters | \$ 20,803,873 | 568,002 5/8 Equivalents | \$ 3.05 | \$ 9.15 |
| Services | 8,480,642 | 534,809 3/4 Equivalents | 1.32 | 3.96 |
| Billing/Collecting | <u>29,613,896</u> | 2,797,709 Bills | <u>10.59</u> | <u>10.59</u> |
| Subtotal | 58,898,411 | | 14.96 | 23.70 |
| Unrecovered Public Fire | <u>16,770,089</u> | 568,002 5/8 Equivalents | <u>2.46</u> | <u>7.38</u> |
| Total | <u>\$ 75,668,499</u> | | <u>\$ 17.42</u> | <u>\$ 31.08</u> |

PART III. COST OF SERVICE BY CUSTOMER
DISTRICT SPECIFIC 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 DECEMBER 31, 2014

| Customer Classification | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates Consolidated Pricing | | Proposed Increase | |
|----------------------------|------------------------|---------|-------------------------|---------|--|---------|-------------------|---------------------|
| | Amount (Schedule B) | Percent | Amount | Percent | Amount | Percent | Amount | Percent Increase |
| | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Residential | \$ 309,295 | 50.4% | \$ 194,954 | 50.9% | \$ 158,052 | 46.5% | \$ (36,902) | -18.9% |
| Commercial | 124,318 | 20.2% | 80,651 | 21.0% | 73,176 | 21.5% | (7,475) | -9.3% |
| Public Authority | 12,532 | 2.0% | 9,773 | 2.5% | 7,845 | 2.3% | (1,928) | -19.7% |
| Total Rate A | 446,145 | 72.6% | 285,378 | 74.4% | 239,073 | 70.3% | (46,305) | -16.2% |
| Sales for Resale | 164,857 | 26.8% | 91,578 | 23.9% | 98,865 | 29.0% | 7,287 | 8.0% |
| Private Fire Service | 3,954 | 0.6% | 6,557 | 1.7% | 2,499 | 0.7% | (4,058) | -61.9% |
| Public Fire Service | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% |
| Total Sales | 614,956 | 100.0% | 383,513 | 100.0% | 340,437 | 100.0% | (89,381) | -23.3% |
| Other Revenues | 4,820 | | 4,820 | | 4,820 | | - | 0.0% |
| Total | \$ 619,776 | | \$ 388,333 | | \$ 345,257 | | \$ (43,076) | -11.1% |

BRU-1

Schedule A-BRU

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Fire Protection | |
|---|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|-------------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Private (9) | Public (10) |
| OPERATION AND MAINTENANCE EXPENSES | | | | | | | | | |
| SOURCE OF SUPPLY EXPENSES | | | | | | | | | |
| Super & Eng Oper SS | 2 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Labor & Exp Oper SS | 2 | 582 | 200 | 98 | 0 | 9 | 274 | 0 | 2 |
| Purchased Water | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SS EXPENSE - OPERATION | | 582 | 200 | 98 | 0 | 9 | 274 | 0 | 2 |
| Misc Exp Oper SS | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Exp Oper SS | 2 | 7,650 | 2,625 | 1,288 | 0 | 115 | 3,597 | 1 | 24 |
| TOTAL SS EXPENSE - MAINTENANCE | | 7,650 | 2,625 | 1,288 | 0 | 115 | 3,597 | 1 | 24 |
| TOTAL SS EXPENSE | | 8,232 | 2,824 | 1,386 | 0 | 123 | 3,871 | 1 | 26 |
| POWER AND PUMPING EXPENSES | | | | | | | | | |
| Super & Eng Oper P | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor & Exp Oper Pwr Prod | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor & Exp Oper Pwr Prod | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Purch Fuel/Power for Pump | 1 | 13,789 | 3,746 | 2,282 | 0 | 225 | 7,450 | 3 | 83 |
| Labor & Exp Oper Pump - Labor | 3 | 30,436 | 9,499 | 4,660 | 0 | 414 | 13,011 | 100 | 2,751 |
| Labor & Exp Oper Pump | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Exp Oper P | 3 | 89 | 28 | 14 | 0 | 1 | 38 | 0 | 8 |
| Rents Oper P | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL PUMPING EXPENSE - OPERATION | | 44,314 | 13,273 | 6,955 | 0 | 640 | 20,499 | 103 | 2,842 |
| Super & Eng Maint P | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Struct & Improve Maint P - Labor | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Power Prod Equip Maint P - Labor | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pump Equip Maint P - Labor | 3 | 67 | 21 | 10 | 0 | 1 | 28 | 0 | 6 |
| Pump Equip Maint P | 3 | 1,271 | 397 | 195 | 0 | 17 | 543 | 4 | 115 |
| TOTAL PUMPING EXPENSES - MAINTENANCE | | 1,338 | 417 | 205 | 0 | 18 | 572 | 4 | 121 |

BRU-2

Schedule B-BRU

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B Sales for Resale (8) | Fire Protection | |
|---|--------------------|------------------------|--------------------|-------------------|-------------------|------------------------------|--------------------------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | Private (9) | Public (10) |
| TOTAL PUMPING EXPENSES | | 45,651 | 13,691 | 7,160 | 0 | 658 | 21,071 | 108 | 2,963 |
| WATER TREATMENT | | | | | | | | | |
| Super & Eng Oper WT | 2 | 17,609 | 6,042 | 2,965 | 0 | 264 | 8,280 | 2 | 56 |
| Chemicals | 1 | 14,367 | 3,904 | 2,378 | 0 | 234 | 7,762 | 3 | 86 |
| Labor & Exp Oper WT - Labor | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor & Exp Oper WT | 2 | 6,838 | 2,346 | 1,152 | 0 | 103 | 3,215 | 1 | 22 |
| Misc Exp Oper WT | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Exp Oper WT - Sludge Disposal | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Exp Oper WT | 2 | 4,590 | 1,575 | 773 | 0 | 69 | 2,158 | 0 | 15 |
| Rents Oper WT | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL WT EXPENSE - OPERATION | | 43,404 | 13,866 | 7,268 | 0 | 670 | 21,416 | 6 | 179 |
| Super & Eng Maint WT | 2 | 17,447 | 5,986 | 2,938 | 0 | 262 | 8,203 | 2 | 56 |
| 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 | 3,558 | 1,221 | 599 | 0 | 53 | 1,673 | 0 | 11 |
| TOTAL WT EXPENSE - MAINTENANCE | | 21,005 | 7,207 | 3,537 | 0 | 315 | 9,876 | 2 | 67 |
| TOTAL WT EXPENSE | | 64,409 | 21,073 | 10,805 | 0 | 985 | 31,292 | 8 | 246 |
| TRANSMISSION AND DISTRIBUTION EXPENSES | | | | | | | | | |
| Super & Eng Oper TD | 10 | 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 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TD Lines Exp | 6 | 749 | 245 | 129 | 0 | 13 | 41 | 11 | 310 |
| Meter Expense - Labor | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meter Expense | 8 | 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 DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Fire Protection | |
|--|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|-------------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Private (9) | Public (10) |
| Customer Install Exp - Labor | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Customer Install Exp | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Exp Oper TD - Labor | 10 | 21,546 | 7,039 | 3,717 | 0 | 364 | 1,194 | 321 | 8,911 |
| Misc Exp Oper TD | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Exp Oper TD | 10 | 885 | 289 | 153 | 0 | 15 | 49 | 13 | 366 |
| Rents Oper TD | 10 | 15 | 5 | 3 | 0 | 0 | 1 | 0 | 6 |
| TOTAL T & D EXPENSE OPERATION | | 23,195 | 7,578 | 4,001 | 0 | 392 | 1,285 | 346 | 9,593 |
| Super & Eng Maint TD | 11 | 15,460 | 5,051 | 2,667 | 0 | 261 | 856 | 230 | 6,394 |
| TD Main Maint TD | 6 | 6,453 | 2,108 | 1,113 | 0 | 109 | 357 | 96 | 2,669 |
| Fire Main Maint TD - Labor | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hydrants Maint TD - Labor | 7 | (1) | 0 | 0 | 0 | 0 | 0 | 0 | (1) |
| Hydrants Maint TD | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor Maint TD - Labor | 11 | (127) | (42) | (22) | 0 | (2) | (7) | (2) | (53) |
| Mat and Sup Maint TD | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Maint TD | 11 | 1,771 | 579 | 305 | 0 | 30 | 98 | 26 | 732 |
| Amort Def Maint TD | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL T & D EXPENSE - MAINTENANCE | | 23,556 | 7,696 | 4,064 | 0 | 398 | 1,305 | 351 | 9,742 |
| TOTAL T & D EXPENSE | | 46,751 | 15,274 | 8,065 | 0 | 790 | 2,590 | 697 | 19,335 |
| CUSTOMER ACCOUNTS | | | | | | | | | |
| Supervision CA | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meter Reading Exp CA | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meter Reading Exp CA | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meter Reading Exp CA | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cust Rec & Collection CA - Labor | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cust Rec & Collection CA | 12 | 239 | 192 | 38 | 0 | 5 | 2 | 1 | 0 |
| Uncollectible Accts | 12 | 9,559 | 7,693 | 1,539 | 0 | 186 | 94 | 47 | 0 |
| Misc Cust Accts Exp CA -Labor | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

BRU-4

Schedule B-BRU

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Fire Protection | |
|---|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|-------------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Private (9) | Public (10) |
| Misc Cust Accts Exp CA | 12 | 4,228 | 3,403 | 681 | 0 | 82 | 41 | 21 | 0 |
| Misc Cust Accts Exp CA | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cust Serv & Info Exp CA | 12 | 84 | 68 | 14 | 0 | 2 | 1 | 0 | 0 |
| TOTAL CUSTOMER ACCOUNTING EXPENSE | | 14,110 | 11,356 | 2,272 | 0 | 275 | 138 | 69 | 0 |
| ADMINISTRATIVE AND GENERAL EXPENSES | | | | | | | | | |
| Salaries AG | 14 | 40,920 | 15,328 | 6,784 | 0 | 642 | 11,854 | 237 | 6,072 |
| Other Supplies & Exp AG | 14 | 3,729 | 1,397 | 618 | 0 | 59 | 1,080 | 22 | 553 |
| Mgmt Fees-Admin | 14 | 2,332 | 874 | 387 | 0 | 37 | 676 | 14 | 346 |
| Mgmt Fees-Customer Service | 12 | 428 | 345 | 69 | 0 | 8 | 4 | 2 | 0 |
| Mgmt Fees-Belleville Lab | 2 | 13 | 5 | 2 | 0 | 0 | 6 | 0 | 0 |
| Mgmt Fees- Employee | 16 | 145 | 50 | 24 | 0 | 2 | 44 | 1 | 24 |
| Outside Services AG | 14 | 150 | 56 | 25 | 0 | 2 | 43 | 1 | 22 |
| Outside Services AG | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ins Gen Liab Oper AG | 14 | 346 | 130 | 57 | 0 | 5 | 100 | 2 | 51 |
| Ins Work Comp AG | 16 | 3,422 | 1,169 | 566 | 0 | 53 | 1,036 | 21 | 577 |
| Ins Other Oper AG | 14 | (1) | (0) | (0) | 0 | (0) | (0) | (0) | (0) |
| Ins Vehicle | 14 | 15 | 6 | 2 | 0 | 0 | 4 | 0 | 2 |
| Injuries & Damages | 16 | (1) | (0) | (0) | 0 | (0) | (0) | (0) | (0) |
| Employee Pension & Benefits | 16 | 40,231 | 13,739 | 6,658 | 0 | 620 | 12,178 | 249 | 6,787 |
| Reg Commission Exp | 19 | 35 | 14 | 6 | 0 | 1 | 9 | 0 | 5 |
| Rents AG | 14 | 13 | 5 | 2 | 0 | 0 | 4 | 0 | 2 |
| Goodwill Advertising Exp | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Exp AG | 14 | 6,792 | 2,544 | 1,126 | 0 | 107 | 1,968 | 39 | 1,008 |
| Research & Development | 14 | 12 | 4 | 2 | 0 | 0 | 3 | 0 | 2 |
| TOTAL A & G OPERATIONS | | 98,582 | 35,663 | 16,330 | 0 | 1,536 | 29,010 | 589 | 15,453 |
| Maint Exp ARO/Net Neg Sal AG | 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| General Plant Maint AG | 14 | 63 | 24 | 10 | 0 | 1 | 18 | 0 | 9 |
| TOTAL A & G EXPENSE - MAINTENANCE | | 63 | 24 | 10 | 0 | 1 | 18 | 0 | 9 |
| TOTAL A & G EXPENSE | | 98,645 | 35,687 | 16,340 | 0 | 1,537 | 29,028 | 589 | 15,462 |
| Total Operation & Maintenance Expenses | | 277,798 | 99,905 | 46,028 | 0 | 4,369 | 87,991 | 1,472 | 38,034 |

BRU-5

Schedule B-BRU

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B Sales for Resale (8) | Fire Protection | |
|----------------------------------|--------------------|------------------------|--------------------|-------------------|-------------------|------------------------------|--------------------------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | Private (9) | Public (10) |
| DEPRECIATION EXPENSE | | | | | | | | | |
| Organization | 17 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Franchises | 17 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Struct & Imp SS | 2 | 471 | 162 | 79 | 0 | 7 | 221 | 0 | 2 |
| Struct & Imp P | 3 | 2,174 | 679 | 333 | 0 | 30 | 929 | 7 | 197 |
| Struct & Imp WT | 2 | 6,904 | 2,369 | 1,163 | 0 | 104 | 3,246 | 1 | 22 |
| Struct & Imp TD | 6 | 392 | 128 | 68 | 0 | 7 | 22 | 6 | 162 |
| Struct & Imp AG | 14 | 494 | 185 | 82 | 0 | 8 | 143 | 3 | 73 |
| Struct & Imp Offices | 14 | 1,863 | 698 | 309 | 0 | 29 | 540 | 11 | 276 |
| Struct & Imp Store,Shop,Gar | 14 | 15 | 6 | 2 | 0 | 0 | 4 | 0 | 2 |
| Struct & Imp Misc | 14 | 413 | 155 | 68 | 0 | 6 | 120 | 2 | 61 |
| Infiltration Galleries & Tunnels | 2 | 32 | 11 | 5 | 0 | 0 | 15 | 0 | 0 |
| Wells & Springs | 2 | 5,168 | 1,773 | 870 | 0 | 78 | 2,430 | 1 | 17 |
| Supply Mains | 2 | 1,163 | 399 | 196 | 0 | 17 | 547 | 0 | 4 |
| Power Generation Equip | 3 | 3,020 | 943 | 462 | 0 | 41 | 1,291 | 10 | 273 |
| Pump Equip Electric | 3 | 1,483 | 463 | 227 | 0 | 20 | 634 | 5 | 134 |
| Pump Equip Other | 3 | 337 | 105 | 52 | 0 | 5 | 144 | 1 | 30 |
| WT Equip Non-Media | 2 | 5,673 | 1,946 | 955 | 0 | 85 | 2,667 | 1 | 18 |
| WT Equip Filter Media | 2 | 1,741 | 597 | 293 | 0 | 26 | 819 | 0 | 6 |
| Dist Reservoirs & Standpipe | 5 | 966 | 370 | 190 | 0 | 19 | 160 | 8 | 220 |
| Elevated Tanks & Standpipes | 5 | 433 | 166 | 85 | 0 | 8 | 72 | 4 | 98 |
| TD Mains Not Classified by | 6 | 3,742 | 1,223 | 645 | 0 | 63 | 207 | 56 | 1,548 |
| TD Mains 4" & Less | 4 | 1,229 | 404 | 216 | 0 | 21 | 0 | 21 | 567 |
| TD Mains 6 to 8" | 4 | 2,917 | 959 | 512 | 0 | 50 | 0 | 49 | 1,347 |
| TD Mains 10 to 16" | 3 | 11 | 3 | 2 | 0 | 0 | 5 | 0 | 1 |
| TD Mains 18" & Grtr | 3 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Services | 9 | 11,570 | 7,988 | 2,662 | 0 | 315 | 363 | 242 | 0 |
| Meters Bronze Case | 8 | 2,105 | 1,556 | 441 | 0 | 52 | 56 | 0 | 0 |
| Meters Plastic Case | 8 | (3) | (2) | (1) | 0 | (0) | (0) | 0 | 0 |
| Meters Other | 8 | 1,140 | 843 | 239 | 0 | 28 | 30 | 0 | 0 |
| Meters Other-Rem Rdr Unts | 8 | 306 | 226 | 64 | 0 | 7 | 8 | 0 | 0 |
| Meter Installations | 8 | 3,101 | 2,293 | 649 | 0 | 76 | 83 | 0 | 0 |
| Meter Vaults | 8 | 292 | 216 | 61 | 0 | 7 | 8 | 0 | 0 |
| Hydrants | 7 | 2,394 | 0 | 0 | 0 | 0 | 0 | 0 | 2,394 |
| Other P/E Intangible | 17 | 97 | 40 | 17 | 0 | 2 | 21 | 1 | 17 |
| Other P/E CPS | 14 | 211 | 79 | 35 | 0 | 3 | 61 | 1 | 31 |
| Office Furniture & Equip | 14 | 88 | 33 | 15 | 0 | 1 | 26 | 1 | 13 |
| Comp & Periph Equip | 14 | 3,711 | 1,390 | 615 | 0 | 58 | 1,075 | 22 | 551 |
| Computer Software | 14 | 368 | 138 | 61 | 0 | 6 | 107 | 2 | 55 |

BRU-6

Schedule B-BRU

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account | Factor Ref. | Cost of Service | Rate A | | | | Rate B | Fire Protection | |
|-----------------------------------|-------------|-----------------|---------------|---------------|------------|--------------------|------------------|-----------------|---------------|
| | | | Residential | Commercial | Industrial | Public Authorities | Sales for Resale | Private | Public |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| Comp Software Mainframe | 14 | 2,831 | 1,060 | 469 | 0 | 44 | 820 | 16 | 420 |
| Comp Software Mainframe - CIS | 12 | 1,448 | 1,165 | 233 | 0 | 28 | 14 | 7 | 0 |
| Comp Software Customized | 14 | 5,587 | 2,093 | 926 | 0 | 88 | 1,619 | 32 | 829 |
| Comp Software Other | 14 | 4 | 1 | 1 | 0 | 0 | 1 | 0 | 1 |
| Data Handling Equipment | 14 | 2,034 | 762 | 337 | 0 | 32 | 589 | 12 | 302 |
| Other Office Equipment | 14 | 80 | 30 | 13 | 0 | 1 | 23 | 0 | 12 |
| Trans Equip Lt Duty Trks | 14 | 230 | 86 | 38 | 0 | 4 | 67 | 1 | 34 |
| Trans Equip Other | 14 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stores Equipment | 14 | 676 | 253 | 112 | 0 | 11 | 196 | 4 | 100 |
| Tools, Shop, Garage Equip | 14 | 1,966 | 736 | 326 | 0 | 31 | 570 | 11 | 292 |
| Laboratory Equipment | 2 | 1,369 | 470 | 231 | 0 | 21 | 644 | 0 | 4 |
| Laboratory Equip Other | 2 | 36 | 12 | 6 | 0 | 1 | 17 | 0 | 0 |
| Power Operated Equipment | 14 | 128 | 48 | 21 | 0 | 2 | 37 | 1 | 19 |
| Comm Equip Non-Telephone | 14 | 181 | 68 | 30 | 0 | 3 | 52 | 1 | 27 |
| Remote Control & Instr | 14 | 3,647 | 1,366 | 605 | 0 | 57 | 1,057 | 21 | 541 |
| Comm Equip Telephone | 14 | (0) | (0) | (0) | 0 | (0) | (0) | (0) | (0) |
| Misc Equipment | 14 | 9,438 | 3,536 | 1,565 | 0 | 148 | 2,734 | 55 | 1,401 |
| Other Tangible Property | 14 | 1,229 | 461 | 204 | 0 | 19 | 356 | 7 | 182 |
| Total Depreciation Expense | | 96,907 | 40,691 | 16,791 | 0 | 1,670 | 24,850 | 622 | 12,283 |

BRU-7

Schedule B-BRU

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B Sales for Resale (8) | Fire Protection | |
|--|--------------------|------------------------|--------------------|-------------------|-------------------|------------------------------|--------------------------------------|-----------------|------------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | Private (9) | Public (10) |
| Amort-Other UP | 18 | 15 | 6 | 3 | 0 | 0 | 3 | 0 | 3 |
| Amort-Intangible Fin | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amort-Property Losses | 2 | 15 | 5 | 3 | 0 | 0 | 7 | 0 | 0 |
| Taxes Other Than Income | | | | | | | | | |
| Utility Reg Assessment Fee | 19 | 205 | 80 | 35 | 0 | 3 | 55 | 1 | 31 |
| Property Taxes | 18 | 25,435 | 10,568 | 4,433 | 0 | 445 | 5,420 | 198 | 4,370 |
| Payroll Taxes | 16 | 10,907 | 3,725 | 1,805 | 0 | 168 | 3,302 | 68 | 1,840 |
| Other Taxes & Licenses | 14 | 1,196 | 448 | 198 | 0 | 19 | 346 | 7 | 177 |
| Gross Receipts Tax | 19 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Taxes, Other Than Income | | 37,743 | 14,821 | 6,472 | 0 | 635 | 9,123 | 274 | 6,418 |
| Income Taxes | 18 | 61,904 | 25,721 | 10,790 | 0 | 1,083 | 13,192 | 483 | 10,635 |
| Utility Income Available for Return | 18 | 145,394 | 60,411 | 25,342 | 0 | 2,544 | 30,983 | 1,134 | 24,979 |
| Total Cost of Service | | 619,776 | 241,561 | 105,428 | 0 | 10,303 | 166,150 | 3,984 | 92,351 |
| Less: Other Water Revenues | 19 | 4,820 | 1,879 | 820 | 0 | 80 | 1,292 | 31 | 718 |
| Total Other Water Revenues | | 4,820 | 1,879 | 820 | 0 | 80 | 1,292 | 31 | 718 |
| Total Cost of Service Related to Sales of Water | | \$ 614,956 | \$ 239,682 | \$ 104,608 | \$ - | \$ 10,222 | \$ 164,857 | \$ 3,954 | \$ 91,633 |
| Reallocation of Public Fire | 20 | 0 | 69,613 | 19,710 | 0 | 2,309 | 0 | 0 | (91,633) |
| Total | | \$ 614,956 | \$ 309,295 | \$ 124,318 | \$ - | \$ 12,532 | \$ 164,857 | \$ 3,954 | \$ - |

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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, 100 Gallons (2) | Allocation Factor (3) |
|-----------------------------------|---|-----------------------------|
| Residential - Rate A | 270.80 | 0.2717 |
| Commercial - Rate A | 164.90 | 0.1655 |
| Industrial - Rate A | 0.00 | 0.0000 |
| Other Public Authority - Rate A | 16.20 | 0.0163 |
| Sales for Resale - Rate B | 538.40 | 0.5403 |
| Private Fire Protection - Rate F | 0.22 | 0.0002 |
| Public Fire Protection | 5.96 | 0.0060 |
| Total | <u>996.48</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 0.5263 | Allocation Factor (4) | Weighted Factor (5)=(4)x 0.4737 | |
| Residential - Rate A | 0.2717 | 0.1429 | 0.4227 | 0.2002 | 0.3431 |
| Commercial - Rate A | 0.1655 | 0.0871 | 0.1716 | 0.0813 | 0.1684 |
| Industrial - Rate A | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Other Public Authority - Rate A | 0.0163 | 0.0086 | 0.0135 | 0.0064 | 0.0150 |
| Sales for Resale - Rate B | 0.5403 | 0.2844 | 0.3922 | 0.1858 | 0.4702 |
| Private Fire Protection - Rate F | 0.0002 | 0.0001 | | | 0.0001 |
| Public Fire Protection | 0.0060 | 0.0032 | | | 0.0032 |
| Total | <u>1.0000</u> | <u>0.5263</u> | <u>1.0000</u> | <u>0.4737</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, 100 gallons | Maximum Day Extra Capacity | | |
|---------------------------------|--|----------------------------|---|----------------------|
| | | Factor* | Rate of Flow, 100 gallons Per Day | Allocation Factor |
| (1) | (2) | (3) | (4)=(2)x(3) | (5) |
| Residential - Rate A | 270.8 | 1.5 | 406.2 | 0.4227 |
| Commercial - Rate A | 164.9 | 1.0 | 164.9 | 0.1716 |
| Industrial - Rate A | 0.0 | 0.6 | 0.0 | 0.0000 |
| Other Public Authority - Rate A | 16.2 | 0.8 | 13.0 | 0.0135 |
| Sales for Resale - Rate B | 538.4 | 0.7 | 376.9 | 0.3922 |
| Total | 990.3 | | 961.0 | 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 2014 (see Schedule D).

| | Maximum Day Ratio | Weight |
|-------------------------------|-------------------------|--------|
| Average Day | 1.00 | 0.5263 |
| Maximum Day Extra Capacity | 0.90 | 0.4737 |
| Total | 1.90 | 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 | (4) | (5)=(4) X | (6) | (7)=(6) X | (8)=(3)+(5)+(7) |
| | | 0.4786 | | 0.4307 | | 0.0907 | |
| Residential - Rate A | 0.2717 | 0.1300 | 0.4227 | 0.1821 | | | 0.3121 |
| Commercial - Rate A | 0.1655 | 0.0792 | 0.1716 | 0.0739 | | | 0.1531 |
| Industrial - Rate A | 0.0000 | 0.0000 | 0.0000 | 0.0000 | | | 0.0000 |
| Other Public Authority - Rate A | 0.0163 | 0.0078 | 0.0135 | 0.0058 | | | 0.0136 |
| Sales for Resale - Rate B | 0.5403 | 0.2586 | 0.3922 | 0.1689 | | | 0.4275 |
| Private Fire Protection - Rate F | 0.0002 | 0.0001 | | | 0.0349 | 0.0032 | 0.0033 |
| Public Fire Protection | 0.0060 | 0.0029 | | | 0.9651 | 0.0875 | 0.0904 |
| Total | 1.0000 | 0.4786 | 1.0000 | 0.4307 | 1.0000 | 0.0907 | 1.0000 |

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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 2014 of 0.123 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 | 123,504 | 0.4786 |
| Maximum Day Extra Capacity | <u>0.90</u> | <u>111,154</u> | <u>0.4307</u> |
| Subtotal | <u><u>1.90</u></u> | 234,658 | 0.9093 |
| Fire Protection | | <u>23,400</u> | <u>0.0907</u> |
| Total | | <u><u>258,058</u></u> | <u><u>1.0000</u></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 |
|----------------------------------|----------------------------|-------------------|---------------------|-----------------------------|---------------------|-------------------|---------------------|-------------------|
| | 100 Gallons | Allocation Factor | Weighted Factor | Allocation Factor | Weighted Factor | Allocation Factor | Weighted Factor | |
| (1) | (2) | (3) | (4)=(3) X 0.2098 | (5) | (6)=(5) X 0.3146 | (7) | (8)=(7) X 0.4756 | (9)=(4)+(6)+(8) |
| Residential - Rate A | 11.28 | 0.5909 | 0.1240 | 0.6513 | 0.2049 | | | 0.3289 |
| Commercial - Rate A | 6.87 | 0.3599 | 0.0755 | 0.3174 | 0.0999 | | | 0.1754 |
| Industrial - Rate A | 0.00 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | | | 0.0000 |
| Other Public Authority - Rate A | 0.68 | 0.0356 | 0.0075 | 0.0313 | 0.0098 | | | 0.0173 |
| Sales for Resale - Rate B | 0.00 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | | | 0.0000 |
| Private Fire Protection - Rate F | 0.01 | 0.0005 | 0.0001 | | | 0.0349 | 0.0166 | 0.0167 |
| Public Fire Protection | 0.25 | 0.0131 | 0.0027 | | | 0.9651 | 0.4590 | 0.4617 |
| Total | 19.09 | 1.0000 | 0.2098 | 1.0000 | 0.3146 | 1.0000 | 0.4756 | 1.0000 |

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

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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 2014 of 0.123 MGD. The system demand for fire protection is 300 gallons per minute.

| | Ratio | Rate of Flow, (GPM) | Weight |
|--------------------------------|-------------|------------------------|---------------|
| Average Hour | 1.00 | 86 | 0.2098 |
| Maximum Hour Extra Capacity | <u>1.50</u> | <u>129</u> | <u>0.3146</u> |
| Subtotal | <u>2.50</u> | 215 | 0.5244 |
| Fire Protection | | <u>195</u> | <u>0.4756</u> |
| Total | | <u>410</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 100 gallons | Maximum Hour Extra Capacity | | |
|---------------------------------|---|-----------------------------|-------------------------|----------------------|
| | | Factor* | 100 Gallons Per Hour | Allocation Factor |
| (1) | (2) | (3) | (4)=(2)x(3) | (5) |
| Residential - Rate A | 11.28 | 3.5 | 39.48 | 0.6513 |
| Commercial - Rate A | 6.87 | 2.8 | 19.24 | 0.3174 |
| Industrial - Rate A | 0.00 | 1.5 | 0.00 | 0.0000 |
| Other Public Authority - Rate A | 0.68 | 2.8 | 1.90 | 0.0313 |
| Sales for Resale - Rate B | <u>0.00</u> | 2.0 | <u>0.00</u> | <u>0.0000</u> |
| Total | <u>18.83</u> | | <u>60.62</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 0.3064 | (5) | (6)=(5) X 0.4596 | (7) | (8)=(7) X 0.2340 | (9)=(4)+(6)+(8) |
| Residential - Rate A | 11.3 | 0.2722 | 0.0833 | 0.6513 | 0.2993 | | | 0.3826 |
| Commercial - Rate A | 6.9 | 0.1663 | 0.0510 | 0.3174 | 0.1459 | | | 0.1969 |
| Industrial - Rate A | 0.0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | | | 0.0000 |
| Other Public Authority - Rate A | 0.7 | 0.0169 | 0.0052 | 0.0313 | 0.0144 | | | 0.0196 |
| Sales for Resale - Rate B | 22.4 | 0.5398 | 0.1654 | 0.0000 | 0.0000 | | | 0.1654 |
| Private Fire Protection - Rate F | 0.0 | 0.0000 | 0.0000 | | | 0.0349 | 0.0082 | 0.0082 |
| Public Fire Protection | 0.2 | 0.0048 | 0.0015 | | | 0.9651 | 0.2258 | 0.2273 |
| Total | 41.5 | 1.0000 | 0.3064 | 1.0000 | 0.4596 | 1.0000 | 0.2340 | 1.0000 |

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.

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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.

$$\text{Fire Protection Weight} = \frac{195 \text{ GPM} \times 60 \text{ Min.} \times 2 \text{ Hrs.}}{100,000 \text{ Gallons}} = 0.2340$$

$$\text{General Service Weight} = 1.0000 - 0.2340 = 0.7660$$

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 | 40.00 | 0.3064 |
| Extra Capacity Maximum Hour | <u>1.50</u> | <u>60.00</u> | <u>0.4596</u> |
| Total | <u><u>2.50</u></u> | <u><u>100.00</u></u> | <u><u>0.7660</u></u> |

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 6. 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) |
| | | 0.1295 | | 0.8705 | |
| Residential - Rate A | 0.3121 | 0.0404 | 0.3289 | 0.2863 | 0.3267 |
| Commercial - Rate A | 0.1531 | 0.0198 | 0.1754 | 0.1527 | 0.1725 |
| Industrial - Rate A | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Other Public Authority - Rate A | 0.0136 | 0.0018 | 0.0173 | 0.0151 | 0.0169 |
| Sales for Resale - Rate B | 0.4275 | 0.0554 | 0.0000 | 0.0000 | 0.0554 |
| Private Fire Protection - Rate F | 0.0033 | 0.0004 | 0.0167 | 0.0145 | 0.0149 |
| Public Fire Protection | 0.0904 | 0.0117 | 0.4617 | 0.4019 | 0.4136 |
| Total | 1.0000 | 0.1295 | 1.0000 | 0.8705 | 1.0000 |

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 | 65,823 | 0.8705 |
| Total | 75,618 | 1.0000 |

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 7. 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 8. 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 - Rate A | 332 | 0.7394 |
| Commercial - Rate A | 94 | 0.2094 |
| Industrial - Rate A | 0 | 0.0000 |
| Other Public Authority - Rate A | 11 | 0.0245 |
| Sales for Resale - Rate B | 12 | 0.0267 |
| Private Fire Protection - Rate F | <u>0</u> | <u>0.0000</u> |
| Total | <u><u>449</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

| Meter Size (1) | 5/8" Dollar Equivalent (2) | Residential | | Commercial | | Industrial | | Other Public Authority | | Sales for Resale | | Total | |
|-------------------|-------------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|---------------------------|--------------------------|----------------------------|--------------------------|-------------------|
| | | Number of Meters (3) | Weighting (4)=(2)X(3) | Number of Meters (5) | Weighting (6)=(2)X(5) | Number of Meters (7) | Weighting (8)=(2)X(7) | Number of Meters (9) | Weighting (10)=(2)X(9) | Number of Meters (11) | Weighting (12)=(2)X(11) | Number of Meters (13) | Weighting (14) |
| 5/8 | 1.0 | 328 | 328 | 50 | 50 | 0 | 0 | 7 | 7 | 1 | 1 | 386 | 386 |
| 3/4 | 2.1 | 2 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 4 |
| 1 | 2.0 | 0 | 0 | 11 | 22 | 0 | 0 | 0 | 0 | 1 | 2 | 12 | 24 |
| 1-1/2 | 3.5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | 4.3 | 0 | 0 | 5 | 22 | 0 | 0 | 1 | 4 | 2 | 9 | 8 | 35 |
| 3 | 7.0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | 10.5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | 16.8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 | 64.0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | <u>330</u> | <u>332</u> | <u>66</u> | <u>94</u> | <u>0</u> | <u>0</u> | <u>8</u> | <u>11</u> | <u>4</u> | <u>12</u> | <u>408</u> | <u>449</u> |

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Schedule C-BRU

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 9. 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 - Rate A | 330 | 0.6904 |
| Commercial - Rate A | 110 | 0.2301 |
| Industrial - Rate A | 0 | 0.0000 |
| Other Public Authority - Rate A | 13 | 0.0272 |
| Sales for Resale - Rate B | 15 | 0.0314 |
| Private Fire Protection - Rate F | <u>10</u> | <u>0.0209</u> |
| Total | <u><u>478</u></u> | <u><u>1.0000</u></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 | 330 | 330 | 50 | 50 | 0 | 0 | 7 | 7 | 1 | 1 | 0 | 0 | 388 | 388 |
| 1 | 2.94 | 0 | 0 | 11 | 32 | 0 | 0 | 0 | 0 | 1 | 3 | 0 | 0 | 12 | 35 |
| 1-1/2 | 4.02 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | 5.55 | 0 | 0 | 5 | 28 | 0 | 0 | 1 | 6 | 2 | 11 | 0 | 0 | 8 | 45 |
| 3 | 5.55 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | 6.37 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | 9.92 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 10 | 1 | 10 |
| 8 | 9.92 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 | 9.92 | 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 |
| Total | | <u>330</u> | <u>330</u> | <u>66</u> | <u>110</u> | <u>0</u> | <u>0</u> | <u>8</u> | <u>13</u> | <u>4</u> | <u>15</u> | <u>1</u> | <u>10</u> | <u>409</u> | <u>478</u> |

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Schedule C-BRU

**MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 10. 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 - Rate A | \$ 245 | 0.3267 |
| Commercial - Rate A | 129 | 0.1725 |
| Industrial - Rate A | - | 0.0000 |
| Other Public Authority - Rate A | 13 | 0.0169 |
| Sales for Resale - Rate B | 41 | 0.0554 |
| Private Fire Protection - Rate F | 11 | 0.0149 |
| Public Fire Protection | 310 | 0.4136 |
| Total | 749 | 1.0000 |

FACTOR 11. 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 few expenses in these categories, Factor 7 is used as follows:

| Customer Classification | Transmission & Distribution Maintenance Expenses | Factor 7 Allocation Factor |
|----------------------------------|---|----------------------------------|
| (1) | (2) | (3) |
| Residential - Rate A | \$ 2,108 | 0.3267 |
| Commercial - Rate A | 1,113 | 0.1725 |
| Industrial - Rate A | - | 0.0000 |
| Other Public Authority - Rate A | 109 | 0.0169 |
| Sales for Resale - Rate B | 357 | 0.0554 |
| Private Fire Protection - Rate F | 96 | 0.0149 |
| Public Fire Protection | 2,668 | 0.4136 |
| Total | \$6,452 | 1.0000 |

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 12. ALLOCATION OF BILLING AND COLLECTING COSTS.

Factors are based on the total number of customers.

| Customer Classification | Total Customers | Allocation Factor |
|----------------------------------|--------------------|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | 330 | 0.8048 |
| Commercial - Rate A | 66 | 0.1610 |
| Industrial - Rate A | 0 | 0.0000 |
| Other Public Authority - Rate A | 8 | 0.0195 |
| Sales for Resale - Rate B | 4 | 0.0098 |
| Private Fire Protection - Rate F | 2 | 0.0049 |
| Public Fire Protection | 0 | 0.0000 |
| Total | 410 | 1.0000 |

FACTOR 13. ALLOCATION OF METER READING COSTS.

Factors are based on the number of metered customers.

| Customer Classification | Total Metered Customers | Allocation Factor |
|---------------------------------|----------------------------|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | 330 | 0.8088 |
| Commercial - Rate A | 66 | 0.1618 |
| Industrial - Rate A | 0 | 0.0000 |
| Other Public Authority - Rate A | 8 | 0.0196 |
| Sales for Resale - Rate B | 4 | 0.0098 |
| Total | 408 | 1.0000 |

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 14. 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 - Rate A | \$56,568 | 0.3746 |
| Commercial - Rate A | 25,028 | 0.1658 |
| Industrial - Rate A | 0 | 0.0000 |
| Other Public Authority - Rate A | 2,373 | 0.0157 |
| Sales for Resale - Rate B | 43,750 | 0.2897 |
| Private Fire Protection - Rate F | 877 | 0.0058 |
| Public Fire Protection | 22,402 | 0.1484 |
| Total | <u>\$150,998</u> | <u>1.0000</u> |

FACTOR 15. 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 - Rate A | \$99,868 | 0.3596 |
| Commercial - Rate A | 46,012 | 0.1657 |
| Industrial - Rate A | 0 | 0.0000 |
| Other Public Authority - Rate A | 4,367 | 0.0157 |
| Sales for Resale - Rate B | 87,963 | 0.3168 |
| Private Fire Protection - Rate F | 1,471 | 0.0053 |
| Public Fire Protection | 38,019 | 0.1369 |
| Total | <u>\$277,700</u> | 1.0000 |

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 - Rate A | \$48,992 | 0.3415 |
| Commercial - Rate A | 23,733 | 0.1655 |
| Industrial - Rate A | 0 | 0.0000 |
| Other Public Authority - Rate A | 2,208 | 0.0154 |
| Sales for Resale - Rate B | 43,422 | 0.3027 |
| Private Fire Protection - Rate F | 891 | 0.0062 |
| Public Fire Protection | <u>24,194</u> | <u>0.1687</u> |
| Total | <u>\$143,440</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 | \$925,855 | 0.4156 |
| Commercial | 388,307 | 0.1743 |
| Industrial | 0 | 0.0000 |
| Other Public Authority | 39,067 | 0.0175 |
| Sales for Resale | 474,402 | 0.2130 |
| Private Fire Protection | 17,357 | 0.0078 |
| Public Fire Protection | <u>382,665</u> | <u>0.1718</u> |
| Total | <u>\$2,227,654</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 <u>(1)</u> | Original Cost Measure of Value <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Residential | \$735,814 | 0.4155 |
| Commercial | 308,697 | 0.1743 |
| Industrial | 0 | 0.0000 |
| Other Public Authority | 31,070 | 0.0175 |
| Sales for Resale | 377,367 | 0.2131 |
| Private Fire Protection | 13,788 | 0.0078 |
| Public Fire Protection | <u>304,199</u> | <u>0.1718</u> |
| Total | <u>\$1,770,935</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 <u>(1)</u> | Total Cost of Service <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Residential | \$241,467 | 0.3898 |
| Commercial | 105,387 | 0.1701 |
| Industrial | 0 | 0.0000 |
| Other Public Authority | 10,299 | 0.0166 |
| Sales for Resale | 166,085 | 0.2681 |
| Private Fire Protection | 3,983 | 0.0064 |
| Public Fire Protection | <u>92,315</u> | <u>0.1490</u> |
| Total | <u>\$619,536</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B Sales for Resale (8) | Fire Protection | |
|----------------------------------|--------------------|------------------------|--------------------|-------------------|-------------------|------------------------------|--------------------------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | Private (9) | Public (10) |
| RATE BASE | | | | | | | | | |
| Organization | 17 | 168 | \$ 70 | \$ 29 | \$ - | \$ 3 | \$ 36 | \$ 1 | \$ 29 |
| Franchises | 17 | 1,092 | 454 | 190 | 0 | 19 | 233 | 9 | 188 |
| Land & Ld Rights SS | 2 | 11,981 | 4,111 | 2,018 | 0 | 180 | 5,633 | 1 | 38 |
| Land & Ld Rights WT | 2 | 1,468 | 504 | 247 | 0 | 22 | 690 | 0 | 5 |
| Land & Ld Rights TD | 6 | 573 | 187 | 99 | 0 | 10 | 32 | 9 | 237 |
| Struct & Imp SS | 2 | 16,010 | 5,493 | 2,696 | 0 | 240 | 7,528 | 2 | 51 |
| Struct & Imp P | 3 | 44,363 | 13,846 | 6,792 | 0 | 603 | 18,965 | 146 | 4,010 |
| Struct & Imp WT | 2 | 169,654 | 58,208 | 28,570 | 0 | 2,545 | 79,771 | 17 | 543 |
| Struct & Imp TD | 6 | 16,991 | 5,551 | 2,931 | 0 | 287 | 941 | 253 | 7,028 |
| Struct & Imp AG | 6 | 23,504 | 7,679 | 4,054 | 0 | 397 | 1,302 | 350 | 9,721 |
| Struct & Imp Offices | 14 | 78,197 | 29,293 | 12,965 | 0 | 1,228 | 22,654 | 454 | 11,604 |
| Struct & Imp Store,Shop,Gar | 14 | (1,752) | (656) | (290) | 0 | (28) | (507) | (10) | (260) |
| Struct & Imp Misc | 14 | 14,277 | 5,348 | 2,367 | 0 | 224 | 4,136 | 83 | 2,119 |
| Infiltration Galleries & Tunnels | 2 | 1,804 | 619 | 304 | 0 | 27 | 848 | 0 | 6 |
| Wells & Springs | 2 | 139,578 | 47,889 | 23,505 | 0 | 2,094 | 65,629 | 14 | 447 |
| Supply Mains | 2 | 37,850 | 12,986 | 6,374 | 0 | 568 | 17,797 | 4 | 121 |
| Power Generation Equip | 3 | 95,407 | 29,777 | 14,607 | 0 | 1,298 | 40,786 | 315 | 8,625 |
| Pump Equip Electric | 3 | 60,575 | 18,905 | 9,274 | 0 | 824 | 25,896 | 200 | 5,476 |
| Pump Equip Other | 3 | 19,501 | 6,086 | 2,986 | 0 | 265 | 8,336 | 64 | 1,763 |
| WT Equip Non-Media | 2 | 111,531 | 38,266 | 18,782 | 0 | 1,673 | 52,442 | 11 | 357 |
| WT Equip Filter Media | 2 | 55,702 | 19,111 | 9,380 | 0 | 836 | 26,191 | 6 | 178 |
| Dist Reservoirs & Standpipe | 5 | 18,566 | 7,103 | 3,656 | 0 | 364 | 3,071 | 152 | 4,220 |
| Elevated Tanks & Standpipes | 5 | 23,773 | 9,096 | 4,681 | 0 | 466 | 3,932 | 195 | 5,404 |
| TD Mains Not Classified by | 6 | 81,206 | 26,530 | 14,008 | 0 | 1,372 | 4,499 | 1,210 | 33,587 |
| TD Mains 4" & Less | 4 | 59,697 | 19,634 | 10,471 | 0 | 1,033 | 0 | 997 | 27,562 |
| TD Mains 6 to 8" | 4 | 314,195 | 103,339 | 55,110 | 0 | 5,436 | 0 | 5,247 | 145,064 |

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Schedule C-BRU

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account | Factor Ref. | Cost of Service | Rate A | | | | Rate B | Fire Protection | |
|--------------------------------|-------------|-----------------|-------------|------------|------------|--------------------|------------------|-----------------|---------|
| | | | Residential | Commercial | Industrial | Public Authorities | Sales for Resale | Private | Public |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| TD Mains 10 to 16" | 3 | 500 | 156 | 76 | 0 | 7 | 214 | 2 | 45 |
| TD Mains 18" & Grtr | 3 | 49 | 15 | 8 | 0 | 1 | 21 | 0 | 4 |
| Services | 9 | 303,074 | 209,242 | 69,737 | 0 | 8,244 | 9,517 | 6,334 | 0 |
| Meters Bronze Case | 8 | 64,754 | 47,879 | 13,560 | 0 | 1,586 | 1,729 | 0 | 0 |
| Meters Plastic Case | 8 | (104) | (77) | (22) | 0 | (3) | (3) | 0 | 0 |
| Meters Other | 8 | 21,580 | 15,956 | 4,519 | 0 | 529 | 576 | 0 | 0 |
| Meters Other-Rem Rdr Unts | 8 | 9,837 | 7,274 | 2,060 | 0 | 241 | 263 | 0 | 0 |
| Meter Installations | 8 | 99,661 | 73,689 | 20,869 | 0 | 2,442 | 2,661 | 0 | 0 |
| Meter Vaults | 8 | 9,394 | 6,946 | 1,967 | 0 | 230 | 251 | 0 | 0 |
| Hycrants | 7 | 83,144 | 0 | 0 | 0 | 0 | 0 | 0 | 83,144 |
| Other P/E Intangible | 17 | 1,990 | 827 | 347 | 0 | 35 | 424 | 16 | 342 |
| Other P/E CPS | 14 | 6,974 | 2,612 | 1,156 | 0 | 109 | 2,020 | 40 | 1,035 |
| Office Furniture & Equip | 14 | 1,413 | 529 | 234 | 0 | 22 | 409 | 8 | 210 |
| Comp & Periph Equip | 14 | (7,635) | (2,860) | (1,266) | 0 | (120) | (2,212) | (44) | (1,133) |
| Computer Software | 14 | (7,647) | (2,864) | (1,268) | 0 | (120) | (2,215) | (44) | (1,135) |
| Comp Software Mainframe | 14 | 27,324.74 | 10,236 | 4,530 | 0 | 429 | 7,916 | 158 | 4,055 |
| Comp Software Mainframe - CIS | 12 | 13,976 | 11,248 | 2,250 | 0 | 273 | 137 | 68 | 0 |
| Comp Software Customized | 14 | 55,866 | 20,927 | 9,263 | 0 | 877 | 16,184 | 324 | 8,290 |
| Comp Software Other | 14 | 37 | 14 | 6 | 0 | 1 | 11 | 0 | 5 |
| Data Handling Equipment | 14 | 30,493 | 11,423 | 5,056 | 0 | 479 | 8,834 | 177 | 4,525 |
| Other Office Equipment | 14 | (10,054) | (3,766) | (1,667) | 0 | (158) | (2,913) | (58) | (1,492) |
| Trans Equip Lt Duty Trks | 14 | 8,299 | 3,109 | 1,376 | 0 | 130 | 2,404 | 48 | 1,232 |
| Trans Equip Hvy Duty Trks | 14 | (73) | (27) | (12) | 0 | (1) | (21) | (0) | (11) |
| Trans Equip Autos | 14 | (392) | (147) | (65) | 0 | (6) | (114) | (2) | (58) |
| Trans Equip Other | 14 | (12,477) | (4,674) | (2,069) | 0 | (196) | (3,615) | (72) | (1,852) |
| Stores Equipment | 14 | 9,921 | 3,716 | 1,645 | 0 | 156 | 2,874 | 58 | 1,472 |
| Tools,Shop,Garage Equip | 14 | 22,647 | 8,484 | 3,755 | 0 | 356 | 6,561 | 131 | 3,361 |
| Laboratory Equipment | 2 | 14,201 | 4,872 | 2,391 | 0 | 213 | 6,677 | 1 | 45 |
| Laboratory Equip Other | 2 | 544 | 187 | 92 | 0 | 8 | 256 | 0 | 2 |
| Power Operated Equipment | 14 | 1,123 | 421 | 186 | 0 | 18 | 325 | 7 | 167 |
| Comm Equip Non-Telephone | 14 | (17,395) | (6,516) | (2,884) | 0 | (273) | (5,039) | (101) | (2,581) |
| Remote Control & Instr | 14 | 54,677 | 20,482 | 9,066 | 0 | 858 | 15,840 | 317 | 8,114 |
| Comm Equip Telephone | 14 | (3,052) | (1,143) | (506) | 0 | (48) | (884) | (18) | (453) |
| Misc Equipment | 14 | 52,344 | 19,608 | 8,679 | 0 | 822 | 15,164 | 304 | 7,768 |
| Other Tangible Property | 17 | 9,624 | 4,000 | 1,677 | 0 | 168 | 2,050 | 75 | 1,653 |
| Total Utility Plant in Service | | 2,240,529 | 931,206 | 390,551 | 0 | 39,293 | 477,144 | 17,458 | 384,877 |

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Schedule C-BRU

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Fire Protection | |
|---|-----------------------|---------------------------|--------------------|-------------------|-------------------|------------------------------|----------------------------|------------------|-------------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Private (9) | Public (10) |
| Other Rate Base Items | | | | | | | | | |
| Add: | | | | | | | | | |
| Materials and Supplies | 14 | 1,293 | 484 | 214 | 0 | 20 | 375 | 7 | 192 |
| Prepayments | 14 | 1,737 | 651 | 288 | 0 | 27 | 503 | 10 | 258 |
| Pension / OPEB Tracker | 16 | 12,595 | 4,301 | 2,084 | 0 | 194 | 3,813 | 78 | 2,125 |
| Tank Painting Tracker | 5 | 1,291 | 494 | 254 | 0 | 25 | 214 | 11 | 293 |
| Less: | | | | | | | | | |
| Accumulated Deferred ITC (3%) | 17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred Income Taxes | 17 | (474,750) | (197,306) | (82,749) | 0 | (8,308) | (101,122) | (3,703) | (81,562) |
| Pensions | 16 | (11,760) | (4,016) | (1,946) | 0 | (181) | (3,560) | (73) | (1,984) |
| Total Other Rate Base Elements | | (469,594) | (195,392) | (81,854) | 0 | (8,222) | (99,778) | (3,670) | (80,678) |
| Total Original Cost Measure of Value | | \$ 1,770,935 | \$ 735,814 | \$ 308,697 | \$ - | \$ 31,070 | \$ 377,367 | \$ 13,788 | \$ 304,199 |

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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 | 332 | 0.7597 |
| Commercial | 94 | 0.2151 |
| Industrial | 0 | 0.0000 |
| Other Public Authority | 11 | 0.0252 |
| Sales for Resale | 0 | 0.0000 |
| Private Fire | <u>0</u> | <u>0.0000</u> |
| Total | <u><u>437</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
BRUNSWICK DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1990-2014

| 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 |
| 2009 | 0.093 | 0.160 | 1.72 | 5/20/2009 |
| 2010 | 0.075 | 0.114 | 1.53 | 5/20/2010 |
| 2011 | 0.071 | 0.114 | 1.62 | 5/8/2011 |
| 2012 | 0.067 | 0.119 | 1.77 | 6/10/2012 |
| 2013 | 0.084 | 0.160 | 1.91 | 9/12/2013 |
| 2014 | 0.124 | 0.178 | 1.44 | 7/1/2014 |

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) |
|--------------------------------|--|---------------------|------------------------------------|-----------------------------|
| <u>PRIVATE FIRE PROTECTION</u> | | | | |
| <u>Fire Lines</u> | | | | |
| 2 -inch | 4.00 | 0 | 0 | |
| 3 -inch | 9.00 | 0 | 0 | |
| 4 -inch | 16.00 | 0 | 0 | |
| 6 -inch | 36.00 | 1 | 36 | |
| 8 -inch | 64.00 | 0 | 0 | |
| 10 -inch | 100.00 | 0 | 0 | |
| 12 -inch | 144.00 | 0 | 0 | |
| Private Hydrants | 6.25 | 1 | 6 | |
| Total Private Fire Protection | | 2 | 42 | 0.0349 |
| <u>PUBLIC FIRE PROTECTION</u> | | | | |
| <u>Hydrant</u> | | <u>Nozzle Sizes</u> | | |
| 5 1/4" Valve | 1-2 1/2" & 1- 4 1/2" | 26.5 | 25 | 663 |
| 4 1/2" Valve | 1-2 1/2" & 1- 4 1/2" | 20.3 | 14 | 284 |
| 4 1/2" Valve | 1-2 1/2" | 6.3 | 11 | 69 |
| 4 1/4" Valve | 1-2 1/2" | 6.3 | 12 | 75 |
| 4 1/4" Valve | 1-2 1/2" & 1- 4 1/2" | 18.1 | 4 | 72 |
| Total Public Fire Protection | | 66 | 1,163 | 0.9651 |
| Total Fire Protection | | 68 | 1,205 | 1.0000 |

MISSOURI AMERICAN WATER
 BRUNSWICK DISTRICT
 CALCULATION OF THE 5/8-INCH CUSTOMER COSTS PER MONTH
 INCLUDING THE UNRECOVERED PUBLIC FIRE COSTS

| <u>Cost Function</u> | <u>Cost of Service</u> | <u>Number of Units</u> | <u>Unit Cost Per Month</u> |
|-------------------------|--------------------------|------------------------|----------------------------|
| Meters | \$ 28,107 | 449 5/8 Equivalents | \$ 5.22 |
| Services | 41,938 | 468 3/4 Equivalents | 7.47 |
| Billing/Collecting | <u>30,032</u> | 4,896 Bills | <u>6.13</u> |
| Subtotal | 100,077 | | 18.82 |
| Unrecovered Public Fire | <u>91,633</u> | 449 5/8 Equivalents | 17.01 |
| Total | <u><u>\$ 191,709</u></u> | | <u><u>\$ 35.83</u></u> |

BRU-33

Schedule F-BRU

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 DECEMBER 31, 2014

| Customer Classification (1) | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates Consolidated Pricing | | Proposed Increase | |
|-----------------------------------|-------------------------------|----------------|-------------------------|----------------|--|----------------|-------------------|----------------------------|
| | Amount (Schedule B) (2) | Percent (3) | Amount (4) | Percent (5) | Amount (6) | Percent (7) | Amount (8) | Percent Increase (9) |
| | Residential | \$ 4,832,155 | 56.6% | \$ 4,461,036 | 53.8% | \$ 4,844,570 | 53.9% | \$ 383,533 |
| Commercial | 1,950,185 | 22.8% | 1,944,078 | 23.5% | 2,362,432 | 26.2% | 418,354 | 21.5% |
| Industrial | 48,161 | 0.6% | 46,182 | 0.6% | 63,841 | 0.7% | 17,659 | 38.2% |
| Public Authority | 695,837 | 8.1% | 683,509 | 8.3% | 883,586 | 9.8% | 200,077 | 29.3% |
| Total Rate A | 7,526,337 | 88.1% | 7,134,806 | 86.2% | 8,154,429 | 90.6% | 1,019,623 | 14.3% |
| Rate J - Large Users | 871,552 | 10.2% | 848,263 | 10.3% | 661,956 | 7.3% | (186,307) | -22.0% |
| Private Fire Service | 140,958 | 1.7% | 288,230 | 3.5% | 192,823 | 2.1% | (95,407) | -33.1% |
| Public Fire Service | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% |
| Total Sales | \$ 8,538,848 | <u>100.0%</u> | \$ 8,271,298 | <u>100.0%</u> | \$ 9,009,207 | <u>100.0%</u> | \$ 737,909 | 8.9% |
| Other Revenues | 93,832 | | 93,832 | | 93,832 | | - | 0.0% |
| Total | <u>\$ 8,632,680</u> | | <u>\$ 8,365,131</u> | | <u>\$ 9,103,040</u> | | <u>\$ 737,909</u> | 8.8% |

JFC-1

Schedule A-JFC

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate J (8) | Fire Protection | |
|---|-----------------------|---------------------------|--------------------|-------------------|-------------------|------------------------------|---------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | Private (9) | Public (10) |
| OPERATION AND MAINTENANCE EXPENSES | | | | | | | | | |
| SOURCE OF SUPPLY EXPENSES | | | | | | | | | |
| Super & Eng Oper SS | 2 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Labor & Exp Oper SS | 2 | 19,390 | 9,569 | 4,966 | 153 | 1,805 | 2,852 | 8 | 37 |
| Purchased Water | 1 | 22,379 | 9,466 | 5,919 | 181 | 2,148 | 4,554 | 20 | 90 |
| TOTAL SS EXPENSE - OPERATION | | 41,769 | 19,035 | 10,885 | 334 | 3,954 | 7,406 | 28 | 126 |
| Misc Exp Oper SS | 2 | (75) | (37) | (19) | (1) | (7) | (11) | (0) | (0) |
| Lake, River & Oth Maint SS - Labor | 2 | 229 | 113 | 59 | 2 | 21 | 34 | 0 | 0 |
| Wells & Springs Maint SS - Labor | 2 | 2 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| Wells & Springs Maint SS | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Infiltr Gall & Tunnels Maint SS - Labor | 2 | 52 | 26 | 13 | 0 | 5 | 8 | 0 | 0 |
| Supply Mains Maint SS - Labor | 2 | 3 | 2 | 1 | 0 | 0 | 0 | 0 | 0 |
| Misc Plant Maint SS - Labor | 2 | 6 | 3 | 2 | 0 | 1 | 1 | 0 | 0 |
| TOTAL SS EXPENSE - MAINTENANCE | | 218 | 107 | 56 | 2 | 20 | 32 | 0 | 0 |
| TOTAL SS EXPENSE | | 41,987 | 19,143 | 10,941 | 336 | 3,974 | 7,438 | 28 | 127 |
| POWER AND PUMPING EXPENSES | | | | | | | | | |
| Super & Eng Oper P - Labor | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Purch Fuel/Power for Pump | 1 | 265,849 | 112,454 | 70,317 | 2,153 | 25,522 | 54,100 | 239 | 1,063 |
| Labor & Exp Oper Pump - Labor | 3 | 371 | 168 | 87 | 3 | 32 | 50 | 6 | 25 |
| TOTAL PUMPING EXPENSE - OPERATION | | 266,220 | 112,622 | 70,404 | 2,156 | 25,553 | 54,150 | 245 | 1,089 |

JFC-2

Schedule B-JFC

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate J (3) | Fire Protection | | |
|---|-----------------------|---------------------------|--------------------|-------------------|-------------------|------------------------------|----------------|-----------------|----------------|--|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | Private (9) | Public (10) | |
| Super & Eng Maint P | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Struct & Improve Maint P - Labor | 3 | 4 | 2 | 1 | 0 | 0 | 1 | 0 | 0 | |
| Pump Equip Maint P - Labor | 3 | 12 | 5 | 3 | 0 | 1 | 2 | 0 | 1 | |
| Pump Equip Maint P | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| TOTAL PUMPING EXPENSES - MAINTENANCE | | 16 | 7 | 4 | 0 | 1 | 2 | 0 | 1 | |
| TOTAL PUMPING EXPENSES | | 266,236 | 112,629 | 70,408 | 2,156 | 25,555 | 54,152 | 245 | 1,090 | |
| WATER TREATMENT | | | | | | | | | | |
| Super & Eng Oper WT | 2 | 51,003 | 25,170 | 13,062 | 403 | 4,748 | 7,503 | 20 | 97 | |
| Chemicals | 1 | 300,578 | 127,144 | 79,503 | 2,435 | 28,855 | 61,168 | 271 | 1,202 | |
| Labor & Exp Oper WT - Labor | 2 | 250,699 | 123,720 | 64,204 | 1,981 | 23,340 | 36,878 | 100 | 476 | |
| Labor & Exp Oper WT | 2 | 31,040 | 15,318 | 7,949 | 245 | 2,890 | 4,566 | 12 | 59 | |
| Misc Exp Oper WT | 2 | 10,790 | 5,325 | 2,763 | 85 | 1,005 | 1,587 | 4 | 21 | |
| TOTAL WT EXPENSE - OPERATION | | 644,110 | 296,677 | 167,481 | 5,149 | 60,838 | 111,701 | 408 | 1,855 | |
| Super & Eng Maint WT | 2 | 46,142 | 22,771 | 11,817 | 365 | 4,296 | 6,788 | 18 | 88 | |
| WT Equip Maint WT | 2 | 28,999 | 14,311 | 7,427 | 229 | 2,700 | 4,266 | 12 | 55 | |
| TOTAL WT EXPENSE - MAINTENANCE | | 75,141 | 37,082 | 19,244 | 594 | 6,996 | 11,053 | 30 | 143 | |
| TOTAL WT EXPENSE | | 719,251 | 333,759 | 186,725 | 5,742 | 67,834 | 122,754 | 438 | 1,998 | |
| TRANSMISSION AND DISTRIBUTION EXPENSES | | | | | | | | | | |
| Super & Eng Oper TD | 10 | 2,935 | 1,309 | 555 | 11 | 205 | 219 | 118 | 518 | |
| TD Lines Exp - Labor | 6 | 23,875 | 8,323 | 4,424 | 103 | 1,612 | 2,395 | 1,299 | 5,720 | |
| TD Lines Exp | 6 | 8 | 3 | 1 | 0 | 1 | 1 | 0 | 2 | |
| Meter Expense - Labor | 8 | 8,527 | 6,130 | 1,699 | 23 | 656 | 20 | 0 | 0 | |
| Customer Install Exp - Labor | 9 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Misc Exp Oper TD - Labor | 10 | 244 | 109 | 46 | 1 | 17 | 18 | 10 | 43 | |
| Misc Exp Oper TD | 10 | 50,016 | 22,302 | 9,453 | 195 | 3,501 | 3,726 | 2,006 | 8,833 | |
| TOTAL T & D EXPENSE OPERATION | | 85,607 | 38,177 | 16,178 | 333 | 5,992 | 6,378 | 3,433 | 15,117 | |

JFC-3

Schedule B-JFC

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate J (8) | Fire Protection | |
|--|-----------------------|---------------------------|--------------------|-------------------|-------------------|------------------------------|---------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | Private (9) | Public (10) |
| Super & Eng Maint TD | 11 | 2,935 | 1,225 | 560 | 11 | 206 | 225 | 172 | 535 |
| Struct & Improve Maint TD - Labor | 11 | 3 | 1 | 1 | 0 | 0 | 0 | 0 | 1 |
| Dist Res Stand Maint TD - Labor | 5 | 159 | 50 | 27 | 1 | 10 | 14 | 11 | 47 |
| TD Main Maint TD - Labor | 6 | 21,713 | 7,569 | 4,023 | 93 | 1,466 | 2,178 | 1,181 | 5,202 |
| TD Main Maint TD | 6 | 116,531 | 40,623 | 21,593 | 501 | 7,866 | 11,688 | 6,339 | 27,921 |
| Services Maint TD - Labor | 9 | 43,446 | 27,688 | 9,033 | 96 | 3,406 | 83 | 3,141 | 0 |
| Meters Maint TD - Labor | 10 | 6 | 3 | 1 | 0 | 0 | 0 | 0 | 1 |
| Labor Maint TD - Labor | 11 | 56,338 | 23,521 | 10,744 | 214 | 3,949 | 4,327 | 3,307 | 10,276 |
| Misc Maint TD | 11 | 74,429 | 31,074 | 14,194 | 283 | 5,217 | 5,716 | 4,369 | 13,576 |
| TOTAL T & D EXPENSE - MAINTENANCE | | 315,560 | 131,755 | 60,175 | 1,199 | 22,121 | 24,232 | 18,521 | 57,559 |
| TOTAL T & D EXPENSE | | 401,167 | 169,931 | 76,353 | 1,532 | 28,112 | 30,610 | 21,953 | 72,675 |
| CUSTOMER ACCOUNTS | | | | | | | | | |
| Supervision CA | 12 | 5,717 | 4,731 | 739 | 5 | 155 | 3 | 83 | 0 |
| Meter Reading Exp CA - Labor | 13 | 45,568 | 38,272 | 5,978 | 36 | 1,258 | 23 | 0 | 0 |
| Cust Rec & Collection CA - Labor | 12 | 72,277 | 59,817 | 9,345 | 58 | 1,966 | 36 | 1,055 | 0 |
| Cust Rec & Collection CA | 12 | 83,714 | 69,282 | 10,824 | 67 | 2,277 | 42 | 1,222 | 0 |
| Uncollectible Accts | 12 | 94,545 | 78,245 | 12,225 | 76 | 2,572 | 47 | 1,380 | 0 |
| Misc Cust Accts Exp CA | 12 | 14,318 | 11,850 | 1,851 | 11 | 389 | 7 | 209 | 0 |
| TOTAL CUSTOMER ACCOUNTING EXPENSE | | 316,138 | 262,197 | 40,963 | 253 | 8,617 | 158 | 3,950 | 0 |
| ADMINISTRATIVE AND GENERAL EXPENSES | | | | | | | | | |
| Salaries AG | 14 | 393,715 | 220,874 | 78,231 | 1,772 | 26,418 | 32,442 | 8,898 | 25,080 |
| Other Supplies & Exp AG | 14 | 67,555 | 37,898 | 13,423 | 304 | 4,533 | 5,567 | 1,527 | 4,303 |
| Mgmt Fees-Admin | 14 | 552,957 | 310,209 | 109,873 | 2,488 | 37,103 | 45,564 | 12,497 | 35,223 |
| Mgmt Fees-Customer Service | 12 | 101,580 | 84,067 | 13,134 | 81 | 2,763 | 51 | 1,483 | 0 |
| Mgmt Fees-Belleville Lab | 2 | 3,189 | 1,574 | 817 | 25 | 297 | 469 | 1 | 6 |
| Mgmt Fees- Employee | 16 | 34,402 | 19,169 | 7,197 | 172 | 2,473 | 3,127 | 650 | 1,613 |
| Outside Services AG | 14 | 35,559 | 19,949 | 7,066 | 160 | 2,386 | 2,930 | 804 | 2,265 |
| Outside Services AG | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ins Gen Liab Oper AG | 14 | 80,235 | 45,012 | 15,943 | 361 | 5,384 | 6,611 | 1,813 | 5,111 |
| Ins Work Comp AG | 14 | 31,678 | 17,771 | 6,294 | 143 | 2,126 | 2,610 | 716 | 2,018 |
| Ins Other Oper AG | 14 | 12,740 | 7,147 | 2,531 | 57 | 855 | 1,050 | 288 | 812 |
| Ins Vehicle | 14 | 3,434 | 1,926 | 682 | 15 | 230 | 283 | 78 | 219 |
| Injuries & Damages | 16 | 1,936 | 1,079 | 405 | 10 | 139 | 176 | 37 | 91 |
| Employee Pension & Benefits | 16 | 283,898 | 158,188 | 59,391 | 1,419 | 20,412 | 25,806 | 5,366 | 13,315 |

JFC-4

Schedule B-JFC

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate J (8) | Fire Protection | |
|---|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|----------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | Private (9) | Public (10) |
| Reg Commision Exp | 19 | 24,181 | 11,817 | 5,005 | 131 | 1,770 | 2,462 | 399 | 2,597 |
| Rents AG | 14 | 6,804 | 3,817 | 1,352 | 31 | 457 | 561 | 154 | 433 |
| Goodwill Advertising Exp | 14 | 2,439 | 1,368 | 485 | 11 | 164 | 201 | 55 | 155 |
| Misc Exp AG | 14 | 70,087 | 39,319 | 13,926 | 315 | 4,703 | 5,775 | 1,584 | 4,465 |
| Research & Development | 14 | 2,025 | 1,136 | 402 | 9 | 136 | 167 | 46 | 129 |
| TOTAL A & G OPERATIONS | | 1,708,413 | 982,321 | 336,158 | 7,505 | 112,349 | 135,851 | 36,394 | 97,835 |
| General Plant Maint AG | 14 | 14,456 | 8,110 | 2,872 | 65 | 970 | 1,191 | 327 | 921 |
| TOTAL A & G EXPENSE - MAINTENANCE | | 14,456 | 8,110 | 2,872 | 65 | 970 | 1,191 | 327 | 921 |
| TOTAL A & G EXPENSE | | 1,722,869 | 990,430 | 339,031 | 7,570 | 113,319 | 137,042 | 36,721 | 98,756 |
| Total Operation & Maintenance Expenses | | 3,467,648 | 1,888,090 | 724,421 | 17,589 | 247,411 | 352,156 | 63,336 | 174,646 |
| DEPRECIATION EXPENSE | | | | | | | | | |
| Struct & Imp SS | 2 | 18,417 | 9,089 | 4,717 | 145 | 1,715 | 2,709 | 7 | 35 |
| Struct & Imp P | 6 | 60,584 | 21,120 | 11,226 | 261 | 4,089 | 6,077 | 3,296 | 14,516 |
| Struct & Imp WT | 2 | 52,965 | 26,138 | 13,564 | 418 | 4,931 | 7,791 | 21 | 101 |
| Struct & Imp TD | 6 | 3,029 | 1,056 | 561 | 13 | 204 | 304 | 165 | 726 |
| Struct & Imp AG | 14 | 3,017 | 1,693 | 599 | 14 | 202 | 249 | 68 | 192 |
| Struct & Imp Offices | 14 | 5,087 | 2,854 | 1,011 | 23 | 341 | 419 | 115 | 324 |
| Lake, River & Other Intakes | 2 | 261,876 | 129,236 | 67,066 | 2,069 | 24,381 | 38,522 | 105 | 498 |
| Supply Mains | 2 | 14,330 | 7,072 | 3,670 | 113 | 1,334 | 2,108 | 6 | 27 |
| Power Generation Equip | 3 | 19,513 | 8,839 | 4,586 | 140 | 1,668 | 2,634 | 304 | 1,341 |
| Pump Equip Electric | 3 | 82,316 | 37,289 | 19,344 | 593 | 7,038 | 11,113 | 1,284 | 5,655 |
| Pump Equip Hydraulic | 3 | 386 | 175 | 91 | 3 | 33 | 52 | 6 | 27 |
| Pump Equip Other | 3 | 500 | 227 | 118 | 4 | 43 | 68 | 8 | 34 |
| WT Equip Non-Media | 2 | 78,803 | 38,889 | 20,181 | 623 | 7,337 | 11,592 | 32 | 150 |
| WT Equip Filter Media | 2 | 3,544 | 1,749 | 908 | 28 | 330 | 521 | 1 | 7 |
| Dist Reservoirs & Standpipe | 5 | 893 | 282 | 151 | 3 | 55 | 80 | 60 | 263 |
| Elevated Tanks & Standpipes | 5 | 18,023 | 5,684 | 3,040 | 63 | 1,107 | 1,620 | 1,206 | 5,302 |
| Ground Level Facilities | 5 | 116 | 37 | 20 | 0 | 7 | 10 | 8 | 34 |
| TD Mains Not Classified by | 6 | 24,947 | 8,697 | 4,623 | 107 | 1,684 | 2,502 | 1,357 | 5,977 |
| TD Mains 4 & Less " | 4 | 3,622 | 1,189 | 636 | 13 | 231 | 339 | 225 | 989 |
| TD Mains 6 to 8" " | 4 | 55,566 | 18,242 | 9,752 | 206 | 3,551 | 5,201 | 3,445 | 15,170 |

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Schedule B-JFC

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate J (8) | Fire Protection | |
|-------------------------------|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|---------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | Private (9) | Public (10) |
| TD Mains 10 to 16" " | 3 | 52,274 | 23,680 | 12,284 | 376 | 4,469 | 7,057 | 815 | 3,591 |
| TD Mains 18 & Grtr " | 3 | 22,739 | 10,301 | 5,344 | 164 | 1,944 | 3,070 | 355 | 1,562 |
| Services | 9 | 32,793 | 20,899 | 6,818 | 72 | 2,571 | 62 | 2,371 | 0 |
| Meters Bronze Case | 8 | 33,976 | 24,425 | 6,768 | 92 | 2,613 | 78 | 0 | 0 |
| Meters Plastic Case | 8 | 1,273 | 915 | 254 | 3 | 98 | 3 | 0 | 0 |
| Meters Other | 8 | 35,202 | 25,307 | 7,012 | 95 | 2,707 | 81 | 0 | 0 |
| Meters Other-Rem Rdr Unts | 8 | 265 | 191 | 53 | 1 | 20 | 1 | 0 | 0 |
| Meter Installations | 8 | 10,896 | 7,833 | 2,170 | 29 | 838 | 25 | 0 | 0 |
| Hydrants | 7 | 25,384 | 0 | 0 | 0 | 0 | 0 | 0 | 25,384 |
| Other P/E CPS | 14 | 1,720 | 965 | 342 | 8 | 115 | 142 | 39 | 110 |
| Office Furniture & Equip | 14 | 865 | 485 | 172 | 4 | 58 | 71 | 20 | 55 |
| Comp & Periph Equip | 14 | 59,101 | 33,156 | 11,743 | 266 | 3,966 | 4,870 | 1,336 | 3,765 |
| Computer Software | 14 | 12,454 | 6,987 | 2,475 | 56 | 836 | 1,026 | 281 | 793 |
| Comp Software Mainframe | 14 | 74,654 | 41,881 | 14,834 | 336 | 5,009 | 6,151 | 1,687 | 4,755 |
| Comp Software Mainframe - CIS | 12 | 38,184 | 31,601 | 4,937 | 31 | 1,039 | 19 | 557 | 0 |
| Comp Software Other | 14 | 97 | 54 | 19 | 0 | 7 | 8 | 2 | 6 |
| Other Office Equipment | 14 | 104 | 59 | 21 | 0 | 7 | 9 | 2 | 7 |
| Trans Equip Lt Duty Trks | 14 | 10,532 | 5,908 | 2,093 | 47 | 707 | 868 | 238 | 671 |
| Trans Equip Other | 14 | 2,485 | 1,394 | 494 | 11 | 167 | 205 | 56 | 158 |
| Stores Equipment | 14 | 1,065 | 597 | 212 | 5 | 71 | 88 | 24 | 68 |
| Tools,Shop,Garage Equip | 14 | 14,552 | 8,164 | 2,892 | 65 | 976 | 1,199 | 329 | 927 |
| Laboratory Equipment | 2 | 5,012 | 2,474 | 1,284 | 40 | 467 | 737 | 2 | 10 |
| Laboratory Equip Other | 2 | 1,294 | 639 | 331 | 10 | 120 | 190 | 1 | 2 |
| Power Operated Equipment | 14 | 4,078 | 2,288 | 810 | 18 | 274 | 336 | 92 | 260 |
| Comm Equip Non-Telephone | 14 | 4,597 | 2,579 | 913 | 21 | 308 | 379 | 104 | 293 |
| Remote Control & Instr | 14 | 1,384 | 776 | 275 | 6 | 93 | 114 | 31 | 88 |
| Comm Equip Telephone | 14 | 6 | 4 | 1 | 0 | 0 | 1 | 0 | 0 |
| Misc Equipment | 14 | 14,657 | 8,222 | 2,912 | 66 | 983 | 1,208 | 331 | 934 |

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Schedule B-JFC

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate J (8) | Fire Protection | |
|--|--------------------|------------------------|---------------------|---------------------|-------------------|---------------------------|-------------------|-------------------|-------------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | Private (9) | Public (10) |
| Other Tangible Equipments | 14 | 62 | 35 | 12 | 0 | 4 | 5 | 1 | 4 |
| Total Depreciation Expense | | 1,169,240 | 581,373 | 253,338 | 6,663 | 90,750 | 121,914 | 20,394 | 94,809 |
| Amort-Other UP | 18 | 4,206 | 1,826 | 850 | 23 | 310 | 427 | 61 | 709 |
| Amort-UPAA | 2 | 714 | 352 | 183 | 6 | 66 | 105 | 0 | 1 |
| Amort-Property Losses | 2 | 4,188 | 2,067 | 1,073 | 33 | 390 | 616 | 2 | 8 |
| Taxes Other Than Income | | | | | | | | | |
| Property Taxes | 18 | 463,600 | 201,249 | 93,740 | 2,550 | 34,121 | 47,055 | 6,769 | 78,117 |
| Payroll Taxes | 16 | 77,911 | 43,412 | 16,299 | 390 | 5,602 | 7,082 | 1,473 | 3,654 |
| Other Taxes & Licenses | 14 | 3,570 | 2,003 | 709 | 16 | 240 | 294 | 81 | 227 |
| Gross Receipts Tax | 19 | 75,927 | 37,106 | 15,717 | 410 | 5,558 | 7,729 | 1,253 | 8,155 |
| Total Taxes, Other Than Income | | 621,008 | 283,769 | 126,465 | 3,365 | 45,520 | 62,161 | 9,575 | 90,153 |
| Income Taxes | 18 | 1,012,768 | 439,643 | 204,782 | 5,570 | 74,540 | 102,796 | 14,786 | 170,651 |
| Utility Income Available for Return | 18 | 2,352,908 | 1,021,397 | 475,758 | 12,941 | 173,174 | 238,820 | 34,352 | 396,465 |
| Total Cost of Service | | 8,632,680 | 4,218,518 | 1,786,869 | 46,190 | 632,160 | 878,994 | 142,507 | 927,442 |
| Less: Other Water Revenues | 19 | 93,832 | 45,856 | 19,423 | 507 | 6,869 | 9,552 | 1,548 | 10,078 |
| Total Other Water Revenues | | 93,832 | 45,856 | 19,423 | 507 | 6,869 | 9,552 | 1,548 | 10,078 |
| Total Cost of Service Related to Sales of Water | | \$ 8,538,848 | \$ 4,172,662 | \$ 1,767,446 | \$ 45,684 | \$ 625,292 | \$ 869,442 | \$ 140,958 | \$ 917,364 |
| Reallocation of Public Fire | 20 | 0 | 659,493 | 182,739 | 2,477 | 70,545 | 2,110 | 0 | (917,364) |
| Total | | \$ 8,538,848 | \$ 4,832,155 | \$ 1,950,185 | \$ 48,161 | \$ 695,837 | \$ 871,552 | \$ 140,958 | \$ - |

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, 100 Gallons (2) | Allocation Factor (3) |
|-----------------------------------|---|-----------------------------|
| Residential - Rate A | 12,317 | 0.4230 |
| Commercial - Rate A | 7,701 | 0.2645 |
| Industrial - Rate A | 235 | 0.0081 |
| Other Public Authority - Rate A | 2,796 | 0.0960 |
| Rate J - Large Users | 5,925 | 0.2035 |
| Private Fire Protection | 27 | 0.0009 |
| Public Fire Protection | 117 | 0.0040 |
| Total | <u>29,118</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 0.4762 | Allocation Factor (4) | Weighted Factor (5)=(4)x 0.5238 | |
| Residential - Rate A | 0.4230 | 0.2014 | 0.5577 | 0.2921 | 0.4935 |
| Commercial - Rate A | 0.2645 | 0.1260 | 0.2483 | 0.1301 | 0.2561 |
| Industrial - Rate A | 0.0081 | 0.0039 | 0.0076 | 0.0040 | 0.0079 |
| Other Public Authority - Rate A | 0.0960 | 0.0457 | 0.0905 | 0.0474 | 0.0931 |
| Rate J - Large Users | 0.2035 | 0.0969 | 0.0959 | 0.0502 | 0.1471 |
| Private Fire Protection | 0.0009 | 0.0004 | | | 0.0004 |
| Public Fire Protection | 0.0040 | 0.0019 | | | 0.0019 |
| Total | <u>1.0000</u> | <u>0.4762</u> | <u>1.0000</u> | <u>0.5238</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
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, 100 Gallons | Maximum Day Extra Capacity | | |
|---------------------------------|--|----------------------------|---|----------------------|
| | | Factor* | Rate of Flow, 100 Gallons Per Day | Allocation Factor |
| (1) | (2) | (3) | (4)=(2)x(3) | (5) |
| Residential - Rate A | 12,317 | 1.4 | 17,244 | 0.5577 |
| Commercial - Rate A | 7,674 | 1.0 | 7,674 | 0.2483 |
| Industrial - Rate A | 235 | 1.0 | 235 | 0.0076 |
| Other Public Authority - Rate A | 2,796 | 1.0 | 2,796 | 0.0905 |
| Rate J - Large Users | 5,925 | 0.5 | 2,963 | 0.0959 |
| Total | 28,947 | | 30,912 | 1.0000 |

The weighting of the factors is based on the maximum day ratio of 2.10, based on a review of maximum day ratios experienced during the period 1999 through 2014 (see Schedule D).

| | Maximum Day Ratio | Weight |
|-------------------------------|-------------------------|--------|
| Average Day | 1.00 | 0.4762 |
| Maximum Day Extra Capacity | 1.10 | 0.5238 |
| Total | 2.10 | 1.0000 |

* 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 0.4370 | (4) | (5)=(4) X 0.4808 | (6) | (7)=(6) X 0.0822 | (8)=(3)+(5)+(7) |
| Residential - Rate A | 0.4230 | 0.1849 | 0.5577 | 0.2681 | | | 0.4530 |
| Commercial - Rate A | 0.2645 | 0.1156 | 0.2483 | 0.1194 | | | 0.2350 |
| Industrial - Rate A | 0.0081 | 0.0035 | 0.0076 | 0.0037 | | | 0.0072 |
| Other Public Authority - Rate A | 0.0960 | 0.0420 | 0.0905 | 0.0435 | | | 0.0855 |
| Rate J - Large Users | 0.2035 | 0.0889 | 0.0959 | 0.0461 | | | 0.1350 |
| Private Fire Protection | 0.0009 | 0.0004 | | | 0.1852 | 0.0152 | 0.0156 |
| Public Fire Protection | 0.0040 | 0.0017 | | | 0.8148 | 0.0670 | 0.0687 |
| Total | 1.0000 | 0.4370 | 1.0000 | 0.4808 | 1.0000 | 0.0822 | 1.0000 |

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 2.10 and the average daily system sendout for 2014 of 2.872 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 | 2,872,709 | 0.4370 |
| Maximum Day Extra Capacity | <u>1.10</u> | <u>3,159,980</u> | <u>0.4808</u> |
| Subtotal | <u>2.10</u> | 6,032,689 | 0.9178 |
| Fire Protection | | <u>540,000</u> | <u>0.0822</u> |
| Total | | <u>6,572,689</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 (1) | Average Hourly Consumption | | | Maximum Hour Extra Capacity | | Fire Protection | | Allocation Factor (9)=(4)+(6)+(8) |
|---------------------------------|----------------------------|--------------------------|--|-----------------------------|--|--------------------------|--|--------------------------------------|
| | 100 Gallons (2) | Allocation Factor (3) | Weighted Factor (4)=(3) X 0.2220 | Allocation Factor (5) | Weighted Factor (6)=(5) X 0.4441 | Allocation Factor (7) | Weighted Factor (8)=(7) X 0.3339 | |
| Residential - Rate A | 513.2 | 0.4230 | 0.0939 | 0.5278 | 0.2344 | | | 0.3283 |
| Commercial - Rate A | 320.9 | 0.2645 | 0.0587 | 0.2631 | 0.1168 | | | 0.1755 |
| Industrial - Rate A | 9.8 | 0.0081 | 0.0018 | 0.0043 | 0.0019 | | | 0.0037 |
| Other Public Authority - Rate A | 116.5 | 0.0960 | 0.0213 | 0.0959 | 0.0426 | | | 0.0639 |
| Rate J - Large Users | 246.9 | 0.2035 | 0.0452 | 0.1089 | 0.0484 | | | 0.0936 |
| Private Fire Protection | 1.1 | 0.0009 | 0.0002 | | | 0.1852 | 0.0618 | 0.0620 |
| Public Fire Protection | 4.9 | 0.0040 | 0.0009 | | | 0.8148 | 0.2721 | 0.2730 |
| Total | 1,213.3 | 1.0000 | 0.2220 | 1.0000 | 0.4441 | 1.0000 | 0.3339 | 1.0000 |

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

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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 3.00 and the average daily system sendout for 2014 of 2.872 MGD. The system demand for fire protection is 3,000 gallons per minute.

| | Ratio | Rate of Flow, (GPM) | Weight |
|--------------------------------|-------------|------------------------|---------------|
| Average Hour | 1.00 | 1,995 | 0.2220 |
| Maximum Hour Extra Capacity | <u>2.00</u> | <u>3,990</u> | <u>0.4441</u> |
| Subtotal | <u>3.00</u> | 5,985 | 0.6661 |
| Fire Protection | | <u>3,000</u> | <u>0.3339</u> |
| Total | | <u>8,985</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 100 Gallons | Maximum Hour Extra Capacity | | |
|---------------------------------|---|-----------------------------|-------------------------|----------------------|
| | | Factor* | 100 Gallons Per Hour | Allocation Factor |
| (1) | (2) | (3) | (4)=(2)x(3) | (5) |
| Residential - Rate A | 513.2 | 3.5 | 1,796.2 | 0.5278 |
| Commercial - Rate A | 319.7 | 2.8 | 895.3 | 0.2631 |
| Industrial - Rate A | 9.8 | 1.5 | 14.7 | 0.0043 |
| Other Public Authority - Rate A | 116.5 | 2.8 | 326.2 | 0.0959 |
| Rate J - Large Users | <u>246.9</u> | 1.5 | <u>370.4</u> | <u>0.1089</u> |
| Total | <u>1,206.1</u> | | <u>3,402.8</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 | Average Hourly Consumption | | | Maximum Hour Extra Capacity | | Fire Protection | | Allocation Factor |
|---------------------------------|----------------------------|-------------------|-----------------|-----------------------------|-----------------|-------------------|-----------------|-------------------|
| | 100 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) |
| | | | 0.2133 | | 0.4267 | | 0.3600 | |
| Residential - Rate A | 513.2 | 0.4230 | 0.0902 | 0.5278 | 0.2252 | | | 0.3154 |
| Commercial - Rate A | 320.9 | 0.2645 | 0.0564 | 0.2631 | 0.1123 | | | 0.1687 |
| Industrial - Rate A | 9.8 | 0.0081 | 0.0017 | 0.0043 | 0.0018 | | | 0.0035 |
| Other Public Authority - Rate A | 116.5 | 0.0960 | 0.0205 | 0.0959 | 0.0409 | | | 0.0614 |
| Rate J - Large Users | 246.9 | 0.2035 | 0.0434 | 0.1089 | 0.0465 | | | 0.0899 |
| Private Fire Protection | 1.1 | 0.0009 | 0.0002 | | | 0.1852 | 0.0667 | 0.0669 |
| Public Fire Protection | 4.9 | 0.0040 | 0.0009 | | | 0.8148 | 0.2933 | 0.2942 |
| Total | 1,213.3 | 1.0000 | 0.2133 | 1.0000 | 0.4267 | 1.0000 | 0.3600 | 1.0000 |

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.

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Schedule C-JFC

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.

$$\text{Fire Protection Weight} = \frac{3,000 \text{ GPM} \times 60 \text{ Min.} \times 3 \text{ Hrs.}}{1,500,000 \text{ Gallons}} = 0.3600$$

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

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 | 33.33 | 0.2133 |
| Extra Capacity Maximum Hour | 2.00 | 66.67 | 0.4267 |
| Total | <u>3.00</u> | <u>100.00</u> | <u>0.6400</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 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) |
| | | 0.1632 | | 0.8368 | |
| Residential - Rate A | 0.4530 | 0.0739 | 0.3283 | 0.2747 | 0.3486 |
| Commercial - Rate A | 0.2350 | 0.0384 | 0.1755 | 0.1469 | 0.1853 |
| Industrial - Rate A | 0.0072 | 0.0012 | 0.0037 | 0.0031 | 0.0043 |
| Other Public Authority - Rate A | 0.0855 | 0.0140 | 0.0639 | 0.0535 | 0.0675 |
| Rate J - Large Users | 0.1350 | 0.0220 | 0.0936 | 0.0783 | 0.1003 |
| Private Fire Protection | 0.0156 | 0.0025 | 0.0620 | 0.0519 | 0.0544 |
| Public Fire Protection | 0.0687 | 0.0112 | 0.2730 | 0.2284 | 0.2396 |
| Total | 1.0000 | 0.1632 | 1.0000 | 0.8368 | 1.0000 |

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 | 137,493 | 0.1632 |
| Distribution Mains | 705,103 | 0.8368 |
| Total | 842,596 | 1.0000 |

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 7. 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 8. 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 - Rate A | 9,180 | 0.7189 |
| Commercial - Rate A | 2,544 | 0.1992 |
| Industrial - Rate A | 34 | 0.0027 |
| Other Public Authority - Rate A | 982 | 0.0769 |
| Rate J - Large Users | <u>30</u> | <u>0.0023</u> |
| Total | <u><u>12,770</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

| Meter Size | 5/8" Dollar Equivalent | Rate A | | | | | | | | Rate J | | Total | |
|---------------|------------------------------|---------------------|--------------------------|---------------------|--------------------------|---------------------|--------------------------|------------------------|---------------------------|---------------------|---------------|---------------------|---------------|
| | | Residential | | Commercial | | Industrial | | Other Public Authority | | Number of Meters | Weighting | Number of Meters | Weighting |
| | | 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) | | | | |
| (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 | 8,873 | 8,873 | 854 | 854 | 3 | 3 | 59 | 59 | 0 | 0 | 9,789 | 9,789 |
| 3/4 | 2.1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1 | 2.0 | 139 | 278 | 298 | 596 | 2 | 4 | 63 | 126 | 0 | 0 | 502 | 1,004 |
| 1-1/2 | 3.5 | 2 | 7 | 81 | 284 | 0 | 0 | 45 | 158 | 0 | 0 | 128 | 449 |
| 2 | 4.3 | 5 | 22 | 164 | 705 | 2 | 9 | 108 | 464 | 2 | 9 | 281 | 1,209 |
| 3 | 7.0 | 0 | 0 | 8 | 56 | 1 | 7 | 13 | 91 | 3 | 21 | 25 | 175 |
| 4 | 10.5 | 0 | 0 | 3 | 32 | 1 | 11 | 8 | 84 | 0 | 0 | 12 | 127 |
| 6 | 16.8 | 0 | 0 | 1 | 17 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 17 |
| 8 | 64.0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | <u>9,019</u> | <u>9,180</u> | <u>1,409</u> | <u>2,544</u> | <u>9</u> | <u>34</u> | <u>296</u> | <u>982</u> | <u>5</u> | <u>30</u> | <u>10,738</u> | <u>12,770</u> |

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Schedule C-JFC

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 9. 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 - Rate A | 9,318 | 0.6373 |
| Commercial - Rate A | 3,039 | 0.2079 |
| Industrial - Rate A | 32 | 0.0022 |
| Other Public Authority - Rate A | 1,147 | 0.0784 |
| Rate J - Large Users | 28 | 0.0019 |
| Private Fire Protection | <u>1,057</u> | <u>0.0723</u> |
| Total | <u><u>14,621</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 | Rate A | | | | | | | | Rate J | | Private Fire Protection | | Total | |
|-----------------|------------------------------|-----------------------|--------------------------|-----------------------|--------------------------|-----------------------|--------------------------|------------------------|---------------------------|-----------------------|-----------|-------------------------|-----------|-----------------------|-----------|
| | | Residential | | Commercial | | Industrial | | Other Public Authority | | Number of Services | Weighting | Number of Services | Weighting | Number of Services | Weighting |
| | | 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) | | | | | | |
| 3/4 | 1.00 | 8,873 | 8,873 | 854 | 854 | 3 | 3 | 59 | 59 | 0 | 0 | 0 | 0 | 9,789 | 9,789 |
| 1 | 2.94 | 139 | 409 | 298 | 876 | 2 | 6 | 63 | 185 | 0 | 0 | 0 | 0 | 502 | 1,476 |
| 1-1/2 | 4.02 | 2 | 8 | 81 | 326 | 0 | 0 | 45 | 181 | 0 | 0 | 0 | 0 | 128 | 515 |
| 2 | 5.55 | 5 | 28 | 164 | 910 | 2 | 11 | 108 | 599 | 2 | 11 | 7 | 39 | 288 | 1,598 |
| 3 | 5.55 | 0 | 0 | 8 | 44 | 1 | 6 | 13 | 72 | 3 | 17 | 1 | 6 | 26 | 145 |
| 4 | 6.37 | 0 | 0 | 3 | 19 | 1 | 6 | 8 | 51 | 0 | 0 | 28 | 178 | 40 | 254 |
| 6 | 9.92 | 0 | 0 | 1 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 54 | 536 | 55 | 546 |
| 8 | 9.92 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24 | 238 | 24 | 238 |
| 10 | 9.92 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 60 | 6 | 60 |
| 12 | 12.16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 9,019 | 9,318 | 1,409 | 3,039 | 9 | 32 | 296 | 1,147 | 5 | 28 | 120 | 1,057 | 10,858 | 14,621 |

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Schedule C-JFC

**MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 10. 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 - Rate A | \$ 14,457 | 0.4459 |
| Commercial - Rate A | 6,125 | 0.1890 |
| Industrial - Rate A | 126 | 0.0039 |
| Other Public Authority - Rate A | 2,268 | 0.0700 |
| Rate J - Large Users | 2,415 | 0.0745 |
| Private Fire Protection | 1,299 | 0.0401 |
| Public Fire Protection | 5,722 | 0.1766 |
| Total | 32,412 | 1.0000 |

FACTOR 11. 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 - Rate A | \$ 75,933 | 0.4175 |
| Commercial - Rate A | 34,677 | 0.1907 |
| Industrial - Rate A | 691 | 0.0038 |
| Other Public Authority - Rate A | 12,748 | 0.0701 |
| Rate J - Large Users | 13,963 | 0.0768 |
| Private Fire Protection | 10,672 | 0.0587 |
| Public Fire Protection | 33,171 | 0.1824 |
| Total | \$181,855 | 1.0000 |

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 12. ALLOCATION OF BILLING AND COLLECTING COSTS.

Factors are based on the total number of customers.

| Customer Classification | Total Customers | Allocation Factor |
|---------------------------------|--------------------|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | 9,019 | 0.8276 |
| Commercial - Rate A | 1,409 | 0.1293 |
| Industrial - Rate A | 9 | 0.0008 |
| Other Public Authority - Rate A | 296 | 0.0272 |
| Rate J - Large Users | 5 | 0.0005 |
| Private Fire Protection | 159 | 0.0146 |
| Public Fire Protection | 0 | 0.0000 |
| | | |
| Total | <u>10,897</u> | <u>1.0000</u> |

FACTOR 13. ALLOCATION OF METER READING COSTS.

Factors are based on the number of metered customers.

| Customer Classification | Total Metered Customers | Allocation Factor |
|---------------------------------|----------------------------|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | 9,019 | 0.8399 |
| Commercial - Rate A | 1,409 | 0.1312 |
| Industrial - Rate A | 9 | 0.0008 |
| Other Public Authority - Rate A | 296 | 0.0276 |
| Rate J - Large Users | 5 | 0.0005 |
| | | |
| Total | <u>10,738</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 14. 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 | Operation & Maintenance Expenses | Allocation Factor |
|---------------------------------|--|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | \$648,595 | 0.5610 |
| Commercial - Rate A | 229,651 | 0.1987 |
| Industrial - Rate A | 5,250 | 0.0045 |
| Other Public Authority - Rate A | 77,566 | 0.0671 |
| Rate J - Large Users | 95,291 | 0.0824 |
| Private Fire Protection | 26,085 | 0.0226 |
| Public Fire Protection | 73,535 | 0.0637 |
| Total | \$1,155,973 | 1.0000 |

FACTOR 15. 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 | Operation & Maintenance Expenses | Allocation Factor |
|---------------------------------|--|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | \$1,876,273 | 0.5448 |
| Commercial - Rate A | 719,415 | 0.2089 |
| Industrial - Rate A | 17,459 | 0.0051 |
| Other Public Authority - Rate A | 245,641 | 0.0713 |
| Rate J - Large Users | 349,694 | 0.1016 |
| Private Fire Protection | 62,937 | 0.0183 |
| Public Fire Protection | 172,049 | 0.0500 |
| Total | \$3,443,467 | 1.0000 |

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 - Rate A | \$571,605 | 0.5572 |
| Commercial - Rate A | 214,655 | 0.2092 |
| Industrial - Rate A | 5,177 | 0.0050 |
| Other Public Authority - Rate A | 73,769 | 0.0719 |
| Rate J - Large Users | 93,246 | 0.0909 |
| Private Fire Protection | 19,421 | 0.0189 |
| Public Fire Protection | 48,112 | 0.0469 |
| Total | <u>\$1,025,984</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:

| <u>Customer Classification</u> (1) | <u>Original Cost Less Depreciation</u> (2) | <u>Allocation Factor</u> (3) |
|---|---|-------------------------------------|
| Residential - Rate A | \$15,022,152 | 0.4331 |
| Commercial - Rate A | 7,013,571 | 0.2023 |
| Industrial - Rate A | 192,898 | 0.0056 |
| Other Public Authority - Rate A | 2,552,902 | 0.0736 |
| Rate J - Large Users | 3,524,991 | 0.1017 |
| Private Fire Protection | 500,122 | 0.0144 |
| Public Fire Protection | 5,869,481 | 0.1693 |
| Total | <u>\$34,676,117</u> | <u>1.0000</u> |

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 <u>(1)</u> | Original Cost Measure of Value <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Residential - Rate A | \$12,443,798 | 0.4341 |
| Commercial - Rate A | 5,794,523 | 0.2022 |
| Industrial - Rate A | 158,870 | 0.0055 |
| Other Public Authority - Rate A | 2,108,129 | 0.0736 |
| Rate J - Large Users | 2,908,062 | 0.1015 |
| Private Fire Protection | 417,197 | 0.0146 |
| Public Fire Protection | <u>4,828,465</u> | <u>0.1685</u> |
| Total | <u>\$28,659,044</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 <u>(1)</u> | Total Cost of Service <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Residential - Rate A | \$4,169,595 | 0.4887 |
| Commercial - Rate A | 1,766,147 | 0.2070 |
| Industrial - Rate A | 45,650 | 0.0054 |
| Other Public Authority - Rate A | 624,832 | 0.0732 |
| Rate J - Large Users | 868,803 | 0.1018 |
| Private Fire Protection | 140,855 | 0.0165 |
| Public Fire Protection | <u>916,690</u> | <u>0.1074</u> |
| Total | <u>\$8,532,572</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate J (8) | Fire Protection | |
|-----------------------------|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|---------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | Private (9) | Public (10) |
| RATE BASE | | | | | | | | | |
| Organization | 17 | \$ 5,211 | \$ 2,257 | \$ 1,054 | \$ 29 | \$ 384 | \$ 530 | \$ 75 | \$ 882 |
| Land & Ld Rights P | 3 | 944 | 428 | 222 | 7 | 81 | 127 | 15 | 65 |
| Land & Ld Rights WT | 2 | 70,255 | 34,671 | 17,992 | 555 | 6,541 | 10,334 | 28 | 133 |
| Land & Ld Rights TD | 6 | 100,265 | 34,952 | 18,579 | 431 | 6,768 | 10,057 | 5,454 | 24,023 |
| Land & Land Rights AG | 14 | 7,181 | 4,029 | 1,427 | 32 | 482 | 592 | 162 | 457 |
| Struct & Imp SS | 2 | 893,483 | 440,934 | 228,821 | 7,059 | 83,183 | 131,431 | 357 | 1,698 |
| Struct & Imp P | 3 | 1,374,133 | 622,482 | 322,921 | 9,894 | 117,488 | 185,508 | 21,436 | 94,403 |
| Struct & Imp WT | 2 | 1,641,777 | 810,217 | 420,459 | 12,970 | 152,849 | 241,505 | 657 | 3,119 |
| Struct & Imp TD | 6 | 157,274 | 54,826 | 29,143 | 676 | 10,616 | 15,775 | 8,556 | 37,683 |
| Struct & Imp AG | 6 | 143,678 | 50,086 | 26,624 | 618 | 9,698 | 14,411 | 7,816 | 34,425 |
| Struct & Imp Offices | 14 | 98,615 | 55,323 | 19,595 | 444 | 6,617 | 8,126 | 2,229 | 6,282 |
| Lake, River & Other Intakes | 2 | 6,110,926 | 3,015,742 | 1,565,008 | 48,276 | 568,927 | 898,917 | 2,444 | 11,611 |
| Supply Mains | 2 | 982,790 | 485,007 | 251,692 | 7,764 | 91,498 | 144,568 | 393 | 1,867 |
| Power Generation Equip | 3 | 545,028 | 246,898 | 128,082 | 3,924 | 46,600 | 73,579 | 8,502 | 37,443 |
| Pump Equip Electric | 3 | 4,344,685 | 1,968,142 | 1,021,001 | 31,282 | 371,471 | 586,533 | 67,777 | 298,480 |
| Pump Equip Hydraulic | 3 | 48,706 | 22,064 | 11,446 | 351 | 4,164 | 6,575 | 760 | 3,346 |
| Pump Equip Other | 3 | 27,080 | 12,267 | 6,364 | 195 | 2,315 | 3,656 | 422 | 1,860 |
| WT Equip Non-Media | 2 | 1,699,513 | 838,710 | 435,245 | 13,426 | 158,225 | 249,998 | 680 | 3,229 |
| WT Equip Filter Media | 2 | 116,483 | 57,485 | 29,831 | 920 | 10,845 | 17,135 | 47 | 221 |
| Dist Reservoirs & Standpipe | 5 | 36,760 | 11,594 | 6,201 | 129 | 2,257 | 3,305 | 2,459 | 10,815 |
| Elevated Tanks & Standpipes | 5 | 741,916 | 234,000 | 125,161 | 2,597 | 45,554 | 66,698 | 49,634 | 218,272 |
| Ground Level Facilities | 5 | 4,790 | 1,511 | 808 | 17 | 294 | 431 | 320 | 1,409 |
| TD Mains Not Classified by | 7 | 3,215,975 | 0 | 0 | 0 | 0 | 0 | 0 | 3,215,975 |
| TD Mains 4" & Less | 4 | 166,948 | 54,809 | 29,299 | 618 | 10,668 | 15,626 | 10,351 | 45,577 |
| TD Mains 6 to 8" | 4 | 2,614,530 | 858,350 | 458,850 | 9,674 | 167,068 | 244,720 | 162,101 | 713,767 |
| TD Mains 10 to 16" | 3 | 2,433,895 | 1,102,554 | 571,965 | 17,524 | 208,098 | 328,576 | 37,969 | 167,209 |
| TD Mains 18" & Grtr | 3 | 1,050,629 | 475,935 | 246,898 | 7,565 | 89,829 | 141,835 | 16,390 | 72,178 |
| Services | 9 | 815,264 | 519,568 | 169,493 | 1,794 | 63,917 | 1,549 | 58,944 | 0 |
| Meters Bronze Case | 8 | 999,099 | 718,252 | 199,020 | 2,698 | 76,831 | 2,298 | 0 | 0 |
| Meters Plastic Case | 8 | 35,334 | 25,402 | 7,039 | 95 | 2,717 | 81 | 0 | 0 |

JFC-26

Schedule C-JFC

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account | Factor Ref. | Cost of Service | Rate A | | | | Rate J | Fire Protection | |
|---------------------------------------|-------------|-------------------|-------------------|------------------|----------------|--------------------|------------------|-----------------|------------------|
| | | | Residential | Commercial | Industrial | Public Authorities | | Private | Public |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| Meters Other | 8 | 1,423,952 | 1,023,679 | 283,651 | 3,845 | 109,502 | 3,275 | 0 | 0 |
| Meters Other-Rem Rdr Unts | 8 | 8,209 | 5,901 | 1,635 | 22 | 631 | 19 | 0 | 0 |
| Meter Installations | 8 | 337,159 | 242,384 | 67,162 | 910 | 25,928 | 775 | 0 | 0 |
| Hydrants | 7 | 778,405 | 0 | 0 | 0 | 0 | 0 | 0 | 778,405 |
| Other P/E CPS | 14 | 48,746 | 27,346 | 9,686 | 219 | 3,271 | 4,017 | 1,102 | 3,105 |
| Office Furniture & Equip | 14 | (62,293) | (34,946) | (12,378) | (280) | (4,180) | (5,133) | (1,408) | (3,968) |
| Comp & Periph Equip | 14 | 362,410 | 203,312 | 72,011 | 1,631 | 24,318 | 29,863 | 8,190 | 23,086 |
| Computer Software | 14 | 123,172 | 69,099 | 24,474 | 554 | 8,265 | 10,149 | 2,784 | 7,846 |
| Comp Software Mainframe | 14 | 520,325 | 291,902 | 103,388 | 2,341 | 34,914 | 42,875 | 11,759 | 33,145 |
| Comp Software Mainframe - CIS | 12 | 266,139 | 220,257 | 34,412 | 213 | 7,239 | 133 | 3,886 | 0 |
| Comp Software Other | 14 | 1,077 | 604 | 214 | 5 | 72 | 89 | 24 | 69 |
| Trans Equip Lt Duty Trks | 14 | 143,160 | 80,313 | 28,446 | 644 | 9,606 | 11,796 | 3,235 | 9,119 |
| Trans Equip Hvy Duty Trks | 14 | 4,156 | 2,331 | 826 | 19 | 279 | 342 | 94 | 265 |
| Trans Equip Autos | 14 | (27,189) | (15,253) | (5,403) | (122) | (1,824) | (2,240) | (614) | (1,732) |
| Trans Equip Other | 14 | 27,693 | 15,536 | 5,503 | 125 | 1,858 | 2,282 | 626 | 1,764 |
| Stores Equipment | 14 | 1,577 | 885 | 313 | 7 | 106 | 130 | 36 | 100 |
| Tools,Shop,Garage Equip | 14 | 126,232 | 70,816 | 25,082 | 568 | 8,470 | 10,402 | 2,853 | 8,041 |
| Laboratory Equipment | 2 | 32,648 | 16,112 | 8,361 | 258 | 3,040 | 4,803 | 13 | 62 |
| Laboratory Equip Other | 2 | 10,266 | 5,066 | 2,629 | 81 | 956 | 1,510 | 4 | 20 |
| Power Operated Equipment | 14 | (81,035) | (45,461) | (16,102) | (365) | (5,437) | (6,677) | (1,831) | (5,162) |
| Comm Equip Non-Telephone | 14 | 9,492 | 5,325 | 1,886 | 43 | 637 | 782 | 215 | 605 |
| Remote Control & Instr | 14 | 20,749 | 11,640 | 4,123 | 93 | 1,392 | 1,710 | 469 | 1,322 |
| Comm Equip Telephone | 14 | (13) | (7) | (2) | (0) | (1) | (1) | (0) | (1) |
| Misc Equipment | 14 | 123,126 | 69,074 | 24,465 | 554 | 8,262 | 10,146 | 2,783 | 7,843 |
| Other Tangible Property | 17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Utility Plant in Service | | 34,681,329 | 15,024,409 | 7,014,626 | 192,927 | 2,553,286 | 3,525,521 | 500,197 | 5,870,363 |

JFC-27

Schedule C-JFC

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate J (8) | Fire Protection | |
|--------------------------------------|-----------------------|---------------------------|----------------------|---------------------|-------------------|------------------------------|---------------------|-------------------|---------------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | Private (9) | Public (10) |
| Other Rate Base Items | | | | | | | | | |
| Add: | | | | | | | | | |
| Materials and Supplies | 14 | 179,823 | 100,881 | 35,731 | 809 | 12,066 | 14,817 | 4,064 | 11,455 |
| Prepayments | 14 | 45,956 | 25,781 | 9,131 | 207 | 3,084 | 3,787 | 1,039 | 2,927 |
| Pension / OPEB Tracker | 16 | 332,152 | 185,075 | 69,486 | 1,661 | 23,882 | 30,193 | 6,278 | 15,578 |
| Tank Painting Tracker | 5 | 33,722 | 10,636 | 5,689 | 118 | 2,071 | 3,032 | 2,256 | 9,921 |
| Less: | | | | | | | | | |
| Accumulated Deferred ITC (3%) | 17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred Income Taxes | 17 | (6,303,805) | (2,730,178) | (1,275,260) | (35,301) | (463,960) | (641,097) | (90,775) | (1,067,234) |
| Pensions | 16 | (310,133) | (172,806) | (64,880) | (1,551) | (22,299) | (28,191) | (5,862) | (14,545) |
| Total Other Rate Base Elements | | <u>(6,022,285)</u> | <u>(2,580,611)</u> | <u>(1,220,102)</u> | <u>(34,057)</u> | <u>(445,157)</u> | <u>(617,460)</u> | <u>(83,000)</u> | <u>(1,041,898)</u> |
| Total Original Cost Measure of Value | | <u>\$ 28,659,044</u> | <u>\$ 12,443,798</u> | <u>\$ 5,794,523</u> | <u>\$ 158,870</u> | <u>\$ 2,108,129</u> | <u>\$ 2,908,062</u> | <u>\$ 417,197</u> | <u>\$ 4,828,465</u> |

JFC-28

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.

| Customer Classification <u>(1)</u> | 5/8" Dollar Equivalents <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Residential - Rate A | 9,180 | 0.7189 |
| Commercial - Rate A | 2,544 | 0.1992 |
| Industrial - Rate A | 34 | 0.0027 |
| Other Public Authority - Rate A | 982 | 0.0769 |
| Rate J - Large Users | 30 | 0.0023 |
| Private Fire | <u>0</u> | <u>0.0000</u> |
| Total | <u><u>12,770</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1999-2014

| 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 |
| 2009 | 3.466 | 4.830 | 1.39 | 6/22/2009 |
| 2010 | 3.583 | 5.087 | 1.42 | 8/11/2010 |
| 2011 | 2.916 | 5.641 | 1.93 | 8/2/2011 |
| 2012 | 2.973 | 6.236 | 2.10 | 7/25/2012 |
| 2013 | 2.892 | 5.424 | 1.88 | 8/26/2013 |
| 2014 | 2.873 | 5.151 | 1.79 | 7/28/2014 |

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) |
|--------------------------------|--|---------------------|------------------------------------|-----------------------------|
| <u>PRIVATE FIRE PROTECTION</u> | | | | |
| <u>Fire Lines</u> | | | | |
| 2 -inch | 4.00 | 7 | 28 | |
| 3 -inch | 9.00 | 1 | 9 | |
| 4 -inch | 16.00 | 28 | 448 | |
| 6 -inch | 36.00 | 54 | 1,944 | |
| 8 -inch | 64.00 | 24 | 1,536 | |
| 10 -inch | 100.00 | 6 | 600 | |
| 12 -inch | 144.00 | 0 | 0 | |
| Private Hydrants | 26.50 | 39 | 1,034 | |
| Total Private Fire Protection | | <u>159</u> | <u>5,599</u> | 0.1852 |
| <u>PUBLIC FIRE PROTECTION</u> | | | | |
| <u>Hydrant</u> | <u>Nozzle Sizes</u> | | | |
| 5 1/4" Valve | 2- 2-1/2" & 1- 4.5" | 26.50 | 925 | 24,513 |
| 4 1/2" Valve | 1- 2-1/2" | 12.50 | 10 | 125 |
| Total Public Fire Protection | | <u>935</u> | <u>24,638</u> | <u>0.8148</u> |
| Total Fire Protection | | <u><u>1,094</u></u> | <u><u>30,237</u></u> | <u><u>1.0000</u></u> |

MISSOURI AMERICAN WATER
JEFFERSON CITY DISTRICT
CALCULATION OF THE 5/8-INCH CUSTOMER COSTS PER MONTH
INCLUDING THE UNRECOVERED PUBLIC FIRE COSTS

| Cost Function | Cost of Service | Number of Units | Unit Cost Per Month |
|-------------------------|----------------------------|------------------------|------------------------|
| Meters | \$ 450,600 | 12,740 5/8 Equivalents | \$ 2.95 |
| Services | 314,890 | 13,536 3/4 Equivalents | 1.94 |
| Billing/Collecting | <u>1,021,800</u> | 128,856 Bills | <u>7.93</u> |
| Subtotal | 1,787,290 | | 12.82 |
| Unrecovered Public Fire | <u>917,364</u> | 12,740 5/8 Equivalents | 6.00 |
| Total | <u><u>\$ 2,704,654</u></u> | | <u><u>\$ 18.82</u></u> |

JFC-32

Schedule F-JFC

JOPLIN DISTRICT

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification (1) | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates Consolidated Pricing | | Proposed Increase | |
|-----------------------------------|-------------------------------|----------------|-------------------------|----------------|--|----------------|-------------------|----------------------------|
| | Amount (Schedule B) (2) | Percent (3) | Amount (4) | Percent (5) | Amount (6) | Percent (7) | Amount (8) | Percent Increase (9) |
| | Residential | \$ 9,931,121 | 48.8% | \$ 9,969,677 | 52.8% | \$ 9,607,246 | 49.3% | \$ (362,431) |
| Commercial | 3,529,596 | 17.4% | 3,553,293 | 18.8% | 3,853,162 | 19.8% | 299,869 | 8.4% |
| Industrial | 1,756,485 | 8.6% | 1,047,017 | 5.6% | 2,203,708 | 11.3% | 1,156,691 | 110.5% |
| Public Authority | <u>358,845</u> | <u>1.8%</u> | <u>371,574</u> | <u>2.0%</u> | <u>407,054</u> | <u>2.1%</u> | <u>35,480</u> | <u>9.5%</u> |
| Total Rate A | 15,576,047 | 76.6% | 14,941,561 | 79.2% | 16,071,170 | 82.5% | 1,129,609 | 7.6% |
| Sales for Resale - Rate E | 1,026,902 | 5.1% | 658,745 | 3.5% | 649,866 | 3.3% | (8,879) | -1.3% |
| Rate J - Large Users | 3,273,200 | 16.1% | 2,428,659 | 12.9% | 2,097,366 | 10.8% | (331,293) | -13.6% |
| Private Fire Service | 445,340 | 2.2% | 831,879 | 4.4% | 656,832 | 3.4% | (175,047) | -21.0% |
| Public Fire Service | - | 0.0% | - | 0.0% | - | 0.0% | - | - |
| Total Sales | 20,321,488 | <u>100.0%</u> | 18,860,844 | <u>100.0%</u> | 19,475,234 | <u>100.0%</u> | 614,390 | 3.3% |
| Other Revenues | <u>\$ 265,146</u> | | <u>\$ 265,146</u> | | <u>\$ 265,146</u> | | <u>-</u> | 0.0% |
| Total | <u>\$ 20,586,634</u> | | <u>\$ 19,125,990</u> | | <u>\$ 19,740,380</u> | | <u>\$ 614,390</u> | 3.2% |

JOP-1

Schedule A-JOP

MISSOURI-AMERICAN WATER COMPANY
 JOPLIN DISTRICT
 COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|---|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|-------------------------|-------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large User (9) | Private (10) | Public (11) |
| OPERATION AND MAINTENANCE EXPENSES | | | | | | | | | | |
| SOURCE OF SUPPLY EXPENSES | | | | | | | | | | |
| Super & Eng Oper SS | 2 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Labor & Exp Oper SS | 2 | 113,647 | 41,913 | 21,025 | 13,433 | 2,137 | 7,933 | 26,798 | 136 | 273 |
| Purchased Water | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SS EXPENSE - OPERATION | | 113,647 | 41,913 | 21,025 | 13,433 | 2,137 | 7,933 | 26,798 | 136 | 273 |
| Misc Exp Oper SS | 2 | 390,514 | 144,021 | 72,245 | 46,159 | 7,342 | 27,258 | 92,083 | 469 | 937 |
| Lake, River & Oth Maint SS - Labor | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wells & Springs Maint SS - Labor | 2 | 7 | 2 | 1 | 1 | 0 | 0 | 2 | 0 | 0 |
| Infil Gail & Tunnels Maint SS - Labor | 2 | 36 | 13 | 7 | 4 | 1 | 3 | 9 | 0 | 0 |
| Infil Gail & Tunnels Maint SS | 2 | 5 | 2 | 1 | 1 | 0 | 0 | 1 | 0 | 0 |
| Supply Mains Maint SS - Labor | 2 | 9 | 3 | 2 | 1 | 0 | 1 | 2 | 0 | 0 |
| Misc Plant Maint SS - Labor | 2 | 6,532 | 2,409 | 1,208 | 772 | 123 | 456 | 1,540 | 8 | 16 |
| Misc Plant Maint SS | 2 | 2,149 | 793 | 398 | 254 | 40 | 150 | 507 | 3 | 5 |
| TOTAL SS EXPENSE - MAINTENANCE | | 399,254 | 147,245 | 73,862 | 47,192 | 7,506 | 27,868 | 94,144 | 479 | 958 |
| TOTAL SS EXPENSE | | 512,901 | 189,158 | 94,887 | 60,625 | 9,643 | 35,800 | 120,942 | 615 | 1,231 |
| POWER AND PUMPING EXPENSES | | | | | | | | | | |
| Super & Eng Oper P | 3 | 68,454 | 24,055 | 12,069 | 7,708 | 1,225 | 4,552 | 15,382 | 1,177 | 2,286 |
| Fuel for Power Prod | 1 | 2,255 | 701 | 391 | 300 | 40 | 166 | 642 | 5 | 9 |
| Purch Fuel/Power for Pump | 1 | 406,963 | 126,566 | 70,567 | 54,208 | 7,163 | 29,993 | 115,944 | 855 | 1,669 |
| Labor & Exp Oper Pump - Labor | 3 | 379,348 | 133,303 | 66,879 | 42,715 | 6,790 | 25,227 | 85,240 | 6,525 | 12,670 |
| Labor & Exp Oper Pump | 3 | 515 | 181 | 91 | 58 | 9 | 34 | 116 | 9 | 17 |
| Misc Exp Oper P | 3 | 5,512 | 1,937 | 972 | 621 | 99 | 367 | 1,239 | 95 | 184 |
| Rents Oper P | 3 | 732 | 257 | 129 | 82 | 13 | 49 | 164 | 13 | 24 |
| TOTAL PUMPING EXPENSE - OPERATION | | 863,780 | 287,000 | 151,098 | 105,692 | 15,339 | 60,388 | 218,726 | 8,678 | 16,860 |

JOP-2

Schedule B-JOP

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|---|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|-------------------------|-------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large User (9) | Private (10) | Public (11) |
| Super & Eng Maint P | 3 | 48,085 | 16,897 | 8,477 | 5,414 | 861 | 3,198 | 10,805 | 827 | 1,606 |
| Struct & Improve Maint P - Labor | 3 | 15 | 5 | 3 | 2 | 0 | 1 | 3 | 0 | 0 |
| Struct & Improve Maint P | 3 | 16,987 | 5,969 | 2,995 | 1,913 | 304 | 1,130 | 3,817 | 292 | 567 |
| Pump Equip Maint P - Labor | 3 | 46,154 | 16,219 | 8,137 | 5,197 | 826 | 3,069 | 10,371 | 794 | 1,542 |
| Pump Equip Maint P | 3 | 26,156 | 9,191 | 4,611 | 2,945 | 468 | 1,739 | 5,877 | 450 | 874 |
| TOTAL PUMPING EXPENSES - MAINTENANCE | | 137,397 | 48,281 | 24,223 | 15,471 | 2,459 | 9,137 | 30,873 | 2,363 | 4,589 |
| TOTAL PUMPING EXPENSES | | 1,001,177 | 335,281 | 175,321 | 121,162 | 17,798 | 69,525 | 249,600 | 11,041 | 21,449 |
| WATER TREATMENT | | | | | | | | | | |
| Super & Eng Oper WT | 2 | 42,677 | 15,739 | 7,895 | 5,044 | 802 | 2,979 | 10,063 | 51 | 102 |
| Chemicals | 1 | 317,740 | 98,817 | 55,096 | 42,323 | 5,592 | 23,417 | 90,524 | 667 | 1,303 |
| Labor & Exp Oper WT | 2 | 19,259 | 7,103 | 3,563 | 2,276 | 362 | 1,344 | 4,541 | 23 | 46 |
| Misc Exp Oper WT | 2 | 400,124 | 147,566 | 74,023 | 47,295 | 7,522 | 27,929 | 94,349 | 480 | 960 |
| Misc Exp Oper WT - Waste Disposal | 1 | 55,940 | 17,397 | 9,700 | 7,451 | 985 | 4,123 | 15,937 | 117 | 229 |
| Rents Oper WT | 2 | 11 | 4 | 2 | 1 | 0 | 1 | 3 | 0 | 0 |
| TOTAL WT EXPENSE - OPERATION | | 835,751 | 286,626 | 150,279 | 104,391 | 15,264 | 59,793 | 215,418 | 1,339 | 2,641 |
| Super & Eng Maint WT | 2 | 73,495 | 27,105 | 13,597 | 8,687 | 1,382 | 5,130 | 17,330 | 88 | 176 |
| WT Equip Maint WT - Labor | 2 | 191 | 70 | 35 | 23 | 4 | 13 | 45 | 0 | 0 |
| WT Equip Maint WT | 2 | 19,301 | 7,118 | 3,571 | 2,281 | 363 | 1,347 | 4,551 | 23 | 46 |
| TOTAL WT EXPENSE - MAINTENANCE | | 92,987 | 34,294 | 17,203 | 10,991 | 1,748 | 6,490 | 21,926 | 112 | 223 |
| TOTAL WT EXPENSE | | 928,738 | 320,920 | 167,482 | 115,382 | 17,012 | 66,283 | 237,344 | 1,451 | 2,864 |
| TRANSMISSION AND DISTRIBUTION EXPENSES | | | | | | | | | | |
| Super & Eng Oper TD | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TD Lines Exp - Labor | 6 | 548 | 191 | 92 | 51 | 9 | 32 | 71 | 34 | 67 |
| TD Lines Exp | 6 | 3,054 | 1,065 | 514 | 284 | 52 | 180 | 394 | 192 | 372 |
| Meter Expense - Labor | 8 | 226,761 | 176,738 | 38,595 | 3,606 | 5,147 | 1,293 | 1,383 | 0 | 0 |
| Meter Expense | 8 | 4,500 | 3,507 | 766 | 72 | 102 | 26 | 27 | 0 | 0 |
| Misc Exp Oper TD - Labor | 10 | 11,264 | 8,704 | 1,917 | 193 | 255 | 73 | 90 | 11 | 21 |

JOP-3

Schedule B-JOP

MISSOURI-AMERICAN WATER COMPANY
 JOPLIN DISTRICT
 COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|--|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|-------------------------|-------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large User (9) | Private (10) | Public (11) |
| Misc Exp Oper TD | 10 | 53,319 | 41,200 | 9,075 | 912 | 1,205 | 347 | 427 | 53 | 101 |
| Rents Oper TD | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL T & D EXPENSE OPERATION | | 299,446 | 231,404 | 50,959 | 5,116 | 6,771 | 1,951 | 2,392 | 291 | 561 |
| Super & Eng Maint TD | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Struct & Improve Maint TD | 11 | 9 | 3 | 2 | 1 | 0 | 1 | 1 | 1 | 1 |
| TD Main Maint TD - Labor | 6 | 194,167 | 67,706 | 32,698 | 18,058 | 3,320 | 11,475 | 25,067 | 12,213 | 23,630 |
| TD Main Maint TD | 6 | 31,461 | 10,970 | 5,298 | 2,926 | 538 | 1,859 | 4,062 | 1,979 | 3,829 |
| Fire Main Maint TD - Labor | 7 | 64 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 64 |
| Services Maint TD - Labor | 9 | 1,574 | 1,079 | 253 | 16 | 23 | 2 | 8 | 195 | 0 |
| Meters Maint TD - Labor | 8 | 8,037 | 6,264 | 1,368 | 128 | 182 | 46 | 49 | 0 | 0 |
| Meters Maint TD | 8 | 1,011 | 788 | 172 | 16 | 23 | 6 | 6 | 0 | 0 |
| Hydrants Maint TD - Labor | 7 | 1,216 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,216 |
| Misc Plant Maint TD - Labor | 11 | 2,475 | 904 | 415 | 220 | 43 | 140 | 304 | 150 | 299 |
| Misc Maint TD | 11 | 155,106 | 56,676 | 25,980 | 13,804 | 2,668 | 8,748 | 19,063 | 9,399 | 18,768 |
| Amort Def Maint TD | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL T & D EXPENSE - MAINTENANCE | | 395,121 | 144,391 | 66,185 | 35,168 | 6,797 | 22,276 | 48,560 | 23,937 | 47,808 |
| TOTAL T & D EXPENSE | | 694,567 | 375,795 | 117,144 | 40,285 | 13,568 | 24,227 | 50,952 | 24,228 | 48,369 |
| CUSTOMER ACCOUNTS | | | | | | | | | | |
| Supervision CA | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meter Reading Exp CA - Labor | 13 | 225,032 | 197,758 | 24,731 | 833 | 1,350 | 68 | 293 | 0 | 0 |
| Cust Rec & Collection CA - Labor | 12 | 1,755 | 1,508 | 189 | 6 | 10 | 0 | 2 | 39 | 0 |
| Cust Rec & Collection CA | 12 | 182,380 | 156,756 | 19,606 | 657 | 1,076 | 36 | 219 | 4,031 | 0 |
| Uncollectible Accts | 12 | 276,499 | 237,651 | 29,724 | 995 | 1,631 | 55 | 332 | 6,111 | 0 |
| Misc Cust Accts Exp CA - Labor | 12 | 206 | 177 | 22 | 1 | 1 | 0 | 0 | 5 | 0 |
| Misc Cust Accts Exp CA | 12 | 1,570 | 1,349 | 169 | 6 | 9 | 0 | 2 | 35 | 0 |
| TOTAL CUSTOMER ACCOUNTING EXPENSE | | 687,441 | 595,199 | 74,440 | 2,497 | 4,078 | 160 | 847 | 10,219 | 0 |

JOP-4

Schedule B-JOP

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|---|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|-------------------------|-------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large User (9) | Private (10) | Public (11) |
| ADMINISTRATIVE AND GENERAL EXPENSES | | | | | | | | | | |
| Salaries AG | 14 | 996,657 | 515,371 | 161,658 | 77,241 | 15,847 | 45,348 | 143,020 | 15,050 | 23,122 |
| Other Supplies & Exp AG | 14 | 113,647 | 58,767 | 18,434 | 8,808 | 1,807 | 5,171 | 16,308 | 1,716 | 2,637 |
| Mgmt Fees-Admin | 14 | 1,404,493 | 726,263 | 227,809 | 108,848 | 22,331 | 63,904 | 201,545 | 21,208 | 32,584 |
| Mgmt Fees-Customer Service | 12 | 258,009 | 221,759 | 27,736 | 929 | 1,522 | 52 | 310 | 5,702 | 0 |
| Mgmt Fees-Belleville Lab | 2 | 8,100 | 2,987 | 1,498 | 957 | 152 | 565 | 1,910 | 10 | 19 |
| Mgmt Fees- Employee | 16 | 87,380 | 45,368 | 14,234 | 6,580 | 1,433 | 3,862 | 12,015 | 1,389 | 2,499 |
| Outside Services AG | 14 | 90,320 | 46,704 | 14,650 | 7,000 | 1,436 | 4,110 | 12,961 | 1,364 | 2,095 |
| Outside Services AG | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Property Insurance | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ins Gen Liab Oper AG | 14 | 204,369 | 105,679 | 33,149 | 15,839 | 3,249 | 9,299 | 29,327 | 3,086 | 4,741 |
| Ins Work Comp AG | 16 | 65,443 | 33,978 | 10,661 | 4,928 | 1,073 | 2,893 | 8,998 | 1,041 | 1,872 |
| Ins Other Oper AG | 14 | 29,113 | 15,054 | 4,722 | 2,256 | 463 | 1,325 | 4,178 | 440 | 675 |
| Ins Vehicle | 14 | 8,746 | 4,523 | 1,419 | 678 | 139 | 398 | 1,255 | 132 | 203 |
| Injuries & Damages | 16 | 3,488 | 1,811 | 568 | 263 | 57 | 154 | 480 | 55 | 100 |
| Employee Pension & Benefits | 16 | 734,961 | 381,592 | 119,725 | 55,343 | 12,053 | 32,485 | 101,057 | 11,686 | 21,020 |
| Reg Commision Exp | 19 | 55,281 | 25,567 | 9,287 | 4,749 | 934 | 2,792 | 8,895 | 1,211 | 1,846 |
| Rents AG | 14 | 42,844 | 22,155 | 6,949 | 3,320 | 681 | 1,949 | 6,148 | 647 | 994 |
| Goodwill Advertising Exp | 14 | 1,147 | 593 | 186 | 89 | 18 | 52 | 165 | 17 | 27 |
| Misc Exp AG | 14 | 143,777 | 74,347 | 23,321 | 11,143 | 2,286 | 6,542 | 20,632 | 2,171 | 3,336 |
| Research & Development | 14 | 5,191 | 2,684 | 842 | 402 | 83 | 236 | 745 | 78 | 120 |
| TOTAL A & G OPERATIONS | | 4,252,965 | 2,285,203 | 676,847 | 309,371 | 65,566 | 181,137 | 569,948 | 67,002 | 97,891 |
| General Plant Maint AG | 14 | 41,165 | 21,286 | 6,677 | 3,190 | 655 | 1,873 | 5,907 | 622 | 955 |
| TOTAL A & G EXPENSE - MAINTENANCE | | 41,165 | 21,286 | 6,677 | 3,190 | 655 | 1,873 | 5,907 | 622 | 955 |
| TOTAL A & G EXPENSE | | 4,294,130 | 2,306,489 | 683,524 | 312,561 | 66,221 | 183,010 | 575,855 | 67,624 | 98,846 |
| Total Operation & Maintenance Expenses | | 8,118,955 | 4,122,842 | 1,312,798 | 652,513 | 128,320 | 379,005 | 1,235,540 | 115,178 | 172,759 |

JOP-5

Schedule B-JOP

MISSOURI-AMERICAN WATER COMPANY
 JOPLIN DISTRICT
 COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|-----------------------------|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|-------------------------|-------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large User (9) | Private (10) | Public (11) |
| DEPRECIATION EXPENSE | | | | | | | | | | |
| Struct & Imp SS | 2 | 112,066 | 41,330 | 20,732 | 13,246 | 2,107 | 7,822 | 26,425 | 134 | 269 |
| Struct & Imp P | 6 | 27,623 | 9,632 | 4,652 | 2,569 | 472 | 1,633 | 3,566 | 1,737 | 3,362 |
| Struct & Imp WT | 2 | 330,190 | 121,774 | 61,085 | 39,028 | 6,208 | 23,047 | 77,859 | 396 | 792 |
| Struct & Imp TD | 6 | 11,566 | 4,033 | 1,948 | 1,076 | 198 | 684 | 1,493 | 728 | 1,408 |
| Struct & Imp AG | 14 | 20,376 | 10,536 | 3,305 | 1,579 | 324 | 927 | 2,924 | 308 | 473 |
| Struct & Imp Offices | 14 | 13,256 | 6,855 | 2,150 | 1,027 | 211 | 603 | 1,902 | 200 | 308 |
| Struct & Imp Leasehold | 14 | 341 | 176 | 55 | 26 | 5 | 16 | 49 | 5 | 8 |
| Struct & Imp Store,Shop,Gar | 14 | 52,479 | 27,137 | 8,512 | 4,067 | 834 | 2,388 | 7,531 | 792 | 1,218 |
| Struct & Imp Misc | 14 | 1,365 | 706 | 221 | 106 | 22 | 62 | 196 | 21 | 32 |
| Collect & Impounding | 1 | 413 | 128 | 72 | 55 | 7 | 30 | 118 | 1 | 2 |
| Lake, River & Other Intakes | 2 | 22,234 | 8,200 | 4,113 | 2,628 | 418 | 1,552 | 5,243 | 27 | 53 |
| Wells & Springs | 2 | 89,660 | 33,067 | 16,587 | 10,598 | 1,686 | 6,258 | 21,142 | 108 | 215 |
| Supply Mains | 2 | 58,839 | 21,700 | 10,885 | 6,955 | 1,106 | 4,107 | 13,874 | 71 | 141 |
| Power Generation Equip | 3 | 21,415 | 7,525 | 3,775 | 2,411 | 383 | 1,424 | 4,812 | 368 | 715 |
| Pump Equip Electric | 3 | 85,837 | 30,163 | 15,133 | 9,665 | 1,536 | 5,708 | 19,288 | 1,476 | 2,867 |
| Pump Equip Diesel | 3 | 1,337 | 470 | 236 | 151 | 24 | 89 | 300 | 23 | 45 |
| Pump Equip Steam | 3 | 202 | 71 | 36 | 23 | 4 | 13 | 45 | 3 | 7 |
| Pump Equip Hydraulic | 3 | 513 | 180 | 90 | 58 | 9 | 34 | 115 | 9 | 17 |
| Pump Equip Other | 3 | 3,861 | 1,357 | 681 | 435 | 69 | 257 | 868 | 66 | 129 |
| WT Equip Non-Media | 2 | 440,041 | 162,287 | 81,408 | 52,013 | 8,273 | 30,715 | 103,762 | 528 | 1,056 |
| WT Equip Filter Media | 2 | 5,013 | 1,849 | 927 | 593 | 94 | 350 | 1,182 | 6 | 12 |
| Dist Reservoirs & Standpipe | 5 | 65,595 | 21,246 | 10,226 | 5,543 | 1,043 | 3,555 | 11,840 | 4,132 | 8,009 |
| Elevated Tanks & Standpipes | 5 | 51,936 | 16,822 | 8,097 | 4,389 | 826 | 2,815 | 9,374 | 3,272 | 6,341 |
| Ground Level Facilities | 5 | 173 | 56 | 27 | 15 | 3 | 9 | 31 | 11 | 21 |
| Clearwells | 5 | 2,741 | 888 | 427 | 232 | 44 | 149 | 495 | 173 | 335 |
| TD Mains Not Classified by | 6 | 36,529 | 12,738 | 6,151 | 3,397 | 625 | 2,159 | 4,716 | 2,298 | 4,446 |
| TD Mains 4" & Less | 4 | 60,902 | 21,212 | 10,146 | 5,402 | 1,029 | 3,496 | 6,584 | 4,440 | 8,593 |
| TD Mains 6 to 8" | 4 | 57,671 | 20,087 | 9,608 | 5,115 | 975 | 3,310 | 6,234 | 4,204 | 8,137 |
| TD Mains 10 to 16" | 3 | 252,995 | 88,902 | 44,603 | 28,487 | 4,529 | 16,824 | 56,848 | 4,352 | 8,450 |

JOP-6

Schedule B-JOP

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|-----------------------------------|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|-------------------------|-------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large User (9) | Private (10) | Public (11) |
| TD Mains 18" & Grtr | 3 | 13,608 | 4,782 | 2,399 | 1,532 | 244 | 905 | 3,058 | 234 | 455 |
| Fire Mains | 7 | 85 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 85 |
| Services | 9 | 349,608 | 239,586 | 56,147 | 3,461 | 4,999 | 454 | 1,748 | 43,212 | 0 |
| Meters Bronze Case | 8 | 62,065 | 48,373 | 10,563 | 987 | 1,409 | 354 | 379 | 0 | 0 |
| Meters Plastic Case | 8 | 16,953 | 13,213 | 2,885 | 270 | 385 | 97 | 103 | 0 | 0 |
| Meters Other | 8 | 12,348 | 9,624 | 2,102 | 196 | 280 | 70 | 75 | 0 | 0 |
| Meters Other-Rem Rdr Unts | 8 | 5,471 | 4,264 | 931 | 87 | 124 | 31 | 33 | 0 | 0 |
| Meter Installations | 8 | 91,033 | 70,951 | 15,494 | 1,447 | 2,066 | 519 | 555 | 0 | 0 |
| Meter Vaults | 8 | 27 | 21 | 5 | 0 | 1 | 0 | 0 | 0 | 0 |
| Hydrants | 7 | 25,056 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 25,056 |
| Other P/E CPS | 14 | 3,770 | 1,949 | 611 | 292 | 60 | 172 | 541 | 57 | 87 |
| Office Furniture & Equip | 14 | 2,326 | 1,203 | 377 | 180 | 37 | 106 | 334 | 35 | 54 |
| Comp & Periph Equip | 14 | 108,874 | 56,299 | 17,659 | 8,438 | 1,731 | 4,954 | 15,623 | 1,644 | 2,526 |
| Computer Software | 14 | 21,278 | 11,003 | 3,451 | 1,649 | 338 | 968 | 3,053 | 321 | 494 |
| Comp Software Mainframe | 14 | 163,588 | 84,591 | 26,534 | 12,678 | 2,601 | 7,443 | 23,475 | 2,470 | 3,795 |
| Comp Software Mainframe - CIS | 12 | 83,673 | 71,917 | 8,995 | 301 | 494 | 17 | 100 | 1,849 | 0 |
| Comp Software Other | 14 | 214 | 111 | 35 | 17 | 3 | 10 | 31 | 3 | 5 |
| Data Handling Equipment | 14 | 145 | 75 | 24 | 11 | 2 | 7 | 21 | 2 | 3 |
| Other Office Equipment | 14 | 1,282 | 663 | 208 | 99 | 20 | 58 | 184 | 19 | 30 |
| Trans Equip Lt Duty Trks | 14 | 29,110 | 15,053 | 4,722 | 2,256 | 463 | 1,325 | 4,177 | 440 | 675 |
| Trans Equip Other | 14 | 5,724 | 2,960 | 928 | 444 | 91 | 260 | 821 | 86 | 133 |
| Stores Equipment | 14 | 2,968 | 1,535 | 481 | 230 | 47 | 135 | 426 | 45 | 69 |
| Tools, Shop, Garage Equip | 14 | 38,806 | 20,067 | 6,294 | 3,007 | 617 | 1,766 | 5,569 | 586 | 900 |
| Laboratory Equipment | 2 | 10,094 | 3,723 | 1,867 | 1,193 | 190 | 705 | 2,380 | 12 | 24 |
| Laboratory Equip Other | 2 | 245 | 90 | 45 | 29 | 5 | 17 | 58 | 0 | 1 |
| Power Operated Equipment | 14 | 4,807 | 2,486 | 780 | 373 | 76 | 219 | 690 | 73 | 112 |
| Comm Equip Non-Telephone | 14 | 6,712 | 3,471 | 1,089 | 520 | 107 | 305 | 963 | 101 | 156 |
| Remote Control & Instr | 14 | 24,734 | 12,790 | 4,012 | 1,917 | 393 | 1,125 | 3,549 | 373 | 574 |
| Comm Equip Telephone | 14 | 4,048 | 2,093 | 657 | 314 | 64 | 184 | 581 | 61 | 94 |
| Misc Equipment | 14 | 6,360 | 3,289 | 1,032 | 493 | 101 | 289 | 913 | 96 | 148 |
| Other Tangible Property | 14 | 135 | 70 | 22 | 10 | 2 | 6 | 19 | 2 | 3 |
| Total Depreciation Expense | | 2,922,319 | 1,357,380 | 496,240 | 243,321 | 50,015 | 142,537 | 458,276 | 81,612 | 92,938 |

JOP-7

Schedule B-JOP

MISSOURI-AMERICAN WATER COMPANY
 JOPLIN DISTRICT
 COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|--|-----------------------|---------------------------|---------------------|---------------------|---------------------|------------------------------|----------------------------|---------------------|-------------------|-------------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large User (9) | Private (10) | Public (11) |
| Amort-Other UP | 18 | 12,681 | 5,335 | 2,194 | 1,164 | 226 | 692 | 2,158 | 342 | 569 |
| Amort-UPAA | 2 | 2,154 | 794 | 398 | 255 | 40 | 150 | 508 | 3 | 5 |
| Amort-Property Losses | 2 | 12,627 | 4,657 | 2,336 | 1,493 | 237 | 881 | 2,977 | 15 | 30 |
| Taxes Other Than Income | | | | | | | | | | |
| Utility Reg Assessment Fee | 19 | 173,582 | 80,282 | 29,162 | 14,911 | 2,934 | 8,766 | 27,929 | 3,801 | 5,798 |
| Property Taxes | 18 | 621,916 | 261,640 | 107,591 | 57,092 | 11,070 | 33,957 | 105,850 | 16,792 | 27,924 |
| Payroll Taxes | 16 | 174,548 | 90,625 | 28,434 | 13,143 | 2,863 | 7,715 | 24,000 | 2,775 | 4,992 |
| Other Taxes & Licenses | 14 | 13,783 | 7,127 | 2,236 | 1,068 | 219 | 627 | 1,978 | 208 | 320 |
| Total Taxes, Other Than Income | | 983,829 | 439,674 | 167,423 | 86,214 | 17,085 | 51,065 | 159,758 | 23,577 | 39,034 |
| Income Taxes | 18 | 2,646,249 | 1,113,277 | 457,801 | 242,926 | 47,103 | 144,485 | 450,392 | 71,449 | 118,817 |
| Utility Income Available for Return | 18 | 5,887,821 | 2,477,006 | 1,018,593 | 540,502 | 104,803 | 321,475 | 1,002,107 | 158,971 | 264,363 |
| Total Cost of Service | | 20,586,634 | 9,520,966 | 3,457,783 | 1,768,387 | 347,830 | 1,040,292 | 3,311,716 | 451,147 | 688,515 |
| Less: Other Water Revenues | 19 | 265,146 | 122,630 | 44,545 | 22,776 | 4,481 | 13,390 | 42,662 | 5,807 | 8,856 |
| Total Cost of Service Related to Sales of Water | | \$ 20,321,488 | \$ 9,398,336 | \$ 3,413,238 | \$ 1,745,611 | \$ 343,349 | \$ 1,026,902 | \$ 3,269,054 | \$ 445,340 | \$ 679,659 |
| Reallocation of Public Fire | 20 | (0) | 532,785 | 116,358 | 10,875 | 15,496 | 0 | 4,146 | 0 | (679,659) |
| Total | | \$ 20,321,488 | \$ 9,931,121 | \$ 3,529,596 | \$ 1,756,485 | \$ 358,845 | \$ 1,026,902 | \$ 3,273,200 | \$ 445,340 | \$ - |

JOP-8

Schedule B-JOP

MISSOURI-AMERICAN WATER COMPANY
JOPLIN 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, 100 gallons (2) | Allocation Factor (3) |
|-----------------------------------|---|-----------------------------|
| Residential - Rate A | 32,227 | 0.3110 |
| Commercial - Rate A | 17,974 | 0.1734 |
| Industrial - Rate A | 13,811 | 0.1332 |
| Other Public Authority - Rate A | 1,823 | 0.0176 |
| Sales for Resale - Rate B | 7,637 | 0.0737 |
| Rate J - Large User | 29,533 | 0.2849 |
| Private Fire Protection | 219 | 0.0021 |
| Public Fire Protection | 424 | 0.0041 |
| Total | <u>103,648</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 0.5882 | Allocation Factor (4) | Weighted Factor (5)=(4)x 0.4118 | |
| Residential - Rate A | 0.3110 | 0.1829 | 0.4516 | 0.1859 | 0.3688 |
| Commercial - Rate A | 0.1734 | 0.1020 | 0.2015 | 0.0830 | 0.1850 |
| Industrial - Rate A | 0.1332 | 0.0783 | 0.0968 | 0.0399 | 0.1182 |
| Other Public Authority - Rate A | 0.0176 | 0.0104 | 0.0204 | 0.0084 | 0.0188 |
| Sales for Resale - Rate B | 0.0737 | 0.0434 | 0.0642 | 0.0264 | 0.0698 |
| Rate J - Large User | 0.2849 | 0.1676 | 0.1655 | 0.0682 | 0.2358 |
| Private Fire Protection | 0.0021 | 0.0012 | | | 0.0012 |
| Public Fire Protection | 0.0041 | 0.0024 | | | 0.0024 |
| Total | <u>1.0000</u> | <u>0.5882</u> | <u>1.0000</u> | <u>0.4118</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
JOPLIN 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 (1) | Average Daily Consumption, 100 gallons (2) | Maximum Day Extra Capacity | | |
|-----------------------------------|---|----------------------------|--|-----------------------------|
| | | Factor* (3) | Rate of Flow, 100 gallons Per Day (4)=(2)x(3) | Allocation Factor (5) |
| Residential - Rate A | 32,227 | 1.0 | 32,227 | 0.4516 |
| Commercial - Rate A | 17,974 | 0.8 | 14,379 | 0.2015 |
| Industrial - Rate A | 13,811 | 0.5 | 6,906 | 0.0968 |
| Other Public Authority - Rate A | 1,823 | 0.8 | 1,458 | 0.0204 |
| Sales for Resale - Rate B | 7,637 | 0.6 | 4,582 | 0.0642 |
| Rate J - Large User | 29,533 | 0.4 | 11,813 | 0.1655 |
| Total | 73,472 | | 71,365 | 1.0000 |

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 1990 through 2014 (see Schedule D).

| | Maximum Day Ratio | Weight |
|-------------------------------|-------------------------|--------|
| Average Day | 1.00 | 0.5882 |
| Maximum Day Extra Capacity | 0.70 | 0.4118 |
| Total | 1.70 | 1.0000 |

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
JOPLIN 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 0.5604 | (4) | (5)=(4) X 0.3925 | (6) | (7)=(6) X 0.0471 | (8)=(3)+(5)+(7) |
| Residential - Rate A | 0.3110 | 0.1742 | 0.4516 | 0.1772 | | | 0.3514 |
| Commercial - Rate A | 0.1734 | 0.0972 | 0.2015 | 0.0791 | | | 0.1763 |
| Industrial - Rate A | 0.1332 | 0.0746 | 0.0968 | 0.0380 | | | 0.1126 |
| Other Public Authority - Rate A | 0.0176 | 0.0099 | 0.0204 | 0.0080 | | | 0.0179 |
| Sales for Resale - Rate B | 0.0737 | 0.0413 | 0.0642 | 0.0252 | | | 0.0665 |
| Rate J - Large User | 0.2849 | 0.1597 | 0.1655 | 0.0650 | | | 0.2247 |
| Private Fire Protection | 0.0021 | 0.0012 | | | 0.3404 | 0.0160 | 0.0172 |
| Public Fire Protection | 0.0041 | 0.0023 | | | 0.6596 | 0.0311 | 0.0334 |
| Total | 1.0000 | 0.5604 | 1.0000 | 0.3925 | 1.0000 | 0.0471 | 1.0000 |

JOP-11

Schedule C-JOP

MISSOURI-AMERICAN WATER COMPANY
JOPLIN 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 2014 of 12.85 MGD. The system demand for fire protection is 6,000 Gallons per minute for 3 hours.

| | <u>Ratio</u> | <u>Rate of Flow, (GPD)</u> | <u>Weight</u> |
|-------------------------------|--------------|--------------------------------|---------------|
| Average Day | 1.00 | 12,846,712 | 0.5604 |
| Maximum Day Extra Capacity | <u>0.70</u> | <u>8,992,699</u> | <u>0.3925</u> |
| Subtotal | <u>1.70</u> | 21,839,411 | 0.9529 |
| Fire Protection | | <u>1,080,000</u> | <u>0.0471</u> |
| Total | | <u>22,919,411</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
JOPLIN 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.

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| Customer Classification | Average Hourly Consumption | | | Maximum Hour Extra Capacity | | Fire Protection | | Allocation Factor |
|---------------------------------|----------------------------|-------------------|-----------------|-----------------------------|-----------------|-------------------|-----------------|-------------------|
| | 100 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) |
| | | | 0.3152 | | 0.4728 | | 0.2120 | |
| Residential - Rate A | 1,342.8 | 0.3204 | 0.1010 | 0.5230 | 0.2473 | | | 0.3483 |
| Commercial - Rate A | 748.9 | 0.1786 | 0.0563 | 0.2333 | 0.1103 | | | 0.1666 |
| Industrial - Rate A | 575.5 | 0.1373 | 0.0433 | 0.0961 | 0.0454 | | | 0.0887 |
| Other Public Authority - Rate A | 76.0 | 0.0181 | 0.0057 | 0.0237 | 0.0112 | | | 0.0169 |
| Sales for Resale - Rate B | 318.2 | 0.0759 | 0.0239 | 0.0708 | 0.0335 | | | 0.0574 |
| Rate J - Large User | 1,103.9 | 0.2633 | 0.0830 | 0.0531 | 0.0251 | | | 0.1081 |
| Private Fire Protection | 9.1 | 0.0022 | 0.0007 | | | 0.3404 | 0.0722 | 0.0729 |
| Public Fire Protection | 17.7 | 0.0042 | 0.0013 | | | 0.6596 | 0.1398 | 0.1411 |
| Total | 4,192.1 | 1.0000 | 0.3152 | 1.0000 | 0.4728 | 1.0000 | 0.2120 | 1.0000 |

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

Schedule C-JOP

MISSOURI-AMERICAN WATER COMPANY
JOPLIN 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 2014 of 12.85 MGD. The system demand for fire protection is 6,000 gallons per minute.

| | Ratio | Rate of Flow, (GPM) | Weight |
|--------------------------------|-------------|------------------------|---------------|
| Average Hour | 1.00 | 8,921 | 0.3152 |
| Maximum Hour Extra Capacity | <u>1.50</u> | <u>13,382</u> | <u>0.4728</u> |
| Subtotal | <u>2.50</u> | 22,303 | 0.7880 |
| Fire Protection | | <u>6,000</u> | <u>0.2120</u> |
| Total | | <u>28,303</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 100 Gallons | Maximum Hour Extra Capacity | | |
|---------------------------------|---|-----------------------------|-------------------------|----------------------|
| | | Factor* | 100 Gallons Per Hour | Allocation Factor |
| (1) | (2) | (3) | (4)=(2)x(3) | (5) |
| Residential - Rate A | 1,342.8 | 3.5 | 4,699.8 | 0.5230 |
| Commercial - Rate A | 748.9 | 2.8 | 2,096.9 | 0.2333 |
| Industrial - Rate A | 575.5 | 1.5 | 863.3 | 0.0961 |
| Other Public Authority - Rate A | 76.0 | 2.8 | 212.8 | 0.0237 |
| Sales for Resale - Rate B | 318.2 | 2.0 | 636.4 | 0.0708 |
| Rate J - Large User | <u>318.2</u> | 1.5 | <u>477.3</u> | <u>0.0531</u> |
| Total | <u>3,379.6</u> | | <u>8,986.5</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
JOPLIN 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 0.3268 | (5) | (6)=(5) X 0.4901 | (7) | (8)=(7) X 0.1831 | (9)=(4)+(6)+(8) |
| Residential - Rate A | 1,342.8 | 0.3109 | 0.1015 | 0.4537 | 0.2224 | | | 0.3239 |
| Commercial - Rate A | 748.9 | 0.1734 | 0.0567 | 0.2025 | 0.0992 | | | 0.1559 |
| Industrial - Rate A | 575.5 | 0.1333 | 0.0436 | 0.0834 | 0.0409 | | | 0.0845 |
| Other Public Authority - Rate A | 76.0 | 0.0176 | 0.0058 | 0.0206 | 0.0101 | | | 0.0159 |
| Sales for Resale - Rate B | 318.2 | 0.0737 | 0.0241 | 0.0615 | 0.0301 | | | 0.0542 |
| Rate J - Large User | 1,230.5 | 0.2849 | 0.0931 | 0.1783 | 0.0874 | | | 0.1805 |
| Private Fire Protection | 9.1 | 0.0021 | 0.0007 | | | 0.3404 | 0.0623 | 0.0630 |
| Public Fire Protection | 17.7 | 0.0041 | 0.0013 | | | 0.6596 | 0.1208 | 0.1221 |
| Total | 4,318.7 | 1.0000 | 0.3268 | 1.0000 | 0.4901 | 1.0000 | 0.1831 | 1.0000 |

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.

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Schedule C-JOP

MISSOURI-AMERICAN WATER COMPANY
JOPLIN 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.

$$\text{Fire Protection Weight} = \frac{6,000 \text{ GPM} \times 60 \text{ Min.} \times 3 \text{ Hrs.}}{5,900,000 \text{ Gallons}} = 0.1831$$

$$\text{General Service Weight} = 1.0000 - 0.1831 = 0.8169$$

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 | 0.3268 |
| Extra Capacity Maximum Hour | <u>1.50</u> | <u>60.00</u> | <u>0.4901</u> |
| Total | <u><u>2.50</u></u> | <u><u>100.00</u></u> | <u><u>0.8169</u></u> |

| 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 - Rate A | 1,342.8 | 3.5 | 4,699.8 | 0.4537 |
| Commercial - Rate A | 748.9 | 2.8 | 2,096.9 | 0.2025 |
| Industrial - Rate A | 575.5 | 1.5 | 863.3 | 0.0834 |
| Other Public Authority - Rate A | 76.0 | 2.8 | 212.8 | 0.0206 |
| Sales for Resale - Rate B | 318.2 | 2.0 | 636.4 | 0.0615 |
| Rate J - Large User | <u>1,230.5</u> | 1.5 | <u>1,845.8</u> | <u>0.1783</u> |
| Total | <u><u>4,291.9</u></u> | | <u><u>10,355.0</u></u> | <u><u>1.0000</u></u> |

* Ratio of Maximum Hour To Average Hour Minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 6. 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 5, for each customer classification, as follows:

| Customer Classification | Maximum Daily Consumption w/ Fire | | Maximum Hourly Consumption | | Allocation Factor |
|---------------------------------|--------------------------------------|--------------------|-------------------------------|--------------------|----------------------|
| | Allocation | Weighted | Allocation | Weighted | |
| | Factor 3 | Factor | Factor 4 | Factor | |
| (1) | (2) | (3)=(2)X 0.1797 | (4) | (5)=(4)X 0.8203 | (6)=(3)+(5) |
| Residential - Rate A | 0.3514 | 0.0631 | 0.3483 | 0.2856 | 0.3487 |
| Commercial - Rate A | 0.1763 | 0.0317 | 0.1666 | 0.1367 | 0.1684 |
| Industrial - Rate A | 0.1126 | 0.0202 | 0.0887 | 0.0728 | 0.0930 |
| Other Public Authority - Rate A | 0.0179 | 0.0032 | 0.0169 | 0.0139 | 0.0171 |
| Sales for Resale - Rate B | 0.0665 | 0.0120 | 0.0574 | 0.0471 | 0.0591 |
| Rate J - Large User | 0.2247 | 0.0404 | 0.1081 | 0.0887 | 0.1291 |
| Private Fire Protection | 0.0172 | 0.0031 | 0.0729 | 0.0598 | 0.0629 |
| Public Fire Protection | 0.0334 | 0.0060 | 0.1411 | 0.1157 | 0.1217 |
| Total | 1.0000 | 0.1797 | 1.0000 | 0.8203 | 1.0000 |

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 | 476,836 | 0.1797 |
| Distribution Mains | 2,176,546 | 0.8203 |
| Total | 2,653,382 | 1.0000 |

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 7. 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 8. 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 - Rate A | 23,103 | 0.7794 |
| Commercial - Rate A | 5,045 | 0.1702 |
| Industrial - Rate A | 471 | 0.0159 |
| Other Public Authority - Rate A | 673 | 0.0227 |
| Sales for Resale - Rate B | 168 | 0.0057 |
| Rate J - Large User | 180 | 0.0061 |
| Private Fire | <u>0</u> | <u>0.0000</u> |
| Total | <u><u>29,640</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

| Meter Size (1) | 5/8" Dollar Equivalent (2) | Rate A | | | | | | | | Rate B | | Rate J | | Total | |
|-------------------|-------------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|---------------------------|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|-------------------|
| | | Residential | | Commercial | | Industrial | | Other Public Authority | | Sales for Resale | | | | | |
| | | Number of Meters (3) | Weighting (4)=(2)X(3) | Number of Meters (5) | Weighting (6)=(2)X(5) | Number of Meters (7) | Weighting (8)=(2)X(7) | Number of Meters (9) | Weighting (10)=(2)X(9) | Number of Meters (11) | Weighting (12)=(2)X(11) | Number of Meters (13) | Weighting (14)=(2)X(13) | Number of Meters (15) | Weighting (16) |
| 5/8 | 1.0 | 18,296 | 18,296 | 1,530 | 1,530 | 30 | 30 | 41 | 41 | 0 | 0 | 3 | 3 | 19,900 | 19,900 |
| 3/4 | 2.1 | 0 | 0 | 1 | 2 | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 4 |
| 1 | 2.0 | 2,315 | 4,630 | 563 | 1,126 | 8 | 16 | 35 | 70 | 1 | 2 | 6 | 12 | 2,928 | 5,856 |
| 1-1/2 | 3.5 | 4 | 14 | 9 | 32 | 0 | 0 | 1 | 4 | 0 | 0 | 0 | 0 | 14 | 50 |
| 2 | 4.3 | 38 | 163 | 448 | 1,926 | 29 | 125 | 53 | 228 | 1 | 4 | 12 | 52 | 581 | 2,498 |
| 3 | 7.0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | 10.5 | 0 | 0 | 22 | 231 | 11 | 116 | 7 | 74 | 0 | 0 | 6 | 63 | 46 | 484 |
| 6 | 16.8 | 0 | 0 | 8 | 134 | 7 | 118 | 0 | 0 | 2 | 34 | 3 | 50 | 20 | 336 |
| 8 | 64.0 | 0 | 0 | 1 | 64 | 1 | 64 | 4 | 256 | 2 | 128 | 0 | 0 | 8 | 512 |
| Total | | 20,653 | 23,103 | 2,582 | 5,045 | 87 | 471 | 141 | 673 | 6 | 168 | 30 | 180 | 23,499 | 29,640 |

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Schedule C-JOP

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 9. 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 - Rate A | 25,329 | 0.6853 |
| Commercial - Rate A | 5,937 | 0.1606 |
| Industrial - Rate A | 365 | 0.0099 |
| Other Public Authority - Rate A | 527 | 0.0143 |
| Sales for Resale - Rate B | 49 | 0.0013 |
| Rate J - Large User | 184 | 0.0050 |
| Private Fire Protection | <u>4,570</u> | <u>0.1236</u> |
| Total | <u><u>36,961</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

| Service Size | 3/4" Dollar Equivalent | Rate A | | | | | | | | Rate B | | | | Rate J | | Private Fire Protection | | Total | |
|-----------------|------------------------------|-----------------------|--------------------------|-----------------------|--------------------------|-----------------------|--------------------------|------------------------|---------------------------|-----------------------|----------------------------|-----------------------|----------------------------|-------------------------|----------------------------|-------------------------|-------------------|-------|--|
| | | Residential | | Commercial | | Industrial | | Other Public Authority | | Sales for Resale | | Rate J | | 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 (12)=(2)X(11) | Number of Services | Weighting (14)=(2)X(11) | 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) | (10) | (12)=(2)X(11) | (13) | (14)=(2)X(11) | (15) | (16) | | |
| 3/4 | 1.00 | 18,296 | 18,296 | 1,531 | 1,531 | 31 | 31 | 41 | 41 | 0 | 0 | 3 | 3 | 0 | 0 | 19,902 | 19,902 | | |
| 1 | 2.94 | 2,315 | 6,806 | 563 | 1,655 | 8 | 24 | 35 | 103 | 1 | 3 | 0 | 0 | 0 | 0 | 2,922 | 8,591 | | |
| 1-1/2 | 4.02 | 4 | 16 | 9 | 36 | 0 | 0 | 1 | 4 | 0 | 0 | 6 | 24 | 0 | 0 | 20 | 80 | | |
| 2 | 5.55 | 38 | 211 | 448 | 2,486 | 29 | 161 | 53 | 294 | 1 | 6 | 0 | 0 | 16 | 89 | 585 | 3,247 | | |
| 3 | 5.55 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 67 | 1 | 6 | 13 | 73 | | |
| 4 | 6.37 | 0 | 0 | 22 | 140 | 11 | 70 | 7 | 45 | 0 | 0 | 0 | 0 | 106 | 675 | 146 | 930 | | |
| 6 | 9.92 | 0 | 0 | 8 | 79 | 7 | 69 | 0 | 0 | 2 | 20 | 6 | 60 | 221 | 2,192 | 244 | 2,420 | | |
| 8 | 9.92 | 0 | 0 | 1 | 10 | 1 | 10 | 4 | 40 | 2 | 20 | 3 | 30 | 148 | 1,468 | 159 | 1,578 | | |
| 10 | 9.92 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 79 | 8 | 79 | | |
| 12 | 12.16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30 | 0 | 5 | 61 | 35 | 61 | | |
| Total | | <u>20,653</u> | <u>25,329</u> | <u>2,582</u> | <u>5,937</u> | <u>87</u> | <u>365</u> | <u>141</u> | <u>527</u> | <u>6</u> | <u>49</u> | <u>60</u> | <u>184</u> | <u>505</u> | <u>4,570</u> | <u>24,034</u> | <u>36,961</u> | | |

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Schedule C-JOP

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 10. 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 - Rate A | \$ 181,501 | 0.7727 |
| Commercial - Rate A | 39,967 | 0.1702 |
| Industrial - Rate A | 4,012 | 0.0171 |
| Other Public Authority - Rate A | 5,311 | 0.0226 |
| Sales for Resale - Rate B | 1,531 | 0.0065 |
| Rate J - Large User | 1,876 | 0.0080 |
| Private Fire Protection | 227 | 0.0010 |
| Public Fire Protection | 438 | 0.0019 |
| Total | <u>234,863</u> | <u>1.0000</u> |

FACTOR 11. 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 - Rate A | \$ 86,807 | 0.3654 |
| Commercial - Rate A | 39,789 | 0.1675 |
| Industrial - Rate A | 21,143 | 0.0890 |
| Other Public Authority - Rate A | 4,086 | 0.0172 |
| Sales for Resale - Rate B | 13,388 | 0.0564 |
| Rate J - Large User | 29,192 | 0.1229 |
| Private Fire Protection | 14,387 | 0.0606 |
| Public Fire Protection | 28,739 | 0.1210 |
| Total | <u>\$237,531</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 12. 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 - Rate A | 20,653 | 0.8595 |
| Commercial - Rate A | 2,582 | 0.1075 |
| Industrial - Rate A | 87 | 0.0036 |
| Other Public Authority - Rate A | 141 | 0.0059 |
| Sales for Resale - Rate B | 6 | 0.0002 |
| Rate J - Large User | 30 | 0.0012 |
| Private Fire Protection | 530 | 0.0221 |
| Public Fire Protection | <u>0</u> | <u>0.0000</u> |
| Total | <u><u>24,029</u></u> | <u><u>1.0000</u></u> |

FACTOR 13. 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 - Rate A | 20,653 | 0.8788 |
| Commercial - Rate A | 2,582 | 0.1099 |
| Industrial - Rate A | 87 | 0.0037 |
| Other Public Authority - Rate A | 141 | 0.0060 |
| Sales for Resale - Rate B | 6 | 0.0003 |
| Rate J - Large User | <u>30</u> | <u>0.0013</u> |
| Total | <u><u>23,499</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 14. 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 - Rate A | \$1,572,872 | 0.5171 |
| Commercial - Rate A | 493,519 | 0.1622 |
| Industrial - Rate A | 235,669 | 0.0775 |
| Other Public Authority - Rate A | 48,320 | 0.0159 |
| Sales for Resale - Rate B | 138,296 | 0.0455 |
| Rate J - Large User | 436,637 | 0.1435 |
| Private Fire Protection | 45,910 | 0.0151 |
| Public Fire Protection | 70,703 | 0.0232 |
| Total | \$3,041,927 | 1.0000 |

FACTOR 15. 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 - Rate A | \$4,097,275 | 0.5081 |
| Commercial - Rate A | 1,303,510 | 0.1617 |
| Industrial - Rate A | 647,764 | 0.0803 |
| Other Public Authority - Rate A | 127,385 | 0.0158 |
| Sales for Resale - Rate B | 376,214 | 0.0467 |
| Rate J - Large User | 1,226,645 | 0.1521 |
| Private Fire Protection | 113,967 | 0.0141 |
| Public Fire Protection | 170,913 | 0.0212 |
| Total | \$8,063,674 | 1.0000 |

MISSOURI-AMERICAN WATER COMPANY
JOPLIN 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 <u>(1)</u> | Direct Labor Expense <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|---------------------------------------|------------------------------------|
| Residential - Rate A | \$1,212,226 | 0.5192 |
| Commercial - Rate A | 380,248 | 0.1629 |
| Industrial - Rate A | 175,920 | 0.0753 |
| Other Public Authority - Rate A | 38,202 | 0.0164 |
| Sales for Resale - Rate B | 103,106 | 0.0442 |
| Rate J - Large User | 321,080 | 0.1375 |
| Private Fire Protection | 37,168 | 0.0159 |
| Public Fire Protection | 66,821 | 0.0286 |
| Total | <u>\$2,334,771</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 <u>(1)</u> | Original Cost Less Depreciation <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|---|------------------------------------|
| Residential - Rate A | \$37,389,504 | 0.4197 |
| Commercial - Rate A | 15,419,967 | 0.1731 |
| Industrial - Rate A | 8,192,950 | 0.0920 |
| Other Public Authority - Rate A | 1,583,521 | 0.0178 |
| Sales for Resale - Rate B | 4,868,791 | 0.0547 |
| Rate J - Large User | 15,182,898 | 0.1705 |
| Private Fire Protection | 2,414,973 | 0.0271 |
| Public Fire Protection | 4,013,429 | 0.0451 |
| Total | <u>\$89,066,032</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
JOPLIN 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 <u>(1)</u> | Original Cost Measure of Value <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Residential - Rate A | \$30,161,529 | 0.4207 |
| Commercial - Rate A | 12,408,416 | 0.1730 |
| Industrial - Rate A | 6,586,969 | 0.0918 |
| Other Public Authority - Rate A | 1,273,359 | 0.0178 |
| Sales for Resale - Rate B | 3,913,841 | 0.0546 |
| Rate J - Large User | 12,208,303 | 0.1702 |
| Private Fire Protection | 1,939,849 | 0.0270 |
| Public Fire Protection | <u>3,222,966</u> | <u>0.0449</u> |
| Total | <u>\$71,715,232</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 <u>(1)</u> | Total Cost of Service <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Residential - Rate A | \$9,415,117 | 0.4625 |
| Commercial - Rate A | 3,419,334 | 0.1680 |
| Industrial - Rate A | 1,748,727 | 0.0859 |
| Other Public Authority - Rate A | 343,962 | 0.0169 |
| Sales for Resale - Rate B | 1,028,734 | 0.0505 |
| Rate J - Large User | 3,274,892 | 0.1609 |
| Private Fire Protection | 446,135 | 0.0219 |
| Public Fire Protection | <u>680,871</u> | <u>0.0334</u> |
| Total | <u>\$20,357,771</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|-----------------------------|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|-------------------------|-------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large User (9) | Private (10) | Public (11) |
| RATE BASE | | | | | | | | | | |
| Organization | 17 | \$ 11,868 | \$ 4,981 | \$ 2,054 | \$ 1,092 | \$ 211 | \$ 649 | \$ 2,024 | \$ 322 | \$ 535 |
| Franchises | 17 | 20,740 | 8,705 | 3,590 | 1,908 | 369 | 1,134 | 3,536 | 562 | 935 |
| Land & Ld Rights SS | 2 | 146,950 | 54,195 | 27,186 | 17,369 | 2,763 | 10,257 | 34,651 | 176 | 353 |
| Land & Ld Rights P | 3 | 12,561 | 4,414 | 2,214 | 1,414 | 225 | 835 | 2,822 | 216 | 420 |
| Land & Ld Rights WT | 2 | 354,368 | 130,691 | 65,558 | 41,886 | 6,662 | 24,735 | 83,560 | 425 | 850 |
| Land & Ld Rights TD | 6 | 32,502 | 11,333 | 5,473 | 3,023 | 556 | 1,921 | 4,196 | 2,044 | 3,955 |
| Land & Land Rights AG | 14 | 369,306 | 190,968 | 59,901 | 28,621 | 5,872 | 16,803 | 52,995 | 5,577 | 8,568 |
| Struct & Imp SS | 2 | 4,534,750 | 1,672,416 | 838,929 | 536,007 | 85,253 | 316,526 | 1,069,294 | 5,442 | 10,883 |
| Struct & Imp P | 3 | 322,907 | 113,470 | 56,929 | 36,359 | 5,780 | 21,473 | 72,557 | 5,554 | 10,785 |
| Struct & Imp WT | 2 | 13,337,396 | 4,918,832 | 2,467,418 | 1,576,480 | 250,743 | 930,950 | 3,144,958 | 16,005 | 32,010 |
| Struct & Imp TD | 6 | 273,545 | 95,385 | 46,065 | 25,440 | 4,678 | 16,167 | 35,315 | 17,206 | 33,290 |
| Struct & Imp AG | 6 | 970,283 | 338,338 | 163,396 | 90,236 | 16,592 | 57,344 | 125,264 | 61,031 | 118,083 |
| Struct & Imp Offices | 14 | (2,138,912) | (1,106,031) | (346,932) | (165,766) | (34,009) | (97,320) | (306,934) | (32,298) | (49,623) |
| Struct & Imp Leasehold | 14 | 11,218 | 5,801 | 1,819 | 869 | 178 | 510 | 1,610 | 169 | 260 |
| Struct & Imp Store,Shop,Gar | 14 | 1,924,847 | 995,338 | 312,210 | 149,176 | 30,605 | 87,581 | 276,215 | 29,065 | 44,656 |
| Struct & Imp Misc | 14 | 121,357 | 62,754 | 19,684 | 9,405 | 1,930 | 5,522 | 17,415 | 1,832 | 2,815 |
| Collect & Impounding | 1 | 26,515 | 8,246 | 4,598 | 3,532 | 467 | 1,954 | 7,554 | 56 | 109 |
| Lake, River & Other Intakes | 2 | 465,040 | 171,507 | 86,032 | 54,968 | 8,743 | 32,460 | 109,657 | 558 | 1,116 |
| Wells & Springs | 2 | 2,896,311 | 1,068,159 | 535,818 | 342,344 | 54,451 | 202,163 | 682,950 | 3,476 | 6,951 |
| Supply Mains | 2 | 3,256,058 | 1,200,834 | 602,371 | 384,866 | 61,214 | 227,273 | 767,778 | 3,907 | 7,815 |
| Power Generation Equip | 3 | 616,873 | 216,769 | 108,755 | 69,460 | 11,042 | 41,022 | 138,611 | 10,610 | 20,604 |
| Pump Equip Steam | 3 | 13,869 | 4,874 | 2,445 | 1,562 | 248 | 922 | 3,116 | 239 | 463 |
| Pump Equip Electric | 3 | 3,812,249 | 1,339,624 | 672,100 | 429,259 | 68,239 | 253,515 | 856,612 | 65,571 | 127,329 |
| Pump Equip Diesel | 3 | 81,782 | 28,738 | 14,418 | 9,209 | 1,464 | 5,439 | 18,377 | 1,407 | 2,732 |
| Pump Equip Hydraulic | 3 | 23,323 | 8,196 | 4,112 | 2,626 | 417 | 1,551 | 5,241 | 401 | 779 |
| Pump Equip Other | 3 | 37,563 | 13,200 | 6,622 | 4,230 | 672 | 2,498 | 8,440 | 646 | 1,255 |
| Pump Equip WT | 3 | 1,139,347 | 400,367 | 200,867 | 128,291 | 20,394 | 75,767 | 256,011 | 19,597 | 38,054 |
| WT Equip Non-Media | 2 | 14,791,703 | 5,455,180 | 2,736,465 | 1,748,379 | 278,084 | 1,032,461 | 3,487,884 | 17,750 | 35,500 |
| WT Equip Filter Media | 2 | 172,195 | 63,506 | 31,856 | 20,353 | 3,237 | 12,019 | 40,604 | 207 | 413 |
| Dist Reservoirs & Standpipe | 5 | 2,591,051 | 839,241 | 403,945 | 218,944 | 41,198 | 140,435 | 467,685 | 163,236 | 316,367 |
| Elevated Tanks & Standpipes | 5 | 2,051,517 | 664,486 | 319,832 | 173,353 | 32,619 | 111,192 | 370,299 | 129,246 | 250,490 |

JOP-27

Schedule C-JOP

MISSOURI-AMERICAN WATER COMPANY
 JOPLIN DISTRICT
 COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|---------------------------------------|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|-------------------------|-------------------|------------------|------------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large User (9) | Private (10) | Public (11) |
| Ground Level Facilities | 5 | 6,848 | 2,218 | 1,068 | 579 | 109 | 371 | 1,236 | 431 | 836 |
| Clearwells | 5 | 108,263 | 35,066 | 16,878 | 9,148 | 1,721 | 5,868 | 19,541 | 6,821 | 13,219 |
| TD Mains Not Classified by | 6 | (414,355) | (144,485) | (69,777) | (38,535) | (7,085) | (24,488) | (53,493) | (26,063) | (50,427) |
| TD Mains 4" & Less | 4 | 3,098,597 | 1,079,241 | 516,226 | 274,846 | 52,366 | 177,859 | 334,958 | 225,888 | 437,212 |
| TD Mains 6 to 8" | 4 | 9,434,325 | 3,285,975 | 1,571,758 | 836,825 | 159,440 | 541,530 | 1,019,850 | 687,762 | 1,331,183 |
| TD Mains 10 to 16" | 3 | 6,144,815 | 2,159,288 | 1,083,331 | 691,906 | 109,992 | 408,630 | 1,380,740 | 105,691 | 205,237 |
| TD Mains 18" & Grtr | 3 | 330,505 | 116,139 | 58,268 | 37,215 | 5,916 | 21,979 | 74,264 | 5,665 | 11,039 |
| Fire Mains | 7 | 4,851 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,851 |
| Services | 9 | 6,605,690 | 4,526,879 | 1,060,874 | 65,396 | 94,461 | 8,587 | 33,028 | 816,463 | 0 |
| Meters Bronze Case | 8 | 3,101,980 | 2,417,683 | 527,957 | 49,321 | 70,415 | 17,681 | 18,922 | 0 | 0 |
| Meters Plastic Case | 8 | 672,055 | 523,799 | 114,384 | 10,686 | 15,256 | 3,831 | 4,100 | 0 | 0 |
| Meters Other | 8 | 511,425 | 398,605 | 87,045 | 8,132 | 11,609 | 2,915 | 3,120 | 0 | 0 |
| Meters Other-Rem Rdr Unts | 8 | 127,865 | 99,658 | 21,763 | 2,033 | 2,903 | 729 | 780 | 0 | 0 |
| Meter installations | 8 | 2,126,580 | 1,657,456 | 361,944 | 33,813 | 48,273 | 12,122 | 12,972 | 0 | 0 |
| Meter Vaults | 8 | 624 | 487 | 106 | 10 | 14 | 4 | 4 | 0 | 0 |
| Hydrants | 7 | 957,142 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 957,142 |
| Other P/E CPS | 14 | 106,861 | 55,258 | 17,333 | 8,282 | 1,699 | 4,862 | 15,335 | 1,614 | 2,479 |
| Office Furniture & Equip | 14 | 62,196 | 32,162 | 10,088 | 4,820 | 989 | 2,830 | 8,925 | 939 | 1,443 |
| Comp & Periph Equip | 14 | 487,868 | 252,276 | 79,132 | 37,810 | 7,757 | 22,198 | 70,009 | 7,367 | 11,319 |
| Computer Software | 14 | 162,368 | 83,961 | 26,336 | 12,584 | 2,582 | 7,388 | 23,300 | 2,452 | 3,767 |
| Comp Software Mainframe | 14 | 1,204,923 | 623,066 | 195,438 | 93,382 | 19,158 | 54,824 | 172,906 | 18,194 | 27,954 |
| Comp Software Mainframe - CIS | 12 | 616,303 | 529,712 | 66,253 | 2,219 | 3,636 | 123 | 740 | 13,620 | 0 |
| Comp Software Other | 14 | 1,630 | 843 | 264 | 126 | 26 | 74 | 234 | 25 | 38 |
| Data Handling Equipment | 14 | 1,659 | 858 | 269 | 129 | 26 | 76 | 238 | 25 | 38 |
| Other Office Equipment | 14 | 33,625 | 17,387 | 5,454 | 2,606 | 535 | 1,530 | 4,825 | 508 | 780 |
| Trans Equip Lt Duty Trks | 14 | 285,585 | 147,676 | 46,322 | 22,133 | 4,541 | 12,994 | 40,981 | 4,312 | 6,626 |
| Trans Equip Hvy Duty Trks | 14 | (3,917) | (2,025) | (635) | (304) | (62) | (178) | (562) | (59) | (91) |
| Trans Equip Autos | 14 | (7,488) | (3,872) | (1,214) | (580) | (119) | (341) | (1,074) | (113) | (174) |
| Trans Equip Other | 14 | 129,114 | 66,765 | 20,942 | 10,006 | 2,053 | 5,875 | 18,528 | 1,950 | 2,995 |
| Stores Equipment | 14 | 11,632 | 6,015 | 1,887 | 901 | 185 | 529 | 1,669 | 176 | 270 |
| Tools,Shop,Garage Equip | 14 | 463,168 | 239,504 | 75,126 | 35,896 | 7,364 | 21,074 | 66,465 | 6,994 | 10,745 |
| Tools,Shop,Garage Equip Oth | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Laboratory Equipment | 2 | 124,034 | 45,744 | 22,946 | 14,661 | 2,332 | 8,658 | 29,247 | 149 | 298 |
| Laboratory Equip Other | 2 | 3,674 | 1,355 | 680 | 434 | 69 | 256 | 866 | 4 | 9 |
| Power Operated Equipment | 14 | (41,998) | (21,717) | (6,812) | (3,255) | (668) | (1,911) | (6,027) | (634) | (974) |
| Comm Equip Non-Telephone | 14 | (65,782) | (34,016) | (10,670) | (5,098) | (1,046) | (2,993) | (9,440) | (993) | (1,526) |
| Remote Control & Instr | 14 | 370,828 | 191,755 | 60,148 | 28,739 | 5,896 | 16,873 | 53,214 | 5,599 | 8,603 |
| Comm Equip Telephone | 14 | 1,968 | 1,018 | 319 | 153 | 31 | 90 | 282 | 30 | 46 |
| Misc Equipment | 14 | 52,098 | 26,940 | 8,450 | 4,038 | 828 | 2,370 | 7,476 | 787 | 1,209 |
| Other Tangible Property | 17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Utility Plant in Service | | 89,098,641 | 37,403,190 | 15,425,611 | 8,195,950 | 1,584,101 | 4,870,575 | 15,188,458 | 2,415,856 | 4,014,900 |

JOP-28

Schedule C-JOP

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|---|--------------------|------------------------|----------------------|----------------------|---------------------|---------------------------|-------------------------|---------------------|---------------------|---------------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large User (9) | Private (10) | Public (11) |
| Other Rate Base Items | | | | | | | | | | |
| Add: | | | | | | | | | | |
| Other Utility Plant Adjustments | 17 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash Working Capital | 15 | 34,600 | 17,580 | 5,595 | 2,778 | 547 | 1,616 | 5,263 | 488 | 734 |
| Materials and Supplies | 14 | 447,181 | 231,237 | 72,533 | 34,657 | 7,110 | 20,347 | 64,170 | 6,752 | 10,375 |
| Prepayments | 14 | 100,686 | 52,065 | 16,331 | 7,803 | 1,601 | 4,581 | 14,448 | 1,520 | 2,336 |
| Pension / OPEB Tracker | 16 | 727,848 | 377,899 | 118,566 | 54,807 | 11,937 | 32,171 | 100,079 | 11,573 | 20,816 |
| Tank Painting Tracker | 5 | 73,758 | 23,890 | 11,499 | 6,233 | 1,173 | 3,998 | 13,313 | 4,647 | 9,006 |
| Less: | | | | | | | | | | |
| Accumulated Deferred ITC (3%) | 17 | (2,486) | (1,043) | (430) | (229) | (44) | (136) | (424) | (67) | (112) |
| Deferred Income Taxes | 17 | (18,085,398) | (7,590,442) | (3,130,582) | (1,663,857) | (321,920) | (989,271) | (3,083,560) | (490,114) | (815,651) |
| Pensions | 16 | (679,598) | (352,847) | (110,707) | (51,174) | (11,145) | (30,038) | (93,445) | (10,806) | (19,437) |
| Total Other Rate Base Elements | | <u>(17,383,409)</u> | <u>(7,241,661)</u> | <u>(3,017,195)</u> | <u>(1,608,981)</u> | <u>(310,743)</u> | <u>(956,733)</u> | <u>(2,980,155)</u> | <u>(476,007)</u> | <u>(791,934)</u> |
| Total Original Cost Measure of Value | | <u>\$ 71,715,232</u> | <u>\$ 30,161,529</u> | <u>\$ 12,408,416</u> | <u>\$ 6,586,969</u> | <u>\$ 1,273,359</u> | <u>\$ 3,913,841</u> | <u>\$12,208,303</u> | <u>\$ 1,939,849</u> | <u>\$ 3,222,966</u> |

JOP-29

Schedule C-JOP

MISSOURI-AMERICAN WATER COMPANY
JOPLIN 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.

| Customer Classification <u>(1)</u> | 5/8" Dollar Equivalents <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Residential - Rate A | 23,103 | 0.7839 |
| Commercial - Rate A | 5,045 | 0.1712 |
| Industrial - Rate A | 471 | 0.0160 |
| Other Public Authority - Rate A | 673 | 0.0228 |
| Sales for Resale - Rate B | 0 | 0.0000 |
| Rate J - Large User | 180 | 0.0061 |
| Private Fire | <u>0</u> | <u>0.0000</u> |
| Total | <u><u>29,472</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
JOPLIN DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1990-2014

| Year | Average Daily Send out (MGD) | Maximum Daily Use | | |
|------|------------------------------------|-------------------|---------------------|--------------------|
| | | MGD | Ratio to Average | Highest Use Day |
| (1) | (2) | (3) | (4) | (5) |
| 1990 | 9.656 | 14.110 | 1.46 | 8/29/1990 |
| 1991 | 9.954 | 16.140 | 1.62 | 7/22/1991 |
| 1992 | 9.610 | 14.828 | 1.54 | 6/30/1992 |
| 1993 | 9.947 | 12.940 | 1.30 | 8/23/1993 |
| 1994 | 10.586 | 15.120 | 1.43 | 7/6/1994 |
| 1995 | 10.895 | 16.800 | 1.55 | 8/30/1995 |
| 1996 | 11.063 | 15.440 | 1.40 | 6/26/1996 |
| 1997 | 10.681 | 14.900 | 1.40 | 7/31/1997 |
| 1998 | 10.902 | 15.760 | 1.45 | 9/4/1998 |
| 1999 | 10.993 | 18.452 | 1.68 | 7/30/1999 |
| 2000 | 11.334 | 18.747 | 1.65 | 8/29/2000 |
| 2001 | 10.862 | 16.432 | 1.51 | 7/20/2001 |
| 2002 | 11.694 | 18.552 | 1.59 | 8/2/2002 |
| 2003 | 11.217 | 17.360 | 1.55 | 8/18/2003 |
| 2004 | 11.673 | 19.768 | 1.69 | 8/23/2004 |
| 2005 | 12.632 | 19.322 | 1.53 | 7/23/2005 |
| 2006 | 13.750 | 21.691 | 1.58 | 8/2/2006 |
| 2007 | 13.265 | 21.450 | 1.62 | 8/9/2007 |
| 2008 | 12.614 | 18.689 | 1.48 | 7/25/2008 |
| 2009 | 12.151 | 18.687 | 1.54 | 6/22/2009 |
| 2010 | 13.376 | 19.210 | 1.44 | 8/4/2010 |
| 2011 | 12.838 | 21.235 | 1.65 | 8/3/2011 |
| 2012 | 12.915 | 21.224 | 1.64 | 7/30/2012 |
| 2013 | 12.336 | 18.289 | 1.48 | 7/12/2013 |
| 2014 | 12.847 | 19.112 | 1.49 | 8/25/2014 |

MISSOURI-AMERICAN WATER COMPANY
JOPLIN 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) |
|--------------------------------|--|-----------------|-----------------------------------|-----------------------------|
| <u>PRIVATE FIRE PROTECTION</u> | | | | |
| <u>Fire Lines</u> | | | | |
| 2 -inch | 4.00 | 16 | 64 | |
| 3 -inch | 9.00 | 0 | 0 | |
| 4 -inch | 16.00 | 106 | 1,696 | |
| 6 -inch | 36.00 | 221 | 7,956 | |
| 8 -inch | 64.00 | 148 | 9,472 | |
| 10 -inch | 100.00 | 8 | 800 | |
| 12 -inch | 144.00 | 5 | 720 | |
| Private Hydrants | 26.50 | 26 | 689 | |
| Total Private Fire Protection | | 530 | 21,397 | 0.3404 |
| <u>PUBLIC FIRE PROTECTION</u> | | | | |
| <u>Hydrant</u> | <u>Nozzle Sizes</u> | | | |
| 5 1/4 Valve | 1- 2-1/2" & 1- 4 1/2" | 26.50 | 495 | 13,118 |
| 4 1/2" Valve | 1- 2-1/2" & 1- 4 1/2" | 20.25 | 1,063 | 21,526 |
| 4 3/4" Valve | 1- 2-1/2" & 1- 4 1/2" | 22.56 | 158 | 3,565 |
| 5" Valve | 1- 2-1/2" & 1- 4 1/2" | 25.00 | 6 | 150 |
| 5 1/4" Valve | 1-2 1/2" | 6.25 | 495 | 3,094 |
| Total Public Fire Protection | | 2,217 | 41,453 | 0.6596 |
| Total Fire Protection | | 2,747 | 62,850 | 1.0000 |

MISSOURI AMERICAN WATER
ALL WATER DISTRICTS
CALCULATION OF THE 5/8-INCH CUSTOMER COSTS PER MONTH
INCLUDING THE UNRECOVERED PUBLIC FIRE COSTS

| Cost Function | Cost of Service | Number of Units | Unit Cost Per Month |
|-------------------------|---------------------|---------------------------|---------------------|
| Meters | \$ 1,732,550 | 29,640 5/8 Equivalentents | \$ 4.87 |
| Services | 901,387 | 32,207 3/4 Equivalentents | 2.33 |
| Billing/Collecting | <u>2,174,986</u> | 281,628 Bills | <u>7.72</u> |
| Subtotal | 4,808,923 | | 14.92 |
| Unrecovered Public Fire | <u>679,659</u> | 29,640 5/8 Equivalentents | 1.91 |
| Total | <u>\$ 5,488,582</u> | | <u>\$ 16.83</u> |

MEXICO DISTRICT

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification (1) | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates Consolidated Pricing | | Proposed Increase | |
|-----------------------------------|-------------------------------|----------------|-------------------------|----------------|--|----------------|-------------------|----------------------------|
| | Amount (Schedule B) (2) | Percent (3) | Amount (4) | Percent (5) | Amount (6) | Percent (7) | Amount (8) | Percent Increase (9) |
| | Residential | \$ 2,479,962 | 52.8% | \$ 1,987,507 | 48.1% | \$ 2,123,133 | 49.9% | \$ 135,626 |
| Commercial | 575,044 | 12.3% | 473,597 | 11.4% | 568,306 | 13.3% | 94,709 | 20.0% |
| Industrial | 105,665 | 2.3% | 119,419 | 2.9% | 138,364 | 3.2% | 18,945 | 15.9% |
| Public Authority | <u>297,566</u> | <u>6.3%</u> | <u>253,968</u> | <u>6.1%</u> | <u>309,295</u> | <u>7.3%</u> | <u>55,327</u> | 21.8% |
| Total - Rate A | 3,458,237 | 73.7% | 2,834,492 | 68.5% | 3,139,098 | 73.7% | 304,606 | 10.7% |
| Sales for Resale | 421,438 | 9.0% | 514,313 | 12.4% | 522,727 | 12.3% | 8,414 | 1.6% |
| Rate J - Large Users | 630,452 | 13.4% | 614,543 | 14.8% | 484,865 | 11.4% | (129,678) | -21.1% |
| Private Fire Service | 181,331 | 3.9% | 178,655 | 4.3% | 119,012 | 2.8% | (59,643) | -33.4% |
| Public Fire Service | <u>-</u> | <u>0.0%</u> | <u>-</u> | <u>0.0%</u> | <u>-</u> | <u>0.0%</u> | <u>-</u> | <u>0.0%</u> |
| Total Sales | 4,691,458 | <u>100.0%</u> | 4,142,003 | <u>100.0%</u> | 4,265,702 | <u>100.2%</u> | 123,700 | 3.0% |
| Other Revenues | <u>52,493</u> | | <u>\$52,493</u> | | <u>\$52,493</u> | | <u>-</u> | 0.0% |
| Total | <u>\$ 4,743,951</u> | | <u>\$ 4,194,496</u> | | <u>\$ 4,318,195</u> | | <u>\$ 123,700</u> | 2.9% |

MEX-1

Schedule A-MEX

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B Sales for Resale (8) | Rate J Large Users (9) | Fire Protection | |
|---|-----------------------|---------------------------|--------------------|-------------------|-------------------|------------------------------|--------------------------------------|---------------------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | | Private (10) | Public (11) |
| OPERATION AND MAINTENANCE EXPENSES | | | | | | | | | | |
| SOURCE OF SUPPLY EXPENSES | | | | | | | | | | |
| Super & Eng Oper SS | 2 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Labor & Exp Oper SS- Labor | 2 | 75,670 | 29,201 | 9,179 | 2,134 | 5,554 | 13,893 | 15,376 | 83 | 250 |
| Labor & Exp Oper SS | 2 | 2,718 | 1,049 | 330 | 77 | 200 | 499 | 552 | 3 | 9 |
| Purchased Water | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SS EXPENSE - OPERATION | | 78,388 | 30,250 | 9,508 | 2,211 | 5,754 | 14,392 | 15,928 | 86 | 259 |
| Misc Exp Oper SS | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Exp Oper SS | 2 | 151,417 | 58,432 | 18,367 | 4,270 | 11,114 | 27,800 | 30,768 | 167 | 500 |
| Wells & Springs Maint SS - Labor | 2 | 100 | 38 | 12 | 3 | 7 | 18 | 20 | 0 | 0 |
| Infiltr Gall & Tunnels Maint SS - Labor | 2 | 5 | 2 | 1 | 0 | 0 | 1 | 1 | 0 | 0 |
| Supply Mains Maint SS - Labor | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Plant Maint SS - Labor | 2 | 3 | 1 | 0 | 0 | 0 | 1 | 1 | 0 | 0 |
| Misc Plant Maint SS | 2 | 945 | 365 | 115 | 27 | 69 | 174 | 192 | 1 | 3 |
| TOTAL SS EXPENSE - MAINTENANCE | | 152,470 | 58,838 | 18,495 | 4,300 | 11,191 | 27,993 | 30,982 | 168 | 503 |
| TOTAL SS EXPENSE | | 230,858 | 89,088 | 28,003 | 6,510 | 16,945 | 42,386 | 46,910 | 254 | 762 |
| POWER AND PUMPING EXPENSES | | | | | | | | | | |
| Super & Eng Oper P | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Purch Fuel/Power for Pump | 1 | 75,739 | 26,350 | 8,930 | 2,340 | 5,393 | 14,625 | 17,640 | 114 | 348 |
| Labor & Exp Oper Pump - Labor | 3 | 3 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| TOTAL PUMPING EXPENSE - OPERATION | | 75,742 | 26,351 | 8,930 | 2,340 | 5,393 | 14,625 | 17,640 | 114 | 349 |
| Super & Eng Maint P | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Struct & Improve Maint P - Labor | 3 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Struct & Improve Maint P | 3 | 597 | 215 | 68 | 16 | 41 | 102 | 113 | 10 | 32 |
| Pump Equip Maint P - Labor | 3 | 5 | 2 | 1 | 0 | 0 | 1 | 1 | 0 | 0 |
| Pump Equip Maint P | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL PUMPING EXPENSES - MAINTENANCE | | 604 | 217 | 68 | 16 | 41 | 104 | 115 | 11 | 32 |
| TOTAL PUMPING EXPENSES | | 76,346 | 26,568 | 8,998 | 2,356 | 5,434 | 14,729 | 17,755 | 124 | 381 |

MEX-2

Schedule B-MEX

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|---|-----------------------|---------------------------|--------------------|-------------------|-------------------|------------------------------|----------------------------|-----------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large Users (9) | Private (10) | Public (11) |
| WATER TREATMENT | | | | | | | | | | |
| Super & Eng Oper WT | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Chemicals | 1 | 54,837 | 19,078 | 6,465 | 1,694 | 3,904 | 10,589 | 12,772 | 82 | 252 |
| Labor & Exp Oper WT - Labor | 2 | 825 | 318 | 100 | 23 | 61 | 151 | 168 | 1 | 3 |
| Labor & Exp Oper WT | 2 | 6,133 | 2,367 | 744 | 173 | 450 | 1,126 | 1,246 | 7 | 20 |
| Misc Exp Oper WT - Waste Disposal | 1 | 50,000 | 17,395 | 5,895 | 1,545 | 3,560 | 9,655 | 11,645 | 75 | 230 |
| Misc Exp Oper WT | 2 | 846 | 326 | 103 | 24 | 62 | 155 | 172 | 1 | 3 |
| Rents Oper WT | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL WT EXPENSE - OPERATION | | 112,641 | 39,484 | 13,307 | 3,460 | 8,037 | 21,677 | 26,002 | 166 | 508 |
| Super & Eng Maint WT | 2 | 4 | 1 | 0 | 0 | 0 | 1 | 1 | 0 | 0 |
| WT Equip Maint WT - Labor | 2 | 78 | 30 | 9 | 2 | 6 | 14 | 16 | 0 | 0 |
| WT Equip Maint WT | 2 | 26,183 | 10,104 | 3,176 | 738 | 1,922 | 4,807 | 5,320 | 29 | 86 |
| TOTAL WT EXPENSE - MAINTENANCE | | 26,264 | 10,135 | 3,186 | 741 | 1,928 | 4,822 | 5,337 | 29 | 87 |
| TOTAL WT EXPENSE | | 138,905 | 49,620 | 16,493 | 4,200 | 9,965 | 26,499 | 31,339 | 195 | 595 |
| TRANSMISSION AND DISTRIBUTION EXPENSES | | | | | | | | | | |
| Super & Eng Oper TD | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TD Lines Exp - Labor | 6 | 111,449 | 35,920 | 10,900 | 2,251 | 6,587 | 3,812 | 16,851 | 8,738 | 26,391 |
| TD Lines Exp | 6 | 520 | 168 | 51 | 11 | 31 | 18 | 79 | 41 | 123 |
| Misc Exp Oper TD - Labor | 10 | 44 | 14 | 4 | 1 | 3 | 2 | 7 | 3 | 10 |
| Misc Exp Oper TD | 10 | 7,691 | 2,479 | 752 | 155 | 455 | 263 | 1,163 | 603 | 1,821 |
| Rents Oper TD | 10 | 1,052 | 339 | 103 | 21 | 62 | 36 | 159 | 82 | 249 |
| TOTAL T & D EXPENSE OPERATION | | 120,756 | 38,920 | 11,810 | 2,439 | 7,137 | 4,130 | 18,258 | 9,467 | 28,595 |
| Super & Eng Maint TD | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Struct & Improve Maint TD - Labor | 11 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TD Main Maint TD - Labor | 6 | 13 | 4 | 1 | 0 | 1 | 0 | 2 | 1 | 3 |
| TD Main Maint TD | 6 | 70,869 | 22,841 | 6,931 | 1,432 | 4,188 | 2,424 | 10,715 | 5,556 | 16,782 |
| Services Maint TD - Labor | 9 | 75 | 51 | 10 | 1 | 4 | 0 | 0 | 8 | 0 |
| Meters Maint TD - Labor | 8 | 3 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meters Maint TD | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hydrants Maint TD - Labor | 7 | 38 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 38 |
| Misc Plant Maint TD - Labor | 11 | 8 | 2 | 1 | 0 | 0 | 0 | 1 | 1 | 2 |
| Mat and Sup Maint TD | 11 | 24,823 | 8,000 | 2,428 | 501 | 1,467 | 849 | 3,748 | 1,946 | 5,883 |
| TOTAL T & D EXPENSE - MAINTENANCE | | 95,831 | 30,902 | 9,371 | 1,934 | 5,661 | 3,274 | 14,468 | 7,512 | 22,709 |
| TOTAL T & D EXPENSE | | 216,587 | 69,822 | 21,181 | 4,374 | 12,797 | 7,404 | 32,726 | 16,979 | 51,304 |
| CUSTOMER ACCOUNTS | | | | | | | | | | |
| Supervision CA | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meter Reading Exp CA - Labor | 13 | 39,051 | 34,580 | 3,476 | 129 | 773 | 47 | 47 | 0 | 0 |
| Cust Rec & Collection CA - Labor | 12 | 398 | 347 | 35 | 1 | 8 | 0 | 0 | 6 | 0 |
| Cust Rec & Collection CA | 12 | 38,293 | 33,372 | 3,354 | 126 | 747 | 46 | 46 | 601 | 0 |
| Uncollectible Accts | 12 | 66,107 | 57,612 | 5,791 | 218 | 1,289 | 79 | 79 | 1,038 | 0 |
| Misc Cust Accts Exp CA | 12 | 1,645 | 1,434 | 144 | 5 | 32 | 2 | 2 | 26 | 0 |
| TOTAL CUSTOMER ACCOUNTING EXPENSE | | 145,494 | 127,345 | 12,800 | 480 | 2,849 | 175 | 175 | 1,671 | 0 |

MEX-3

Schedule B-MEX

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B Sales for Resale (8) | Rate J Large Users (9) | Fire Protection | |
|---|-----------------------|---------------------------|--------------------|-------------------|-------------------|------------------------------|--------------------------------------|---------------------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | | Private (10) | Public (11) |
| ADMINISTRATIVE AND GENERAL EXPENSES | | | | | | | | | | |
| Salaries AG | 14 | 123,558 | 58,974 | 13,035 | 2,434 | 6,919 | 11,083 | 17,100 | 3,731 | 10,280 |
| Other Supplies & Exp AG | 14 | 34,320 | 16,381 | 3,621 | 676 | 1,922 | 3,079 | 4,750 | 1,036 | 2,855 |
| Mgmt Fees-Admin | 14 | 282,739 | 134,951 | 29,829 | 5,570 | 15,833 | 25,362 | 39,131 | 8,539 | 23,524 |
| Mgmt Fees-Customer Service | 12 | 51,940 | 45,266 | 4,550 | 171 | 1,013 | 62 | 62 | 815 | 0 |
| Mgmt Fees-Belleville Lab | 2 | 1,631 | 629 | 198 | 46 | 120 | 299 | 331 | 2 | 5 |
| Mgmt Fees- Employee | 16 | 17,590 | 7,984 | 1,840 | 350 | 997 | 1,453 | 2,484 | 630 | 1,852 |
| Outside Services AG | 14 | 18,182 | 8,678 | 1,918 | 358 | 1,018 | 1,631 | 2,516 | 549 | 1,513 |
| Outside Services AG | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ins Gen Liab Oper AG | 14 | 41,036 | 19,586 | 4,329 | 808 | 2,298 | 3,681 | 5,679 | 1,239 | 3,414 |
| Ins Work Comp AG | 16 | 12,403 | 5,630 | 1,297 | 247 | 703 | 1,024 | 1,751 | 444 | 1,306 |
| Ins Other Oper AG | 14 | 7,011 | 3,347 | 740 | 138 | 393 | 629 | 970 | 212 | 583 |
| Ins Vehicle | 14 | 1,756 | 838 | 185 | 35 | 98 | 158 | 243 | 53 | 146 |
| Injuries & Damages | 16 | (261) | (118) | (27) | (5) | (15) | (22) | (37) | (9) | (27) |
| Employee Pension & Benefits | 16 | 110,102 | 49,975 | 11,517 | 2,191 | 6,243 | 9,094 | 15,546 | 3,942 | 11,594 |
| Reg Commision Exp | 19 | 11,710 | 5,369 | 1,299 | 245 | 692 | 1,052 | 1,566 | 453 | 1,035 |
| Rents AG | 14 | 5,635 | 2,690 | 594 | 111 | 316 | 505 | 780 | 170 | 469 |
| Goodwill Advertising Exp | 14 | 984 | 470 | 104 | 19 | 55 | 88 | 136 | 30 | 82 |
| Misc Exp AG | 14 | 28,442 | 13,575 | 3,001 | 560 | 1,593 | 2,551 | 3,936 | 859 | 2,366 |
| Research & Development | 14 | 1,042 | 497 | 110 | 21 | 58 | 93 | 144 | 31 | 87 |
| TOTAL A & G OPERATIONS | | 749,820 | 374,723 | 78,139 | 13,976 | 40,257 | 61,824 | 97,091 | 22,727 | 61,085 |
| General Plant Maint AG | 14 | 10,392 | 4,960 | 1,096 | 205 | 582 | 932 | 1,438 | 314 | 865 |
| TOTAL A & G EXPENSE - MAINTENANCE | | 10,392 | 4,960 | 1,096 | 205 | 582 | 932 | 1,438 | 314 | 865 |
| TOTAL A & G EXPENSE | | 760,212 | 379,683 | 79,236 | 14,180 | 40,839 | 62,756 | 98,529 | 23,040 | 61,949 |
| Total Operation & Maintenance Expenses | | 1,568,402 | 742,125 | 166,711 | 32,101 | 88,829 | 153,948 | 227,434 | 42,264 | 114,990 |

MEX-4

Schedule B-MEX

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B Sales for Resale (8) | Rate J Large Users (9) | Fire Protection | |
|-----------------------------|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|-----------------------------------|------------------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | | Private (10) | Public (11) |
| DEPRECIATION EXPENSE | | | | | | | | | | |
| Struct & Imp SS | 2 | 1,284 | 495 | 156 | 36 | 94 | 236 | 261 | 1 | 4 |
| Struct & Imp P | 3 | 2,290 | 825 | 250 | 60 | 157 | 393 | 434 | 40 | 121 |
| Struct & Imp WT | 2 | 70,079 | 27,043 | 8,501 | 1,976 | 5,144 | 12,867 | 14,240 | 77 | 231 |
| Struct & Imp TD | 6 | 1,033 | 333 | 101 | 21 | 61 | 35 | 156 | 81 | 245 |
| Struct & Imp AG | 14 | 2,184 | 1,042 | 230 | 43 | 122 | 196 | 302 | 66 | 182 |
| Struct & Imp Offices | 14 | 898 | 429 | 95 | 18 | 50 | 81 | 124 | 27 | 75 |
| Struct & Imp Store,Shop,Gar | 14 | 703 | 336 | 74 | 14 | 39 | 63 | 97 | 21 | 58 |
| Lake, River & Other Intakes | 2 | 418 | 161 | 51 | 12 | 31 | 77 | 85 | 0 | 1 |
| Wells & Springs | 2 | 27,618 | 10,658 | 3,350 | 779 | 2,027 | 5,071 | 5,612 | 30 | 91 |
| Supply Mains | 2 | 13,206 | 5,096 | 1,602 | 372 | 969 | 2,425 | 2,683 | 15 | 44 |
| Power Generation Equip | 3 | 163 | 59 | 18 | 4 | 11 | 28 | 31 | 3 | 9 |
| Pump Equip Electric | 3 | 11,141 | 4,012 | 1,253 | 293 | 763 | 1,911 | 2,113 | 195 | 590 |
| Pump Equip Other | 3 | 768 | 277 | 87 | 20 | 53 | 132 | 146 | 13 | 41 |
| WT Equip Non-Media | 2 | 89,629 | 34,588 | 10,872 | 2,528 | 6,579 | 16,456 | 18,213 | 99 | 296 |
| WT Equip Filter Media | 2 | 2,704 | 1,043 | 328 | 76 | 198 | 496 | 549 | 3 | 9 |
| Dist Reservoirs & Standpipe | 5 | 3,859 | 1,449 | 430 | 83 | 260 | 306 | 627 | 175 | 529 |
| Elevated Tanks & Standpipes | 5 | 1,010 | 379 | 113 | 22 | 68 | 80 | 164 | 46 | 138 |
| Ground Level Facilities | 5 | 357 | 134 | 40 | 8 | 24 | 28 | 58 | 16 | 49 |
| TD Mains Not Classified by | 6 | 56,651 | 18,259 | 5,540 | 1,144 | 3,348 | 1,937 | 8,566 | 4,441 | 13,415 |
| TD Mains 4" & Less | 4 | 8,402 | 2,628 | 790 | 158 | 476 | 0 | 1,189 | 786 | 2,374 |
| TD Mains 6 to 8" | 4 | 32,417 | 10,140 | 3,047 | 609 | 1,838 | 0 | 4,587 | 3,034 | 9,161 |
| TD Mains 10 to 16" | 3 | 21,675 | 7,805 | 2,458 | 570 | 1,485 | 3,717 | 4,112 | 379 | 1,149 |
| TD Mains 18" & Grtr | 3 | 13 | 5 | 1 | 0 | 1 | 2 | 2 | 0 | 1 |
| Fire Mains | 7 | 546 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 546 |
| Services | 9 | 129,132 | 88,068 | 17,226 | 1,666 | 6,689 | 775 | 736 | 13,972 | 0 |
| Meters Other | 8 | 28,119 | 21,902 | 3,655 | 523 | 1,369 | 208 | 222 | 239 | 0 |
| Meter Installations | 8 | 21,323 | 16,608 | 2,772 | 397 | 1,038 | 158 | 168 | 181 | 0 |
| Hydrants | 7 | 12,921 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,921 |
| Other P/E Intangible | 17 | 47 | 21 | 5 | 1 | 3 | 4 | 6 | 2 | 5 |
| Other P/E SS | 2 | 86 | 33 | 10 | 2 | 6 | 16 | 17 | 0 | 0 |
| Other P/E WT Res Hand Equip | 2 | 795 | 307 | 96 | 22 | 58 | 146 | 162 | 1 | 3 |
| Other P/E TD | 6 | 283 | 91 | 28 | 6 | 17 | 10 | 43 | 22 | 67 |
| Other P/E CPS | 14 | 247 | 118 | 26 | 5 | 14 | 22 | 34 | 7 | 21 |
| Office Furniture & Equip | 14 | 196 | 93 | 21 | 4 | 11 | 18 | 27 | 6 | 16 |
| Comp & Periph Equip | 14 | 24,361 | 11,628 | 2,570 | 480 | 1,364 | 2,185 | 3,372 | 736 | 2,027 |
| Computer Software | 14 | 4,405 | 2,103 | 465 | 87 | 247 | 395 | 610 | 133 | 366 |

MEX-5

Schedule B-MEX

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B Sales for Resale (8) | Rate J Large Users (9) | Fire Protection | |
|--|--------------------|------------------------|---------------------|-------------------|-------------------|---------------------------|-----------------------------------|------------------------------|-------------------|-------------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | | Private (10) | Public (11) |
| Comp Software Mainframe | 14 | 33,907 | 16,184 | 3,577 | 668 | 1,899 | 3,041 | 4,693 | 1,024 | 2,821 |
| Comp Software Mainframe - CIS | 12 | 17,343 | 15,114 | 1,519 | 57 | 338 | 21 | 21 | 272 | 0 |
| Comp Software Other | 14 | 44 | 21 | 5 | 1 | 2 | 4 | 6 | 1 | 4 |
| Data Handling Equipment | 14 | 46 | 22 | 5 | 1 | 3 | 4 | 6 | 1 | 4 |
| Other Office Equipment | 14 | 673 | 321 | 71 | 13 | 38 | 60 | 93 | 20 | 56 |
| Trans Equip Lt Duty Trks | 14 | 6,634 | 3,166 | 700 | 131 | 372 | 595 | 918 | 200 | 552 |
| Trans Equip Other | 14 | 7 | 3 | 1 | 0 | 0 | 1 | 1 | 0 | 1 |
| Stores Equipment | 14 | 716 | 342 | 76 | 14 | 40 | 64 | 99 | 22 | 60 |
| Tools,Shop,Garage Equip | 14 | 4,333 | 2,068 | 457 | 85 | 243 | 389 | 600 | 131 | 361 |
| Laboratory Equipment | 2 | 941 | 363 | 114 | 27 | 69 | 173 | 191 | 1 | 3 |
| Power Operated Equipment | 14 | 2,149 | 1,026 | 227 | 42 | 120 | 193 | 297 | 65 | 179 |
| Comm Equip Non-Telephone | 14 | 2,365 | 1,129 | 249 | 47 | 132 | 212 | 327 | 71 | 197 |
| Remote Control & Instr | 14 | 15,451 | 7,375 | 1,630 | 304 | 865 | 1,386 | 2,138 | 467 | 1,286 |
| Comm Equip Telephone | 14 | 95 | 45 | 10 | 2 | 5 | 9 | 13 | 3 | 8 |
| Misc Equipment | 14 | 854 | 408 | 90 | 17 | 48 | 77 | 118 | 26 | 71 |
| Other Tangible Property | 14 | 28 | 13 | 3 | 1 | 2 | 3 | 4 | 1 | 2 |
| Total Depreciation Expense | | 656,548 | 316,768 | 75,016 | 13,449 | 38,792 | 56,702 | 79,276 | 27,157 | 50,367 |
| Amort-Other UP | 18 | 2,469 | 1,095 | 279 | 52 | 150 | 211 | 320 | 112 | 250 |
| Amort-UPAA | 2 | 419 | 162 | 51 | 12 | 31 | 77 | 85 | 0 | 1 |
| Amort-Property Losses | 2 | 2,459 | 949 | 298 | 69 | 180 | 451 | 500 | 3 | 8 |
| Taxes Other Than Income | | | | | | | | | | |
| Utility Reg Assessment Fee | 19 | 36,770 | 16,859 | 4,078 | 768 | 2,173 | 3,302 | 4,916 | 1,423 | 3,250 |
| Property Taxes | 18 | 207,141 | 91,867 | 23,407 | 4,391 | 12,553 | 17,690 | 26,866 | 9,425 | 20,942 |
| Payroll Taxes | 16 | 26,773 | 12,152 | 2,800 | 533 | 1,518 | 2,211 | 3,780 | 958 | 2,819 |
| Other Taxes & Licenses | 14 | 2,271 | 1,084 | 240 | 45 | 127 | 204 | 314 | 69 | 189 |
| Gross Receipts Tax | 19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Taxes, Other Than Income | | 272,955 | 121,962 | 30,525 | 5,737 | 16,371 | 23,407 | 35,877 | 11,875 | 27,201 |
| Income Taxes | 18 | 670,876 | 297,534 | 75,809 | 14,223 | 40,655 | 57,293 | 87,013 | 30,525 | 67,826 |
| Utility Income Available for Return | 18 | 1,569,823 | 696,217 | 177,390 | 33,280 | 95,131 | 134,063 | 203,606 | 71,427 | 158,709 |
| Total Cost of Service | | 4,743,951 | 2,175,812 | 526,079 | 98,924 | 280,139 | 426,152 | 534,111 | 183,363 | 419,371 |
| Less: Other Water Revenues | 19 | 52,493 | 24,068 | 5,821 | 1,097 | 3,102 | 4,714 | 7,018 | 2,031 | 4,640 |
| Total Other Water Revenues | | 52,493 | 24,068 | 5,821 | 1,097 | 3,102 | 4,714 | 7,018 | 2,031 | 4,640 |
| Total Cost of Service Related to Sales of Water | | \$ 4,691,458 | \$ 2,151,743 | \$ 520,258 | \$ 97,827 | \$ 277,037 | \$ 421,438 | \$ 627,092 | \$ 181,331 | \$ 414,731 |
| Reallocation of Public Fire | 20 | 0 | 328,218 | 54,786 | 7,838 | 20,529 | 0 | 3,359 | 0 | (414,731) |
| Total | | \$ 4,691,458 | \$ 2,479,962 | \$ 575,044 | \$ 105,665 | \$ 297,566 | \$ 421,438 | \$ 630,452 | \$ 181,331 | \$ - |

MEX-6

Schedule B-MEX

**MISSOURI-AMERICAN WATER COMPANY
MEXICO 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, 100 Gallons (2) | Allocation Factor (3) |
|-----------------------------------|---|-----------------------------|
| Residential - Rate A | 5,141 | 0.3479 |
| Commercial - Rate A | 1,743 | 0.1179 |
| Industrial - Rate A | 457 | 0.0309 |
| Other Public Authority - Rate A | 1,052 | 0.0712 |
| Sales for Resale - Rate B | 2,853 | 0.1931 |
| Rate J - Large Users | 3,442 | 0.2329 |
| Private Fire Protection | 22 | 0.0015 |
| Public Fire Protection | 68 | 0.0046 |
| Total | 14,778 | 1.0000 |

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 0.7143 | Allocation Factor (4) | Weighted Factor (5)=(4)x 0.2857 | |
| Residential - Rate A | 0.3479 | 0.2485 | 0.4807 | 0.1374 | 0.3859 |
| Commercial - Rate A | 0.1179 | 0.0841 | 0.1303 | 0.0372 | 0.1213 |
| Industrial - Rate A | 0.0309 | 0.0221 | 0.0214 | 0.0061 | 0.0282 |
| Other Public Authority - Rate A | 0.0712 | 0.0509 | 0.0787 | 0.0225 | 0.0734 |
| Sales for Resale - Rate B | 0.1931 | 0.1379 | 0.1601 | 0.0457 | 0.1836 |
| Rate J - Large Users | 0.2329 | 0.1664 | 0.1288 | 0.0368 | 0.2032 |
| Private Fire Protection | 0.0015 | 0.0011 | | | 0.0011 |
| Public Fire Protection | 0.0046 | 0.0033 | | | 0.0033 |
| Total | 1.0000 | 0.7143 | 1.0000 | 0.2857 | 1.0000 |

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
MEXICO 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, 100 Gallons | Maximum Day Extra Capacity | | |
|-------------------------------|--|----------------------------|---|----------------------|
| | | Factor* | Rate of Flow, 100 Gallons Per Day | Allocation Factor |
| (1) | (2) | (3) | (4)=(2)x(3) | (5) |
| Residential - Rate A | 5,141 | 1.0 | 5,141 | 0.4807 |
| Commercial - Rate A | 1,743 | 0.8 | 1,394 | 0.1303 |
| Industrial - Rate A | 457 | 0.5 | 229 | 0.0214 |
| Other Public Authority - Rate | 1,052 | 0.8 | 842 | 0.0787 |
| Sales for Resale - Rate B | 2,853 | 0.6 | 1,712 | 0.1601 |
| Rate J - Large Users | 3,442 | 0.4 | 1,377 | 0.1288 |
| Total | 14,688 | | 10,695 | 1.0000 |

The weighting of the factors is based on the maximum day ratio of 1.40, based on a review of maximum day ratios experienced during the period 1990 through 2014 (see Schedule D).

| | Maximum Day Ratio | Weight |
|-------------------------------|-------------------------|---------------|
| Average Day | 1.00 | 0.7143 |
| Maximum Day Extra Capacity | 0.40 | 0.2857 |
| Total | 1.40 | 1.0000 |

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
MEXICO 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 0.6668 | (4) | (5)=(4) X 0.2668 | (6) | (7)=(6) X 0.0664 | (8)=(3)+(5)+(7) |
| Residential - Rate A | 0.3479 | 0.2319 | 0.4807 | 0.1282 | | | 0.3601 |
| Commercial - Rate A | 0.1179 | 0.0786 | 0.1303 | 0.0348 | | | 0.1134 |
| Industrial - Rate A | 0.0309 | 0.0206 | 0.0214 | 0.0057 | | | 0.0263 |
| Other Public Authority - Rate A | 0.0712 | 0.0475 | 0.0787 | 0.0210 | | | 0.0685 |
| Sales for Resale - Rate B | 0.1931 | 0.1288 | 0.1601 | 0.0427 | | | 0.1715 |
| Rate J - Large Users | 0.2329 | 0.1553 | 0.1288 | 0.0344 | | | 0.1897 |
| Private Fire Protection | 0.0015 | 0.0010 | | | 0.2487 | 0.0165 | 0.0175 |
| Public Fire Protection | 0.0046 | 0.0031 | | | 0.7513 | 0.0499 | 0.0530 |
| Total | 1.0000 | 0.6668 | 1.0000 | 0.2668 | 1.0000 | 0.0664 | 1.0000 |

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Schedule C-MEX

MISSOURI-AMERICAN WATER COMPANY
MEXICO 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 1.40 and the average daily system sendout for 2014 of 1.809 MGD. The system demand for fire protection is 1,500 Gallons per minute for 2 hours.

| | <u>Ratio</u> | <u>Rate of Flow, (GPD)</u> | <u>Weight</u> |
|-------------------------------|--------------|--------------------------------|---------------|
| Average Day | 1.00 | 1,809,082 | 0.6668 |
| Maximum Day Extra Capacity | <u>0.40</u> | <u>723,633</u> | <u>0.2668</u> |
| Subtotal | <u>1.40</u> | 2,532,715 | 0.9336 |
| Fire Protection | | <u>180,000</u> | <u>0.0664</u> |
| Total | | <u>2,712,715</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
MEXICO 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 |
|---------------------------------|----------------------------|-------------------|---------------------|-----------------------------|---------------------|-------------------|---------------------|-------------------|
| | 100 Gallons | Allocation Factor | Weighted Factor | Allocation Factor | Weighted Factor | Allocation Factor | Weighted Factor | |
| (1) | (2) | (3) | (4)=(3) X 0.3131 | (5) | (6)=(5) X 0.3131 | (7) | (8)=(7) X 0.3738 | (9)=(4)+(6)+(8) |
| Residential - Rate A | 214.2 | 0.4312 | 0.1349 | 0.5683 | 0.1779 | | | 0.3128 |
| Commercial - Rate A | 72.6 | 0.1462 | 0.0458 | 0.1541 | 0.0482 | | | 0.0940 |
| Industrial - Rate A | 19.0 | 0.0383 | 0.0120 | 0.0216 | 0.0068 | | | 0.0188 |
| Other Public Authority - Rate A | 43.8 | 0.0882 | 0.0276 | 0.0929 | 0.0291 | | | 0.0567 |
| Sales for Resale - Rate B | 0.0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | | | 0.0000 |
| Rate J - Large Users | 143.4 | 0.2887 | 0.0904 | 0.1631 | 0.0511 | | | 0.1415 |
| Private Fire Protection | 0.9 | 0.0018 | 0.0006 | | | 0.2487 | 0.0930 | 0.0936 |
| Public Fire Protection | 2.8 | 0.0056 | 0.0018 | | | 0.7513 | 0.2808 | 0.2826 |
| Total | 496.7 | 1.0000 | 0.3131 | 1.0000 | 0.3131 | 1.0000 | 0.3738 | 1.0000 |

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

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Schedule C-MEX

**MISSOURI-AMERICAN WATER COMPANY
MEXICO 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 2.0 and the average daily system sendout for 2014 of 1.809 MGD. The system demand for fire protection is 1,500 gallons per minute.

| | Ratio | Rate of Flow, (GPM) | Weight |
|--------------------------------|-------------|------------------------|---------------|
| Average Hour | 1.00 | 1,256 | 0.3131 |
| Maximum Hour Extra Capacity | 1.00 | 1,256 | 0.3131 |
| Subtotal | <u>2.00</u> | 2,512 | 0.6262 |
| Fire Protection | | 1,500 | 0.3738 |
| Total | | <u>4,012</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 100 Gallons | Maximum Hour Extra Capacity | | |
|---------------------------------|---|-----------------------------|---------------------------|----------------------|
| | | Factor* | 1,000 Gallons Per Hour | Allocation Factor |
| (1) | (2) | (3) | (4)=(2)x(3) | (5) |
| Residential - Rate A | 214.2 | 3.5 | 749.7 | 0.5683 |
| Commercial - Rate A | 72.6 | 2.8 | 203.3 | 0.1541 |
| Industrial - Rate A | 19.0 | 1.5 | 28.5 | 0.0216 |
| Other Public Authority - Rate A | 43.8 | 2.8 | 122.6 | 0.0929 |
| Sales for Resale - Rate B | 0.0 | 2.0 | 0.0 | 0.0000 |
| Rate J - Large Users | 143.4 | 1.5 | 215.1 | 0.1631 |
| Total | <u>493.0</u> | | <u>1,319.2</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
MEXICO 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 |
|-----------------------------|----------------------------|-------------------|---------------------|-----------------------------|---------------------|-------------------|---------------------|-------------------|
| | 100 Gallons | Allocation Factor | Weighted Factor | Allocation Factor | Weighted Factor | Allocation Factor | Weighted Factor | |
| (1) | (2) | (3) | (4)=(3) X 0.4100 | (5) | (6)=(5) X 0.4100 | (7) | (8)=(7) X 0.1800 | (9)=(4)+(6)+(8) |
| Residential - Rate A | 214.2 | 0.3480 | 0.1427 | 0.5683 | 0.2329 | | | 0.3756 |
| Commercial - Rate A | 72.6 | 0.1179 | 0.0483 | 0.1541 | 0.0632 | | | 0.1115 |
| Industrial - Rate A | 19.0 | 0.0309 | 0.0127 | 0.0216 | 0.0089 | | | 0.0216 |
| Other Public Authority - Ra | 43.8 | 0.0712 | 0.0292 | 0.0929 | 0.0381 | | | 0.0673 |
| Sales for Resale - Rate B | 118.9 | 0.1931 | 0.0792 | 0.0000 | 0.0000 | | | 0.0792 |
| Rate J - Large Users | 143.4 | 0.2329 | 0.0955 | 0.1631 | 0.0669 | | | 0.1624 |
| Private Fire Protection | 0.9 | 0.0015 | 0.0006 | | | 0.2487 | 0.0448 | 0.0454 |
| Public Fire Protection | 2.8 | 0.0045 | 0.0018 | | | 0.7513 | 0.1352 | 0.1370 |
| Total | 615.6 | 1.0000 | 0.4100 | 1.0000 | 0.4100 | 1.0000 | 0.1800 | 1.0000 |

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.

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Schedule C-MEX

MISSOURI-AMERICAN WATER COMPANY
MEXICO 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.

$$\text{Fire Protection Weight} = \frac{1,500 \text{ GPM} \times 60 \text{ Min.} \times 2 \text{ Hrs.}}{1,000,000 \text{ Gallons}} = 0.1800$$

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

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

| | Maximum Hour Ratio | Percent | Weight |
|--------------------------------|--------------------------|----------------------|----------------------|
| Average Hour | 1.00 | 50.00 | 0.4100 |
| Extra Capacity Maximum Hour | <u>1.00</u> | <u>50.00</u> | <u>0.4100</u> |
| Total | <u><u>2.00</u></u> | <u><u>100.00</u></u> | <u><u>0.8200</u></u> |

**MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 6. 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 5, 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 0.1996 | (4) | (5)=(4)X 0.8004 | (6)=(3)+(5) |
| Residential - Rate A | 0.3601 | 0.0719 | 0.3128 | 0.2504 | 0.3223 |
| Commercial - Rate A | 0.1134 | 0.0226 | 0.0940 | 0.0752 | 0.0978 |
| Industrial - Rate A | 0.0263 | 0.0052 | 0.0188 | 0.0150 | 0.0202 |
| Other Public Authority - Rat | 0.0685 | 0.0137 | 0.0567 | 0.0454 | 0.0591 |
| Sales for Resale - Rate B | 0.1715 | 0.0342 | 0.0000 | 0.0000 | 0.0342 |
| Rate J - Large Users | 0.1897 | 0.0379 | 0.1415 | 0.1133 | 0.1512 |
| Private Fire Protection | 0.0175 | 0.0035 | 0.0936 | 0.0749 | 0.0784 |
| Public Fire Protection | 0.0530 | 0.0106 | 0.2826 | 0.2262 | 0.2368 |
| Total | 1.0000 | 0.1996 | 1.0000 | 0.8004 | 1.0000 |

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 | 97,730 | 0.1996 |
| Distribution Mains | 391,900 | 0.8004 |
| Total | 489,629 | 1.0000 |

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 7. 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 8. 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 - Rate A | 4,321 | 0.7789 |
| Commercial - Rate A | 721 | 0.1300 |
| Industrial - Rate A | 103 | 0.0186 |
| Other Public Authority - Rate A | 270 | 0.0487 |
| Sales for Resale - Rate B | 41 | 0.0074 |
| Rate J - Large Users | 44 | 0.0079 |
| Private Fire | <u>47</u> | <u>0.0085</u> |
| Total | <u><u>5,547</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

| Meter Size (1) | 5/8* Dollar Equivalent (2) | Rate A | | | | | | | | Rate B | | Rate J | | Rate F | | Total | |
|-------------------|-------------------------------------|----------------------------|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|----------------------------|---------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|-------------------|
| | | Residential | | Commercial | | Industrial | | Other Public Authority | | Sales for Resale | | Large Users | | Private Fire | | Number of Meters (15) | Weighting (16) |
| | | Number of Meters (3) | Weighting (4)=(2)X(3) | Number of Meters (5) | Weighting (6)=(2)X(5) | Number of Meters (7) | Weighting (8)=(2)X(7) | Number of Meters (9) | Weighting (10)=(2)X(9) | Number of Meters (11) | Weighting (12)=(2)X(11) | Number of Meters (11) | Weighting (12)=(2)X(11) | Number of Meters (13) | Weighting (14)=(2)X(13) | | |
| 5/8 | 1.0 | 4,261 | 4,261 | 289 | 289 | 2 | 2 | 30 | 30 | 0 | 0 | 0 | 0 | 41 | 41 | 4,623 | 4,623 |
| 3/4 | 2.1 | 7 | 15 | 5 | 11 | 0 | 0 | 2 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 30 |
| 1 | 2.0 | 18 | 36 | 81 | 162 | 2 | 4 | 21 | 42 | 0 | 0 | 1 | 2 | 1 | 2 | 124 | 248 |
| 1-1/2 | 3.5 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 7 |
| 2 | 4.3 | 2 | 9 | 53 | 228 | 4 | 17 | 37 | 159 | 4 | 17 | 1 | 4 | 1 | 4 | 102 | 438 |
| 3 | 7.0 | 0 | 0 | 2 | 14 | 3 | 21 | 4 | 28 | 1 | 7 | 3 | 21 | 0 | 0 | 13 | 91 |
| 4 | 10.5 | 0 | 0 | 0 | 0 | 4 | 42 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 42 |
| 6 | 16.8 | 0 | 0 | 1 | 17 | 1 | 17 | 0 | 0 | 1 | 17 | 1 | 17 | 0 | 0 | 4 | 68 |
| 8 | 64.0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | <u>4,288</u> | <u>4,321</u> | <u>431</u> | <u>721</u> | <u>16</u> | <u>103</u> | <u>96</u> | <u>270</u> | <u>6</u> | <u>41</u> | <u>6</u> | <u>44</u> | <u>43</u> | <u>47</u> | <u>4,886</u> | <u>5,547</u> |

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Schedule C-MEX

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 9. 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 - Rate A | 4,332 | 0.6820 |
| Commercial - Rate A | 847 | 0.1334 |
| Industrial - Rate A | 82 | 0.0129 |
| Other Public Authority - Rate A | 329 | 0.0518 |
| Sales for Resale - Rate B | 38 | 0.0060 |
| Rate J - Large Users | 36 | 0.0057 |
| Private Fire Protection | <u>687</u> | <u>0.1082</u> |
| Total | <u><u>6,351</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

| Service Size (1) | 3/4" Dollar Equivalent (2) | Rate A | | | | | | | | Rate B | | Rate J | | Rate F | | Total | |
|---------------------|-------------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------------|
| | | Residential | | Commercial | | Industrial | | Other Public Authority | | Sales for Resale | | Large Users | | Private Fire | | Number of Services (15) | Weighting (16) |
| | | Number of Services (3) | Weighting (4)=(2)X(3) | Number of Services (5) | Weighting (6)=(2)X(5) | Number of Services (7) | Weighting (8)=(2)X(7) | Number of Services (9) | Weighting (10)=(2)X(9) | Number of Services (11) | Weighting (12)=(2)X(11) | Number of Services (11) | Weighting (12)=(2)X(11) | Number of Services (13) | Weighting (14)=(2)X(13) | | |
| 3/4 | 1.00 | 4,268 | 4,268 | 294 | 294 | 2 | 2 | 32 | 32 | 0 | 0 | 0 | 0 | 0 | 0 | 4,596 | 4,596 |
| 1 | 2.94 | 18 | 53 | 81 | 238 | 2 | 6 | 21 | 62 | 0 | 0 | 1 | 3 | 0 | 0 | 123 | 362 |
| 1-1/2 | 4.02 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 8 |
| 2 | 5.55 | 2 | 11 | 53 | 294 | 4 | 22 | 37 | 205 | 4 | 22 | 1 | 6 | 1 | 6 | 102 | 566 |
| 3 | 5.55 | 0 | 0 | 2 | 11 | 3 | 17 | 4 | 22 | 1 | 6 | 3 | 17 | 1 | 6 | 14 | 79 |
| 4 | 6.37 | 0 | 0 | 0 | 0 | 4 | 25 | 0 | 0 | 0 | 0 | 0 | 0 | 11 | 70 | 15 | 95 |
| 6 | 9.92 | 0 | 0 | 1 | 10 | 1 | 10 | 0 | 0 | 1 | 10 | 1 | 10 | 32 | 317 | 36 | 357 |
| 8 | 9.92 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15 | 149 | 15 | 149 |
| 10 | 9.92 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 139 | 14 | 139 |
| 12 | 12.16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 4,289 | 4,332 | 431 | 847 | 16 | 82 | 96 | 329 | 6 | 38 | 6 | 36 | 74 | 687 | 4,917 | 6,351 |

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Schedule C-MEX

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 10. 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 - Rate A | \$ 36,088 | 0.3223 |
| Commercial - Rate A | 10,951 | 0.0978 |
| Industrial - Rate A | 2,262 | 0.0202 |
| Other Public Authority - Rate A | 6,617 | 0.0591 |
| Sales for Resale - Rate B | 3,829 | 0.0342 |
| Rate J - Large Users | 16,930 | 0.1512 |
| Private Fire Protection | 8,778 | 0.0784 |
| Public Fire Protection | 26,514 | 0.2368 |
| Total | <u>111,969</u> | <u>1.0000</u> |

FACTOR 11. 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 - Rate A | \$ 22,899 | 0.3223 |
| Commercial - Rate A | 6,943 | 0.0978 |
| Industrial - Rate A | 1,433 | 0.0202 |
| Other Public Authority - Rate A | 4,193 | 0.0591 |
| Sales for Resale - Rate B | 2,425 | 0.0342 |
| Rate J - Large Users | 10,718 | 0.1510 |
| Private Fire Protection | 5,565 | 0.0784 |
| Public Fire Protection | 16,823 | 0.2370 |
| Total | <u>\$70,998</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 12. 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 - Rate A | 4,288 | 0.8715 |
| Commercial - Rate A | 431 | 0.0876 |
| Industrial - Rate A | 16 | 0.0033 |
| Other Public Authority - Rate A | 96 | 0.0195 |
| Sales for Resale - Rate B | 6 | 0.0012 |
| Rate J - Large Users | 6 | 0.0012 |
| Private Fire Protection | 77 | 0.0157 |
| Public Fire Protection | 0 | 0.0000 |
| Total | <u>4,920</u> | <u>1.0000</u> |

FACTOR 13. 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 - Rate A | 4,288 | 0.8855 |
| Commercial - Rate A | 431 | 0.0890 |
| Industrial - Rate A | 16 | 0.0033 |
| Other Public Authority - Rate A | 96 | 0.0198 |
| Sales for Resale - Rate B | 6 | 0.0012 |
| Rate J - Large Users | 6 | 0.0012 |
| Total | <u>4,843</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 14. 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 <u>(1)</u> | Operation & Maintenance Expenses <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Residential - Rate A | \$299,620 | 0.4773 |
| Commercial - Rate A | 66,185 | 0.1055 |
| Industrial - Rate A | 12,341 | 0.0197 |
| Other Public Authority - Rate A | 35,133 | 0.0560 |
| Sales for Resale - Rate B | 56,323 | 0.0897 |
| Rate J - Large Users | 86,849 | 0.1384 |
| Private Fire Protection | 18,953 | 0.0302 |
| Public Fire Protection | <u>52,210</u> | <u>0.0832</u> |
| Total | <u>\$627,614</u> | <u>1.0000</u> |

FACTOR 15. 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 <u>(1)</u> | Operation & Maintenance Expenses <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Residential - Rate A | \$736,756 | 0.4732 |
| Commercial - Rate A | 165,413 | 0.1063 |
| Industrial - Rate A | 31,856 | 0.0205 |
| Other Public Authority - Rate A | 88,137 | 0.0566 |
| Sales for Resale - Rate B | 152,896 | 0.0982 |
| Rate J - Large Users | 225,868 | 0.1451 |
| Private Fire Protection | 41,811 | 0.0269 |
| Public Fire Protection | <u>113,955</u> | <u>0.0732</u> |
| Total | <u>\$1,556,692</u> | 1.0000 |

MISSOURI-AMERICAN WATER COMPANY
MEXICO 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 <u>(1)</u> | Direct Labor Expense <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|---------------------------------------|------------------------------------|
| Residential - Rate A | \$159,492 | 0.4539 |
| Commercial - Rate A | 36,765 | 0.1046 |
| Industrial - Rate A | 6,981 | 0.0199 |
| Other Public Authority - Rate A | 19,924 | 0.0567 |
| Sales for Resale - Rate B | 29,026 | 0.0826 |
| Rate J - Large Users | 49,594 | 0.1412 |
| Private Fire Protection | 12,573 | 0.0358 |
| Public Fire Protection | 36,979 | 0.1053 |
| Total | <u>\$351,333</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 <u>(1)</u> | Original Cost Less Depreciation <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|---|------------------------------------|
| Residential - Rate A | \$10,258,258 | 0.4436 |
| Commercial - Rate A | 2,613,957 | 0.1130 |
| Industrial - Rate A | 490,593 | 0.0212 |
| Other Public Authority - Rate A | 1,401,506 | 0.0606 |
| Sales for Resale - Rate B | 1,975,921 | 0.0854 |
| Rate J - Large Users | 2,997,579 | 0.1297 |
| Private Fire Protection | 1,053,147 | 0.0455 |
| Public Fire Protection | 2,338,240 | 0.1011 |
| Total | <u>\$23,129,202</u> | <u>1.0001</u> |

MISSOURI-AMERICAN WATER COMPANY
MEXICO 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 <u>(1)</u> | Original Cost Measure of Value <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Residential - Rate A | \$8,480,943 | 0.4435 |
| Commercial - Rate A | 2,160,523 | 0.1130 |
| Industrial - Rate A | 405,533 | 0.0212 |
| Other Public Authority - Rate A | 1,158,428 | 0.0606 |
| Sales for Resale - Rate B | 1,633,706 | 0.0854 |
| Rate J - Large Users | 2,479,169 | 0.1297 |
| Private Fire Protection | 869,885 | 0.0455 |
| Public Fire Protection | <u>1,932,673</u> | <u>0.1011</u> |
| Total | <u>\$19,120,860</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 <u>(1)</u> | Total Cost of Service <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Residential - Rate A | \$2,153,583 | 0.4585 |
| Commercial - Rate A | 520,703 | 0.1109 |
| Industrial - Rate A | 97,911 | 0.0209 |
| Other Public Authority - Rate A | 277,274 | 0.0591 |
| Sales for Resale - Rate B | 421,798 | 0.0898 |
| Rate J - Large Users | 627,629 | 0.1337 |
| Private Fire Protection | 181,487 | 0.0387 |
| Public Fire Protection | <u>415,086</u> | <u>0.0884</u> |
| Total | <u>\$4,695,471</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B Sales for Resale (8) | Rate J Large Users (9) | Fire Protection | |
|-----------------------------|-----------------------|---------------------------|--------------------|-------------------|-------------------|------------------------------|--------------------------------------|---------------------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | | Private (10) | Public (11) |
| RATE BASE | | | | | | | | | | |
| Organization | 17 | \$ 2,016 | \$ 895 | \$ 228 | \$ 43 | \$ 122 | \$ 172 | \$ 261 | \$ 92 | \$ 204 |
| Land & Ld Rights SS | 2 | 25,516 | 9,846 | 3,095 | 720 | 1,873 | 4,685 | 5,185 | 28 | 84 |
| Land & Ld Rights P | 3 | 58,808 | 21,177 | 6,669 | 1,547 | 4,028 | 10,086 | 11,156 | 1,029 | 3,117 |
| Land & Ld Rights WT | 2 | 13,920 | 5,372 | 1,689 | 393 | 1,022 | 2,556 | 2,829 | 15 | 46 |
| Land & Ld Rights TD | 6 | 13,121 | 4,229 | 1,283 | 265 | 775 | 449 | 1,984 | 1,029 | 3,107 |
| Land & Land Rights AG | 14 | 2,057 | 982 | 217 | 41 | 115 | 185 | 285 | 62 | 171 |
| Struct & Imp SS | 2 | 37,857 | 14,609 | 4,592 | 1,068 | 2,779 | 6,950 | 7,692 | 42 | 125 |
| Struct & Imp P | 3 | 43,307 | 15,595 | 4,911 | 1,139 | 2,967 | 7,427 | 8,215 | 758 | 2,295 |
| Struct & Imp WT | 2 | 2,424,841 | 935,746 | 294,133 | 68,381 | 177,983 | 445,201 | 492,728 | 2,667 | 8,002 |
| Struct & Imp TD | 6 | 45,939 | 14,806 | 4,493 | 928 | 2,715 | 1,571 | 6,946 | 3,602 | 10,878 |
| Struct & Imp AG | 6 | 104,008 | 33,522 | 10,172 | 2,101 | 6,147 | 3,557 | 15,726 | 8,154 | 24,629 |
| Struct & Imp Offices | 14 | 73,317 | 34,994 | 7,735 | 1,444 | 4,106 | 6,577 | 10,147 | 2,214 | 6,100 |
| Struct & Imp Store,Shop,Gar | 14 | 33,663 | 16,067 | 3,551 | 663 | 1,885 | 3,020 | 4,659 | 1,017 | 2,801 |
| Lake, River & Other Intakes | 2 | 9,171 | 3,539 | 1,112 | 259 | 673 | 1,684 | 1,863 | 10 | 30 |
| Wells & Springs | 2 | 889,146 | 343,121 | 107,853 | 25,074 | 65,263 | 163,247 | 180,674 | 978 | 2,934 |
| Supply Mains | 2 | 616,685 | 237,979 | 74,804 | 17,391 | 45,265 | 113,223 | 125,310 | 678 | 2,035 |
| Power Generation Equip | 3 | 4,241 | 1,527 | 481 | 112 | 290 | 727 | 804 | 74 | 225 |
| Pump Equip Electric | 3 | 1,078,878 | 388,504 | 122,345 | 28,374 | 73,903 | 185,028 | 204,663 | 18,880 | 57,181 |
| Pump Equip Hydraulic | 3 | 20,298 | 7,309 | 2,302 | 534 | 1,390 | 3,481 | 3,850 | 355 | 1,076 |
| Pump Equip Other | 3 | 25,281 | 9,104 | 2,867 | 665 | 1,732 | 4,336 | 4,796 | 442 | 1,340 |
| WT Equip Non-Media | 2 | 3,141,155 | 1,212,172 | 381,022 | 88,581 | 230,561 | 576,716 | 638,283 | 3,455 | 10,366 |
| WT Equip Filter Media | 2 | 163,447 | 63,074 | 19,826 | 4,609 | 11,997 | 30,009 | 33,212 | 180 | 539 |
| Dist Reservoirs & Standpipe | 5 | 146,527 | 55,035 | 16,338 | 3,165 | 9,851 | 11,605 | 23,796 | 6,652 | 20,074 |
| Elevated Tanks & Standpipes | 5 | 38,367 | 14,411 | 4,278 | 829 | 2,582 | 3,039 | 6,231 | 1,742 | 5,256 |
| Ground Level Facilities | 5 | 13,556 | 5,092 | 1,512 | 293 | 912 | 1,074 | 2,202 | 615 | 1,857 |
| TD Mains Not Classified by | 6 | 2,451,081 | 789,984 | 239,716 | 49,512 | 144,859 | 83,827 | 370,604 | 192,165 | 580,416 |
| TD Mains 4" & Less | 4 | 542,005 | 169,539 | 50,948 | 10,190 | 30,732 | 0 | 76,694 | 50,732 | 153,170 |
| TD Mains 6 to 8" | 4 | 2,779,747 | 869,505 | 261,296 | 52,259 | 157,612 | 0 | 393,334 | 280,184 | 785,557 |
| TD Mains 10 to 16" | 3 | 1,136,064 | 409,097 | 128,830 | 29,878 | 77,820 | 194,835 | 215,511 | 19,881 | 60,211 |
| TD Mains 18" & Grtr | 3 | 689 | 248 | 78 | 18 | 47 | 118 | 131 | 12 | 37 |
| Fire Mains | 7 | 23,236 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 23,236 |
| Services | 9 | 4,027,676 | 2,746,875 | 537,292 | 51,957 | 208,634 | 24,166 | 22,958 | 435,795 | 0 |
| Meters Bronze Case | 8 | (23,137) | (18,021) | (3,008) | (430) | (1,127) | (171) | (183) | (197) | 0 |
| Meters Other | 8 | 1,131,398 | 881,246 | 147,082 | 21,044 | 55,099 | 8,372 | 8,938 | 9,617 | 0 |
| Meter Installations | 8 | 609,379 | 474,645 | 79,219 | 11,334 | 29,677 | 4,509 | 4,814 | 5,180 | 0 |
| Hydrants | 7 | 507,789 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 507,789 |
| Other P/E Intangible | 17 | 1,127 | 500 | 127 | 24 | 68 | 96 | 146 | 51 | 114 |
| Other P/E SS | 2 | 1,170 | 451 | 142 | 33 | 86 | 215 | 238 | 1 | 4 |
| Other P/E WT Res Hand Equip | 2 | 16,739 | 6,460 | 2,030 | 472 | 1,229 | 3,073 | 3,401 | 18 | 55 |
| Other P/E TD | 6 | 3,767 | 1,214 | 368 | 76 | 223 | 129 | 570 | 295 | 892 |
| Other P/E CPS | 14 | 4,524 | 2,160 | 477 | 89 | 253 | 406 | 626 | 137 | 376 |

MEX-25

Schedule C-MEX

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|---|--------------------|------------------------|---------------------|---------------------|-------------------|---------------------------|-------------------------|---------------------|-------------------|---------------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large Users (9) | Private (10) | Public (11) |
| Office Furniture & Equip | 14 | 13,220 | 6,310 | 1,395 | 260 | 740 | 1,186 | 1,830 | 399 | 1,100 |
| Comp & Periph Equip | 14 | 92,900 | 44,341 | 9,801 | 1,830 | 5,202 | 8,333 | 12,857 | 2,806 | 7,729 |
| Computer Software | 14 | 34,547 | 16,489 | 3,645 | 681 | 1,935 | 3,099 | 4,781 | 1,043 | 2,874 |
| Comp Software Mainframe | 14 | 256,696 | 122,521 | 27,081 | 5,057 | 14,375 | 23,026 | 35,527 | 7,752 | 21,357 |
| Comp Software Mainframe - CIS | 12 | 131,297 | 114,425 | 11,502 | 433 | 2,560 | 158 | 158 | 2,061 | 0 |
| Comp Software Other | 14 | 347 | 166 | 37 | 7 | 19 | 31 | 48 | 10 | 29 |
| Data Handling Equipment | 14 | 687 | 328 | 73 | 14 | 38 | 62 | 95 | 21 | 57 |
| Other Office Equipment | 14 | 18,897 | 9,020 | 1,994 | 372 | 1,058 | 1,695 | 2,615 | 571 | 1,572 |
| Trans Equip Lt Duty Trks | 14 | 36,315 | 17,333 | 3,831 | 715 | 2,034 | 3,257 | 5,026 | 1,097 | 3,021 |
| Trans Equip Hvy Duty Trks | 14 | (871) | (416) | (92) | (17) | (49) | (78) | (121) | (26) | (72) |
| Trans Equip Autos | 14 | (18,185) | (8,680) | (1,919) | (358) | (1,018) | (1,631) | (2,517) | (549) | (1,513) |
| Trans Equip Other | 14 | 89 | 43 | 9 | 2 | 5 | 8 | 12 | 3 | 7 |
| Stores Equipment | 14 | 5,412 | 2,583 | 571 | 107 | 303 | 485 | 749 | 163 | 450 |
| Tools,Shop,Garage Equip | 14 | 67,311 | 32,127 | 7,101 | 1,326 | 3,769 | 6,038 | 9,316 | 2,033 | 5,600 |
| Laboratory Equipment | 2 | 15,364 | 5,929 | 1,864 | 433 | 1,128 | 2,821 | 3,122 | 17 | 51 |
| Power Operated Equipment | 14 | 23,886 | 11,401 | 2,520 | 471 | 1,338 | 2,143 | 3,306 | 721 | 1,987 |
| Comm Equip Non-Telephone | 14 | (3,534) | (1,687) | (373) | (70) | (198) | (317) | (489) | (107) | (294) |
| Remote Control & Instr | 14 | 231,642 | 110,563 | 24,438 | 4,563 | 12,972 | 20,778 | 32,059 | 6,996 | 19,273 |
| Comm Equip Telephone | 14 | (15,896) | (7,587) | (1,677) | (313) | (890) | (1,426) | (2,200) | (480) | (1,323) |
| Misc Equipment | 14 | 3,846 | 1,835 | 406 | 76 | 215 | 345 | 532 | 116 | 320 |
| Other Tangible Property | 17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Utility Plant in Service | | 23,132,345 | 10,259,653 | 2,614,312 | 490,660 | 1,401,696 | 1,976,190 | 2,997,987 | 1,053,290 | 2,338,557 |
| Other Rate Base Items | | | | | | | | | | |
| Add: | | | | | | | | | | |
| Materials and Supplies | 14 | 30,361 | 14,491 | 3,203 | 598 | 1,700 | 2,723 | 4,202 | 917 | 2,526 |
| Prepayments | 14 | 20,862 | 9,957 | 2,201 | 411 | 1,168 | 1,871 | 2,887 | 630 | 1,736 |
| Pension / OPEB Tracker | 16 | 150,863 | 68,477 | 15,780 | 3,002 | 8,554 | 12,461 | 21,302 | 5,401 | 15,886 |
| Tank Painting Tracker | 5 | 15,354 | 5,767 | 1,712 | 332 | 1,033 | 1,216 | 2,493 | 697 | 2,103 |
| Less: | | | | | | | | | | |
| Deferred Income Taxes | 17 | (4,088,063) | (1,813,465) | (461,951) | (86,667) | (247,737) | (349,121) | (529,813) | (186,007) | (413,303) |
| Pensions | 16 | (140,862) | (63,937) | (14,734) | (2,803) | (7,987) | (11,635) | (19,890) | (5,043) | (14,833) |
| Total Other Rate Base Elements | | (4,011,485) | (1,778,710) | (453,789) | (85,127) | (243,268) | (342,484) | (518,818) | (183,405) | (405,885) |
| Total Original Cost Measure of Value | | \$ 19,120,860 | \$ 8,480,943 | \$ 2,160,523 | \$ 405,533 | \$ 1,158,428 | \$ 1,633,706 | \$ 2,479,169 | \$ 869,885 | \$ 1,932,673 |

MEX-26

Schedule C-MEX

MISSOURI-AMERICAN WATER COMPANY
MEXICO 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 - Rate A | 4,321 | 0.7914 |
| Commercial - Rate A | 721 | 0.1321 |
| Industrial - Rate A | 103 | 0.0189 |
| Other Public Authority - Rate A | 270 | 0.0495 |
| Sales for Resale - Rate B | 0 | 0.0000 |
| Rate J - Large Users | 44 | 0.0081 |
| Private Fire | <u>0</u> | <u>0.0000</u> |
| Total | <u><u>5,459</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
MEXICO DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1990-2014

| Year | Average Daily Send out (MGD) | Maximum Daily Use | | |
|------|------------------------------------|-------------------|---------------------|--------------------|
| | | MGD | Ratio to Average | Highest Use Day |
| (1) | (2) | (3) | (4) | (5) |
| 1990 | 1.859 | 3.044 | 1.64 | 7/15 |
| 1991 | 2.008 | 2.738 | 1.36 | 3/29 |
| 1992 | 2.044 | 3.182 | 1.56 | 7/2 |
| 1993 | 1.989 | 2.553 | 1.28 | 8/20 |
| 1994 | 1.964 | 2.525 | 1.29 | 8/22 |
| 1995 | 2.282 | 2.917 | 1.28 | 8/28 |
| 1996 | 2.186 | 3.047 | 1.39 | 7/18 |
| 1997 | 2.223 | 2.886 | 1.30 | 7/17 |
| 1998 | 2.240 | 2.868 | 1.28 | 5/19 |
| 1999 | 2.223 | 3.010 | 1.35 | 7/28 |
| 2000 | 2.199 | 2.770 | 1.26 | 8/17 |
| 2001 | 2.322 | 2.955 | 1.27 | 8/1 |
| 2002 | 2.245 | 2.953 | 1.32 | 8/5 |
| 2003 | 2.254 | 2.937 | 1.30 | 8/28 |
| 2004 | 2.116 | 2.745 | 1.30 | 8/18 |
| 2005 | 2.105 | 2.912 | 1.38 | 11/7 |
| 2006 | 1.783 | 2.786 | 1.56 | 6/19 |
| 2007 | 2.252 | 2.889 | 1.28 | 8/6 |
| 2008 | 2.071 | 2.821 | 1.36 | 5/19 |
| 2009 | 1.887 | 2.293 | 1.22 | 6/23 |
| 2010 | 1.842 | 2.416 | 1.31 | 7/10 |
| 2011 | 1.826 | 2.391 | 1.31 | 7/25 |
| 2012 | 1.892 | 2.568 | 1.36 | 7/24 |
| 2013 | 1.862 | 2.494 | 1.34 | 8/27 |
| 2014 | 1.809 | 2.223 | 1.23 | 7/29 |

MISSOURI-AMERICAN WATER COMPANY
MEXICO 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) |
|--------------------------------|--|-----------------|------------------------------------|-----------------------------|
| <u>PRIVATE FIRE PROTECTION</u> | | | | |
| <u>Fire Lines</u> | | | | |
| 2 -inch | 4.00 | 1 | 4 | |
| 3 -inch | 9.00 | 0 | 0 | |
| 4 -inch | 16.00 | 11 | 176 | |
| 6 -inch | 36.00 | 32 | 1,152 | |
| 8 -inch | 64.00 | 15 | 960 | |
| 10 -inch | 100.00 | 14 | 1,400 | |
| 12 -inch | 144.00 | 1 | 144 | |
| Private Hydrants | 20.25 | 3 | 61 | |
| Total Private Fire Protection | | 77 | 3,897 | 0.2487 |
| <u>PUBLIC FIRE PROTECTION</u> | | | | |
| <u>Hydrant</u> | <u>Nozzle Sizes</u> | | | |
| 5 1/4" Valve | 2- 2-1/2" & 1- 4 1/2" | 26.50 | 164 | 4,346 |
| 6" Valve | 2- 2-1/2" & 1- 4 1/2" | 26.50 | 7 | 186 |
| 4 1/4" Valve | 2- 2-1/2" & 1- 4 1/2" | 18.06 | 310 | 5,599 |
| 4 1/2" Valve | 2- 2-1/2" & 1- 4 1/2" | 20.25 | 81 | 1,640 |
| Total Public Fire Protection | | 562 | 11,771 | 0.7513 |
| Total Fire Protection | | 639 | 15,668 | 1.0000 |

MISSOURI AMERICAN WATER
MEXICO DISTRICT
CALCULATION OF THE 5/8-INCH CUSTOMER COSTS PER MONTH
INCLUDING THE UNRECOVERED PUBLIC FIRE COSTS

| Cost Function | Cost of Service | Number of Units | Unit Cost Per Month |
|-------------------------|----------------------------|-----------------------|------------------------|
| Meters | \$ 230,574 | 5,547 5/8 Equivalents | \$ 3.46 |
| Services | 493,995 | 5,628 3/4 Equivalents | 7.31 |
| Billing/Collecting | <u>430,790</u> | 58,044 Bills | <u>7.42</u> |
| Subtotal | 1,155,360 | | 18.19 |
| Unrecovered Public Fire | <u>414,731</u> | 5,547 5/8 Equivalents | 6.23 |
| Total | <u><u>\$ 1,570,091</u></u> | | <u><u>\$ 24.42</u></u> |

MEX-30

Schedule F-MEX

PLATTE COUNTY WATER DISTRICT

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER DISTRICT

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates Consolidated Pricing | | Proposed Increase | |
|---------------------------|---------------------|---------------|-------------------------|---------------|---|---------------|---------------------|------------------|
| | Amount (Schedule B) | Percent | Amount | Percent | Amount | Percent | Amount | Percent Increase |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Residential | \$ 5,502,950 | 69.3% | \$ 4,205,541 | 65.2% | \$ 3,916,152 | 64.1% | \$ (289,389) | -6.9% |
| Commercial | 1,207,737 | 15.2% | 1,175,583 | 18.2% | 1,141,969 | 18.7% | (33,614) | -2.9% |
| Industrial | 21,484 | 0.3% | (55,897) | -0.9% | 18,434 | 0.3% | 74,331 | -133.0% |
| Public Authority | 101,213 | 1.3% | 97,263 | 1.5% | 95,939 | 1.6% | (1,324) | -1.4% |
| Total Rate A | 6,833,385 | 86.1% | 5,422,492 | 84.0% | 5,172,494 | 84.7% | (249,998) | -4.6% |
| Sales for Resale - Rate B | 256,251 | 3.2% | 268,032 | 4.1% | 281,914 | 4.6% | 13,882 | 5.2% |
| Rate J - Large Industrial | 697,771 | 8.8% | 558,771 | 8.6% | \$ 517,623 | 8.5% | (41,148) | -7.4% |
| Private Fire Service | 148,630 | 1.9% | 212,930 | 3.3% | 138,934 | 2.3% | (73,996) | -34.8% |
| Public Fire Service | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% |
| Total Sales | 7,936,036 | <u>100.0%</u> | 6,462,224 | <u>100.0%</u> | 6,110,965 | <u>100.1%</u> | (351,259) | -5.4% |
| Other Revenues | 47,784 | | 47,784 | | 47,784 | | - | 0.0% |
| Total | <u>\$ 7,983,820</u> | | <u>\$ 6,510,007</u> | | <u>\$ 6,158,748</u> | | <u>\$ (351,259)</u> | -5.4% |

PTC-1

Schedule A-PTC

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B Sales for Resale (8) | Rate J Large Users (9) | Fire Protection | |
|---|--------------------|------------------------|--------------------|-------------------|-------------------|------------------------------|--------------------------------------|------------------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | | Private (10) | Public (11) |
| OPERATION AND MAINTENANCE EXPENSES | | | | | | | | | | |
| SOURCE OF SUPPLY EXPENSES | | | | | | | | | | |
| Super & Eng Oper SS | 2 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Labor & Exp Oper SS - Labor | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor & Exp Oper SS | 2 | 866 | 580 | 133 | 2 | 10 | 46 | 92 | 0 | 2 |
| Purchased Water | 1 | 540,359 | 296,171 | 99,048 | 2,107 | 7,673 | 39,608 | 92,780 | 540 | 2,432 |
| TOTAL SS EXPENSE - OPERATION | | 541,225 | 296,751 | 99,181 | 2,110 | 7,683 | 39,655 | 92,872 | 541 | 2,433 |
| Misc Exp Oper SS | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Exp Oper SS | 2 | (41) | (27) | (6) | (0) | (0) | (2) | (4) | (0) | (0) |
| Wells & Springs Maint SS - Labor | 2 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Infiltr Gall & Tunnels Maint SS - Labor | 2 | 10 | 7 | 2 | 0 | 0 | 1 | 1 | 0 | 0 |
| Supply Mains Maint SS - Labor | 2 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Plant Maint SS - Labor | 2 | 5 | 3 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Plant Maint SS | 2 | 1,200 | 804 | 184 | 3 | 14 | 64 | 128 | 0 | 2 |
| TOTAL SS EXPENSE - MAINTENANCE | | 1,179 | 790 | 181 | 3 | 14 | 63 | 125 | 0 | 2 |
| TOTAL SS EXPENSE | | 542,404 | 297,541 | 99,362 | 2,113 | 7,697 | 39,718 | 92,997 | 541 | 2,435 |
| POWER AND PUMPING EXPENSES | | | | | | | | | | |
| Super & Eng Oper P - Labor | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Purch Fuel/Power for Pump | 1 | 64,630 | 35,424 | 11,847 | 252 | 918 | 4,737 | 11,097 | 65 | 291 |
| Labor & Exp Oper Pump - Labor | 3 | 87,049 | 55,964 | 12,840 | 218 | 1,001 | 4,457 | 8,879 | 688 | 3,003 |
| TOTAL PUMPING EXPENSE - OPERATION | | 151,679 | 91,387 | 24,686 | 470 | 1,919 | 9,194 | 19,976 | 752 | 3,294 |
| Super & Eng Maint P | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Struct & Improve Maint P - Labor | 3 | 3 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pump Equip Maint P - Labor | 3 | 6,904 | 4,438 | 1,018 | 17 | 79 | 353 | 704 | 55 | 238 |
| Pump Equip Maint P | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL PUMPING EXPENSES - MAINTENANCE | | 6,907 | 4,441 | 1,019 | 17 | 79 | 354 | 705 | 55 | 238 |
| TOTAL PUMPING EXPENSES | | 158,586 | 95,828 | 25,705 | 487 | 1,998 | 9,548 | 20,680 | 807 | 3,532 |
| WATER TREATMENT | | | | | | | | | | |
| Super & Eng Oper WT | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Chemicals | 1 | 125,024 | 68,526 | 22,917 | 488 | 1,775 | 9,164 | 21,467 | 125 | 563 |
| Labor & Exp Oper WT | 2 | 15,432 | 10,338 | 2,370 | 42 | 184 | 824 | 1,640 | 6 | 28 |
| Misc Exp Oper WT | 2 | 127,697 | 85,544 | 19,614 | 345 | 1,520 | 6,819 | 13,574 | 51 | 230 |

PTC-2

Schedule B-PTC

**MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER DISTRICT**

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B Sales for Resale (8) | Rate J Large Users (9) | Fire Protection | |
|---|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|--------------------------------------|------------------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | | Private (10) | Public (11) |
| Rents Oper WT | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL WT EXPENSE - OPERATION | | 268,153 | 164,408 | 44,902 | 874 | 3,479 | 16,807 | 36,681 | 182 | 820 |
| Super & Eng Maint WT | 2 | 11 | 7 | 2 | 0 | 0 | 1 | 1 | 0 | 0 |
| Struct & Improve Maint WT - Labor | 2 | 84 | 56 | 13 | 0 | 1 | 4 | 9 | 0 | 0 |
| WT Equip Maint WT | 2 | 6,167 | 4,132 | 947 | 17 | 73 | 329 | 656 | 2 | 11 |
| TOTAL WT EXPENSE - MAINTENANCE | | 6,262 | 4,195 | 962 | 17 | 75 | 334 | 668 | 3 | 11 |
| TOTAL WT EXPENSE | | 274,415 | 168,603 | 45,863 | 891 | 3,553 | 17,142 | 37,347 | 185 | 832 |
| TRANSMISSION AND DISTRIBUTION EXPENSES | | | | | | | | | | |
| Super & Eng Oper TD | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TD Lines Exp - Labor | 6 | 951 | 507 | 133 | 2 | 10 | 18 | 88 | 36 | 157 |
| TD Lines Exp | 6 | 50 | 27 | 7 | 0 | 1 | 1 | 5 | 2 | 8 |
| Customer Install Exp - Labor | 9 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Exp Oper TD - Labor | 10 | 48,553 | 25,889 | 6,763 | 107 | 524 | 923 | 4,511 | 1,826 | 8,011 |
| Misc Exp Oper TD | 10 | 77,775 | 41,470 | 10,834 | 171 | 840 | 1,478 | 7,225 | 2,924 | 12,833 |
| Rents Oper TD | 10 | 2,710 | 1,445 | 378 | 6 | 29 | 51 | 252 | 102 | 447 |
| TOTAL T & D EXPENSE OPERATION | | 130,041 | 69,338 | 18,115 | 286 | 1,404 | 2,471 | 12,081 | 4,889 | 21,457 |
| Super & Eng Maint TD | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Struct & Improve Maint TD - Labor | 11 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TD Main Maint TD - Labor | 6 | 9,472 | 5,048 | 1,319 | 21 | 102 | 180 | 881 | 355 | 1,565 |
| TD Main Maint TD | 6 | 253,403 | 135,064 | 35,299 | 557 | 2,737 | 4,815 | 23,566 | 9,503 | 41,862 |
| Services Maint TD - Labor | 9 | 14 | 11 | 2 | 0 | 0 | 0 | 0 | 1 | 0 |
| Meters Maint TD - Labor | 8 | 51 | 42 | 7 | 0 | 1 | 0 | 0 | 0 | 0 |
| Hydrants Maint TD - Labor | 7 | 289 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 289 |
| Misc Plant Maint TD - Labor | 11 | 513 | 273 | 71 | 1 | 6 | 10 | 48 | 19 | 85 |
| Mat and Sup Maint TD | 11 | 55,413 | 29,502 | 7,708 | 122 | 598 | 1,053 | 5,148 | 2,078 | 9,204 |
| TOTAL T & D EXPENSE - MAINTENANCE | | 319,157 | 169,941 | 44,407 | 702 | 3,444 | 6,058 | 29,643 | 11,956 | 53,006 |
| TOTAL T & D EXPENSE | | 449,198 | 239,279 | 62,522 | 988 | 4,849 | 8,528 | 41,724 | 16,846 | 74,463 |
| CUSTOMER ACCOUNTS | | | | | | | | | | |
| Supervision CA | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meter Reading Exp CA | 13 | 43,338 | 39,633 | 3,285 | 52 | 299 | 30 | 39 | 0 | 0 |
| Cust Rec & Collection CA | 12 | 56,545 | 50,778 | 4,207 | 68 | 379 | 40 | 45 | 1,029 | 0 |
| Cust Rec & Collection CA | 12 | 46,946 | 42,158 | 3,493 | 56 | 315 | 33 | 38 | 854 | 0 |

PTC-3

Schedule B-PTC

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|---|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|-------------------------|--------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large Users (9) | Private (10) | Public (11) |
| Uncollectible Accts | 12 | 40,733 | 36,578 | 3,031 | 49 | 273 | 29 | 33 | 741 | 0 |
| Misc Cust Accts Exp CA | 12 | 1,098 | 986 | 82 | 1 | 7 | 1 | 1 | 20 | 0 |
| TOTAL CUSTOMER ACCOUNTING EXPENSE | | 188,661 | 170,133 | 14,097 | 226 | 1,273 | 132 | 155 | 2,645 | 0 |
| ADMINISTRATIVE AND GENERAL EXPENSES | | | | | | | | | | |
| Salaries AG | 14 | 169,102 | 109,375 | 21,763 | 355 | 1,725 | 4,126 | 12,936 | 3,889 | 14,932 |
| Other Supplies & Exp AG | 14 | 47,185 | 30,519 | 6,073 | 99 | 481 | 1,151 | 3,610 | 1,085 | 4,166 |
| Mgmt Fees-Admin | 14 | 409,018 | 264,553 | 52,641 | 859 | 4,172 | 9,980 | 31,290 | 9,407 | 36,116 |
| Mgmt Fees-Customer Service | 12 | 75,138 | 67,474 | 5,590 | 90 | 503 | 53 | 60 | 1,368 | 0 |
| Mgmt Fees-Belleville Lab | 2 | 2,359 | 1,580 | 362 | 6 | 28 | 126 | 251 | 1 | 4 |
| Mgmt Fees- Employee | 16 | 25,447 | 17,568 | 3,094 | 51 | 249 | 611 | 1,695 | 476 | 1,702 |
| Outside Services AG | 14 | 26,303 | 17,013 | 3,385 | 55 | 268 | 642 | 2,012 | 605 | 2,323 |
| Outside Services AG | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Property Insurance | 14 | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) |
| Ins Gen Liab Oper AG | 14 | 57,676 | 37,305 | 7,423 | 121 | 588 | 1,407 | 4,412 | 1,327 | 5,093 |
| Ins Work Comp AG | 16 | 14,782 | 10,205 | 1,797 | 30 | 145 | 355 | 984 | 276 | 989 |
| Ins Other Oper AG | 14 | 8,662 | 5,602 | 1,115 | 18 | 88 | 211 | 663 | 199 | 765 |
| Ins Vehicle | 14 | 2,468 | 1,596 | 318 | 5 | 25 | 60 | 189 | 57 | 218 |
| Injuries & Damages | 16 | (368) | (254) | (45) | (1) | (4) | (9) | (25) | (7) | (25) |
| Employee Pension & Benefits | 16 | 166,741 | 115,118 | 20,276 | 333 | 1,634 | 4,002 | 11,105 | 3,118 | 11,155 |
| Reg Commission Exp | 19 | 18,630 | 11,500 | 2,599 | 45 | 211 | 602 | 1,630 | 348 | 1,695 |
| Rents AG | 14 | 5,487 | 3,549 | 706 | 12 | 56 | 134 | 420 | 126 | 485 |
| Goodwill Advertising Exp | 14 | 312 | 202 | 40 | 1 | 3 | 8 | 24 | 7 | 28 |
| Misc Exp AG | 14 | 36,234 | 23,436 | 4,663 | 76 | 370 | 884 | 2,772 | 833 | 3,200 |
| Research & Development | 14 | 1,471 | 951 | 189 | 3 | 15 | 36 | 113 | 34 | 130 |
| TOTAL A & G OPERATIONS | | 1,066,647 | 717,294 | 131,991 | 2,159 | 10,559 | 24,378 | 74,140 | 23,150 | 82,975 |
| General Plant Maint AG | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maint Exp ARO/Net Neg Sal AG | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| General Plant Maint AG | 14 | 11,668 | 7,547 | 1,502 | 25 | 119 | 285 | 893 | 268 | 1,030 |
| TOTAL A & G EXPENSE - MAINTENANCE | | 11,668 | 7,547 | 1,502 | 25 | 119 | 285 | 893 | 268 | 1,030 |
| TOTAL A & G EXPENSE | | 1,078,315 | 724,841 | 133,492 | 2,183 | 10,678 | 24,663 | 75,033 | 23,419 | 84,006 |
| Total Operation & Maintenance Expenses | | 2,691,579 | 1,696,225 | 381,041 | 6,888 | 30,048 | 99,731 | 267,937 | 44,442 | 165,267 |

PTC-4

Schedule B-PTC

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|-----------------------------|-----------------------|---------------------------|--------------------|-------------------|-------------------|------------------------------|----------------------------|--------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large Users (9) | Private (10) | Public (11) |
| DEPRECIATION EXPENSE | | | | | | | | | | |
| Struct & Imp SS | 2 | 379 | 254 | 58 | 1 | 5 | 20 | 40 | 0 | 1 |
| Struct & Imp P | 3 | 2,544 | 1,636 | 375 | 6 | 29 | 130 | 259 | 20 | 88 |
| Struct & Imp WT | 2 | 87,749 | 58,783 | 13,478 | 237 | 1,044 | 4,686 | 9,328 | 35 | 158 |
| Struct & Imp TD | 6 | 4,316 | 2,300 | 601 | 9 | 47 | 82 | 401 | 162 | 713 |
| Struct & Imp Store,Shop,Gar | 14 | 6,260 | 4,049 | 806 | 13 | 64 | 153 | 479 | 144 | 553 |
| Struct & Imp Misc | 14 | 85,122 | 55,057 | 10,955 | 179 | 868 | 2,077 | 6,512 | 1,958 | 7,516 |
| Wells & Springs | 2 | 35,186 | 23,571 | 5,405 | 95 | 419 | 1,879 | 3,740 | 14 | 63 |
| Supply Mains | 2 | 2,998 | 2,008 | 460 | 8 | 36 | 160 | 319 | 1 | 5 |
| Power Generation Equip | 3 | 4,122 | 2,650 | 608 | 10 | 47 | 211 | 420 | 33 | 142 |
| WT Equip Non-Media | 2 | 55,502 | 37,181 | 8,525 | 150 | 660 | 2,964 | 5,900 | 22 | 100 |
| WT Equip Filter Media | 2 | 4,067 | 2,724 | 625 | 11 | 48 | 217 | 432 | 2 | 7 |
| Dist Reservoirs & Standpipe | 5 | 61,017 | 37,190 | 10,647 | 153 | 824 | 1,397 | 6,858 | 726 | 3,222 |
| Elevated Tanks & Standpipes | 5 | 2,048 | 1,248 | 357 | 5 | 28 | 47 | 230 | 24 | 108 |
| Ground Level Facilities | 5 | 1,338 | 816 | 233 | 3 | 18 | 31 | 150 | 16 | 71 |
| Below Ground Facilities | 5 | 511 | 311 | 89 | 1 | 7 | 12 | 57 | 6 | 27 |
| TD Mains Not Classified by | 6 | 71,504 | 38,112 | 9,961 | 157 | 772 | 1,359 | 6,650 | 2,681 | 11,812 |
| TD Mains 4" & Less | 4 | 9,714 | 4,549 | 1,307 | 19 | 101 | 0 | 852 | 534 | 2,352 |
| TD Mains 6 to 8" | 4 | 84,991 | 39,801 | 11,431 | 170 | 884 | 0 | 7,454 | 4,675 | 20,576 |
| TD Mains 10 to 16" | 3 | 69,580 | 44,733 | 10,263 | 174 | 800 | 3,562 | 7,097 | 550 | 2,401 |
| TD Mains 18" & Grtr | 3 | 95,328 | 61,286 | 14,061 | 238 | 1,096 | 4,881 | 9,723 | 753 | 3,289 |
| Fire Mains | 7 | 1,504 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,504 |
| Services | 9 | 73,825 | 56,100 | 9,811 | 221 | 1,078 | 207 | 251 | 6,157 | 0 |
| Meters Bronze Case | 8 | 26,729 | 22,177 | 3,699 | 75 | 422 | 123 | 136 | 96 | 0 |
| Meters Plastic Case | 8 | 22 | 18 | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meters Other | 8 | 10,170 | 8,438 | 1,408 | 28 | 181 | 47 | 52 | 37 | 0 |
| Meters Other-Rem Rdr Unts | 8 | 314 | 261 | 43 | 1 | 5 | 1 | 2 | 1 | 0 |
| Meter Installations | 8 | 40,754 | 33,814 | 5,640 | 114 | 644 | 187 | 208 | 147 | 0 |
| Meter Vaults | 8 | 9,134 | 7,578 | 1,264 | 26 | 144 | 42 | 47 | 33 | 0 |
| Hydrants | 7 | 33,842 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33,842 |
| Other P/E TD | 6 | 582 | 310 | 81 | 1 | 6 | 11 | 54 | 22 | 96 |
| Other P/E CPS | 14 | 3,212 | 2,078 | 413 | 7 | 33 | 78 | 246 | 74 | 284 |
| Office Furniture & Equip | 14 | 222 | 144 | 29 | 0 | 2 | 5 | 17 | 5 | 20 |

PTC-5

Schedule B-PTC

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|--|--------------------|------------------------|---------------------|---------------------|-------------------|---------------------------|-------------------------|--------------------|-------------------|-------------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large Users (9) | Private (10) | Public (11) |
| Comp & Periph Equip | 14 | 33,536 | 21,691 | 4,316 | 70 | 342 | 818 | 2,565 | 771 | 2,961 |
| Computer Software | 14 | 5,373 | 3,475 | 692 | 11 | 55 | 131 | 411 | 124 | 474 |
| Comp Software Mainframe | 14 | 40,937 | 26,478 | 5,269 | 86 | 418 | 999 | 3,132 | 942 | 3,615 |
| Comp Software Mainframe - CIS | 12 | 20,939 | 18,803 | 1,558 | 25 | 140 | 15 | 17 | 381 | 0 |
| Comp Software Other | 14 | 53 | 34 | 7 | 0 | 1 | 1 | 4 | 1 | 5 |
| Data Handling Equipment | 14 | 14,400 | 9,314 | 1,853 | 30 | 147 | 351 | 1,102 | 331 | 1,272 |
| Other Office Equipment | 14 | 1,779 | 1,151 | 229 | 4 | 18 | 43 | 136 | 41 | 157 |
| Trans Equip Lt Duty Trks | 14 | 5,683 | 3,676 | 731 | 12 | 58 | 139 | 435 | 131 | 502 |
| Trans Equip Other | 14 | 8 | 5 | 1 | 0 | 0 | 0 | 1 | 0 | 1 |
| Stores Equipment | 14 | 627 | 406 | 81 | 1 | 6 | 15 | 48 | 14 | 55 |
| Tools,Shop,Garage Equip | 14 | 4,945 | 3,198 | 636 | 10 | 50 | 121 | 378 | 114 | 437 |
| Laboratory Equipment | 2 | 4,153 | 2,782 | 638 | 11 | 49 | 222 | 441 | 2 | 7 |
| Comm Equip Non-Telephone | 14 | 2,690 | 1,740 | 346 | 6 | 27 | 66 | 206 | 62 | 238 |
| Remote Control & Instr | 14 | 3,798 | 2,457 | 489 | 8 | 39 | 93 | 291 | 87 | 335 |
| Comm Equip Telephone | 14 | 4 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Equipment | 14 | 22,368 | 14,468 | 2,879 | 47 | 228 | 546 | 1,711 | 514 | 1,975 |
| Other Tangible Property | 14 | 34 | 22 | 4 | 0 | 0 | 1 | 3 | 1 | 3 |
| Total Depreciation Expense | | 1,045,912 | 658,878 | 142,368 | 2,438 | 11,872 | 28,130 | 78,796 | 22,444 | 100,986 |
| Amort-Other UP | 18 | 4,573 | 2,767 | 636 | 11 | 52 | 140 | 379 | 89 | 499 |
| Amort-UPAA | 2 | 777 | 521 | 119 | 2 | 9 | 41 | 83 | 0 | 1 |
| Amort-Property Losses | 2 | 4,553 | 3,050 | 699 | 12 | 54 | 243 | 484 | 2 | 8 |
| Taxes Other Than Income | | | | | | | | | | |
| Utility Reg Assessment Fee | 19 | 58,498 | 36,111 | 8,160 | 140 | 661 | 1,889 | 5,119 | 1,094 | 5,323 |
| Property Taxes | 18 | 1,056,178 | 639,093 | 146,914 | 2,535 | 12,040 | 32,319 | 87,452 | 20,595 | 115,229 |
| Payroll Taxes | 16 | 31,990 | 22,086 | 3,890 | 64 | 314 | 768 | 2,131 | 598 | 2,140 |
| Other Taxes & Licenses | 14 | 2,261 | 1,462 | 291 | 5 | 23 | 55 | 173 | 52 | 200 |
| Gross Receipts Tax | 19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Taxes, Other Than Income | | 1,148,927 | 698,752 | 159,256 | 2,744 | 13,038 | 35,031 | 94,874 | 22,340 | 122,892 |
| Income Taxes | 18 | 924,790 | 559,590 | 128,638 | 2,219 | 10,543 | 28,299 | 76,573 | 18,033 | 100,895 |
| Utility Income Available for Return | 18 | 2,162,709 | 1,308,655 | 300,833 | 5,191 | 24,655 | 66,179 | 179,072 | 42,173 | 235,952 |
| Revenue Contribution | 19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Cost of Service | | 7,983,820 | 4,928,439 | 1,113,591 | 19,505 | 90,271 | 257,794 | 698,196 | 149,523 | 726,500 |
| Less: Other Water Revenues | 19 | 47,784 | 29,497 | 6,666 | 115 | 540 | 1,543 | 4,181 | 894 | 4,348 |
| Total Other Water Revenues | | 47,784 | 29,497 | 6,666 | 115 | 540 | 1,543 | 4,181 | 894 | 4,348 |
| Total Cost of Service Related to Sales of Water | | \$ 7,936,036 | \$ 4,898,942 | \$ 1,106,925 | \$ 19,390 | \$ 89,731 | \$ 256,251 | \$ 694,015 | \$ 148,630 | \$ 722,152 |
| Reallocation of Public Fire | 20 | (0) | 604,008 | 100,812 | 2,094 | 11,482 | 0 | 3,755 | 0 | (722,152) |
| Total | | \$ 7,936,036 | \$ 5,502,950 | \$ 1,207,737 | \$ 21,484 | \$ 101,213 | \$ 256,251 | \$ 697,771 | \$ 148,630 | \$ - |

PTC-6

Schedule B-PTC

**MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER 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, 100 Gallons (2) | Allocation Factor (3) |
|-----------------------------------|---|-----------------------------|
| Residential - Rate A | 11,446 | 0.5481 |
| Commercial - Rate A | 3,827 | 0.1833 |
| Industrial - Rate A | 82 | 0.0039 |
| Other Public Authority - Rate A | 296 | 0.0142 |
| Sales for Resale - Rate B | 1,530 | 0.0733 |
| Rate J - Large Industrial | 3,584 | 0.1717 |
| Private Fire Protection | 21 | 0.0010 |
| Public Fire Protection | 93 | 0.0045 |
| Total | <u>20,879</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 0.4000 | Allocation Factor (4) | Weighted Factor (5)=(4)x 0.6000 | |
| Residential - Rate A | 0.5481 | 0.2192 | 0.7510 | 0.4507 | 0.6699 |
| Commercial - Rate A | 0.1833 | 0.0733 | 0.1339 | 0.0803 | 0.1536 |
| Industrial - Rate A | 0.0039 | 0.0016 | 0.0018 | 0.0011 | 0.0027 |
| Other Public Authority - R: | 0.0142 | 0.0057 | 0.0104 | 0.0062 | 0.0119 |
| Sales for Resale - Rate B | 0.0733 | 0.0293 | 0.0402 | 0.0241 | 0.0534 |
| Rate J - Large Industrial | 0.1717 | 0.0687 | 0.0627 | 0.0376 | 0.1063 |
| Private Fire Protection | 0.0010 | 0.0004 | | | 0.0004 |
| Public Fire Protection | 0.0045 | 0.0018 | | | 0.0018 |
| Total | <u>1.0000</u> | <u>0.4000</u> | <u>1.0000</u> | <u>0.6000</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
PLATTE COUNTY WATER 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 (1) | Average Daily Consumption, 100 Gallons (2) | Maximum Day Extra Capacity | | |
|-----------------------------------|---|----------------------------|--|-----------------------------|
| | | Factor* (3) | Rate of Flow, 100 Gallons Per Day (4)=(2)x(3) | Allocation Factor (5) |
| Residential - Rate A | 11,446 | 1.5 | 17,169 | 0.7510 |
| Commercial - Rate A | 3,827 | 0.8 | 3,062 | 0.1339 |
| Industrial - Rate A | 82 | 0.5 | 41 | 0.0018 |
| Other Public Authority - Rate | 296 | 0.8 | 237 | 0.0104 |
| Sales for Resale - Rate B | 1,530 | 0.6 | 918 | 0.0402 |
| Rate J - Large Industrial | 3,584 | 0.4 | 1,434 | 0.0627 |
| Total | 20,765 | | 22,861 | 1.0000 |

The weighting of the factors is based on the maximum day ratio of 2.50, based on a review of maximum day ratios experienced during the period 1990 through 2014 (see Schedule D).

| | Maximum Day Ratio | Weight |
|-------------------------------|-------------------------|--------|
| Average Day | 1.00 | 0.4000 |
| Maximum Day Extra Capacity | 1.50 | 0.6000 |
| Total | 2.50 | 1.0000 |

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER 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 | (4) | (5)=(4) X | (6) | (7)=(6) X | (8)=(3)+(5)+(7) |
| | | 0.3839 | | 0.5758 | | 0.0403 | |
| Residential - Rate A | 0.5481 | 0.2104 | 0.7510 | 0.4325 | | | 0.6429 |
| Commercial - Rate A | 0.1833 | 0.0704 | 0.1339 | 0.0771 | | | 0.1475 |
| Industrial - Rate A | 0.0039 | 0.0015 | 0.0018 | 0.0010 | | | 0.0025 |
| Other Public Authority - Rate A | 0.0142 | 0.0055 | 0.0104 | 0.0060 | | | 0.0115 |
| Sales for Resale - Rate B | 0.0733 | 0.0281 | 0.0402 | 0.0231 | | | 0.0512 |
| Rate J - Large Industrial | 0.1717 | 0.0659 | 0.0627 | 0.0361 | | | 0.1020 |
| Private Fire Protection | 0.0010 | 0.0004 | | | 0.1849 | 0.0075 | 0.0079 |
| Public Fire Protection | 0.0045 | 0.0017 | | | 0.8151 | 0.0328 | 0.0345 |
| Total | 1.0000 | 0.3839 | 1.0000 | 0.5758 | 1.0000 | 0.0403 | 1.0000 |

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Schedule C-PTC

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER 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 2.50 and the average daily system sendout for 2014 of 2.287 MGD. The system demand for fire protection is 2,000 Gallons per minute for 2 hours.

| | <u>Ratio</u> | <u>Rate of Flow, (GPD)</u> | <u>Weight</u> |
|-------------------------------|--------------|--------------------------------|---------------|
| Average Day | 1.00 | 2,286,945 | 0.3839 |
| Maximum Day Extra Capacity | <u>1.50</u> | <u>3,430,418</u> | <u>0.5758</u> |
| Subtotal | <u>2.50</u> | 5,717,363 | 0.9597 |
| Fire Protection | | <u>240,000</u> | <u>0.0403</u> |
| Total | | <u>5,957,363</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
PLATTE COUNTY WATER 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 (1) | Average Hourly Consumption | | | Maximum Hour Extra Capacity | | Fire Protection | | Allocation Factor (9)=(4)+(6)+(8) |
|---------------------------------|----------------------------|--------------------------|--|-----------------------------|--|--------------------------|--|--------------------------------------|
| | 100 Gallons (2) | Allocation Factor (3) | Weighted Factor (4)=(3) X 0.2347 | Allocation Factor (5) | Weighted Factor (6)=(5) X 0.4696 | Allocation Factor (7) | Weighted Factor (8)=(7) X 0.2957 | |
| Residential - Rate A | 476.9 | 0.5916 | 0.1388 | 0.7016 | 0.3295 | | | 0.4683 |
| Commercial - Rate A | 159.5 | 0.1978 | 0.0464 | 0.1877 | 0.0881 | | | 0.1345 |
| Industrial - Rate A | 3.4 | 0.0042 | 0.0010 | 0.0021 | 0.0010 | | | 0.0020 |
| Other Public Authority - Rate A | 12.3 | 0.0153 | 0.0036 | 0.0145 | 0.0068 | | | 0.0104 |
| Sales for Resale - Rate B | 0.0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | | | 0.0000 |
| Rate J - Large Industrial | 149.3 | 0.1852 | 0.0435 | 0.0941 | 0.0442 | | | 0.0877 |
| Private Fire Protection | 0.9 | 0.0011 | 0.0003 | | | 0.1849 | 0.0547 | 0.0550 |
| Public Fire Protection | 3.9 | 0.0048 | 0.0011 | | | 0.8151 | 0.2410 | 0.2421 |
| Total | 806.2 | 1.0000 | 0.2347 | 1.0000 | 0.4696 | 1.0000 | 0.2957 | 1.0000 |

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

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Schedule C-PTC

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER 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 3.0 and the average daily system sendout for 2014 of 2.827 MGD. The system demand for fire protection is 2,000 gallons per minute.

| | Ratio | Rate of Flow, (GPM) | Weight |
|--------------------------------|-------------|------------------------|---------------|
| Average Hour | 1.00 | 1,588 | 0.2347 |
| Maximum Hour Extra Capacity | <u>2.00</u> | <u>3,176</u> | <u>0.4696</u> |
| Subtotal | <u>3.00</u> | 4,764 | 0.7043 |
| Fire Protection | | <u>2,000</u> | <u>0.2957</u> |
| Total | | <u>6,764</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 100 Gallons | Maximum Hour Extra Capacity | | |
|---------------------------------|---|-----------------------------|-------------------------|----------------------|
| | | Factor* | 100 Gallons Per Hour | Allocation Factor |
| (1) | (2) | (3) | (4)=(2)x(3) | (5) |
| Residential - Rate A | 476.9 | 3.5 | 1,669.2 | 0.7016 |
| Commercial - Rate A | 159.5 | 2.8 | 446.6 | 0.1877 |
| Industrial - Rate A | 3.4 | 1.5 | 5.1 | 0.0021 |
| Other Public Authority - Rate A | 12.3 | 2.8 | 34.4 | 0.0145 |
| Sales for Resale - Rate B | 0.0 | 2.0 | 0.0 | 0.0000 |
| Rate J - Large Industrial | <u>149.3</u> | 1.5 | <u>224.0</u> | <u>0.0941</u> |
| Total | <u>801.4</u> | | <u>2,379.3</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
PLATTE COUNTY WATER 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 |
|-----------------------------|----------------------------|-------------------|---------------------|-----------------------------|---------------------|-------------------|---------------------|-------------------|
| | 100 Gallons | Allocation Factor | Weighted Factor | Allocation Factor | Weighted Factor | Allocation Factor | Weighted Factor | |
| (1) | (2) | (3) | (4)=(3) X 0.3123 | (5) | (6)=(5) X 0.6247 | (7) | (8)=(7) X 0.0630 | (9)=(4)+(6)+(8) |
| Residential - Rate A | 476.9 | 0.5483 | 0.1713 | 0.7016 | 0.4382 | | | 0.6095 |
| Commercial - Rate A | 159.5 | 0.1833 | 0.0572 | 0.1877 | 0.1173 | | | 0.1745 |
| Industrial - Rate A | 3.4 | 0.0039 | 0.0012 | 0.0021 | 0.0013 | | | 0.0025 |
| Other Public Authority - Ra | 12.3 | 0.0141 | 0.0044 | 0.0145 | 0.0091 | | | 0.0135 |
| Sales for Resale - Rate B | 63.8 | 0.0733 | 0.0229 | 0.0000 | 0.0000 | | | 0.0229 |
| Rate J - Large Industrial | 149.3 | 0.1716 | 0.0536 | 0.0941 | 0.0588 | | | 0.1124 |
| Private Fire Protection | 0.9 | 0.0010 | 0.0003 | | | 0.1849 | 0.0116 | 0.0119 |
| Public Fire Protection | 3.9 | 0.0045 | 0.0014 | | | 0.8151 | 0.0514 | 0.0528 |
| Total | 870.0 | 1.0000 | 0.3123 | 1.0000 | 0.6247 | 1.0000 | 0.0630 | 1.0000 |

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.

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Schedule C-PTC

MISSOURI-AMERICAN WATER COMPANY
 PLATTE COUNTY WATER 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.

$$\text{Fire Protection Weight} = \frac{2,000 \text{ GPM} \times 60 \text{ Min.} \times 2 \text{ Hrs.}}{3,810,000 \text{ Gallons}} = 0.0630$$

$$\text{General Service Weight} = 1.0000 - 0.0630 = 0.9370$$

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 | 33.33 | 0.3123 |
| Extra Capacity Maximum Hour | <u>2.00</u> | <u>66.67</u> | <u>0.6247</u> |
| Total | <u><u>3.00</u></u> | <u><u>100.00</u></u> | <u><u>0.9370</u></u> |

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 6. 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 0.3707 | Allocation Factor 4 | Weighted Factor (5)=(4)X 0.6293 | |
| (1) | (2) | | (4) | (5) | (6)=(3)+(5) |
| Residential - Rate A | 0.6429 | 0.2383 | 0.4683 | 0.2947 | 0.5330 |
| Commercial - Rate A | 0.1475 | 0.0547 | 0.1345 | 0.0846 | 0.1393 |
| Industrial - Rate A | 0.0025 | 0.0009 | 0.0020 | 0.0013 | 0.0022 |
| Other Public Authority - Rate A | 0.0115 | 0.0043 | 0.0104 | 0.0065 | 0.0108 |
| Sales for Resale - Rate B | 0.0512 | 0.0190 | 0.0000 | 0.0000 | 0.0190 |
| Rate J - Large Industrial | 0.1020 | 0.0378 | 0.0877 | 0.0552 | 0.0930 |
| Private Fire Protection | 0.0079 | 0.0029 | 0.0550 | 0.0346 | 0.0375 |
| Public Fire Protection | 0.0345 | 0.0128 | 0.2421 | 0.1524 | 0.1652 |
| Total | 1.0000 | 0.3707 | 1.0000 | 0.6293 | 1.0000 |

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 | 193,468 | 0.3707 |
| Distribution Mains | 328,403 | 0.6293 |
| Total | 521,871 | 1.0000 |

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 7. 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 8. 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 - Rate A | 5,831 | 0.8297 |
| Commercial - Rate A | 973 | 0.1384 |
| Industrial - Rate A | 20 | 0.0028 |
| Other Public Authority - Rate A | 111 | 0.0158 |
| Sales for Resale - Rate B | 32 | 0.0046 |
| Rate J - Large Industrial | 36 | 0.0051 |
| Private Fire | <u>25</u> | <u>0.0036</u> |
| Total | <u><u>7,028</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

| Meter Size (1) | 5/8" Dollar Equivalent (2) | Rate A | | | | | | | | Rate B | | Rate J | | Rate F | | Total | |
|-------------------|-------------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|---------------------------|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|-------------------|
| | | Residential | | Commercial | | Industrial | | Other Public Authority | | Sales for Resale | | Large Users | | Private Fire | | Total | |
| | | Number of Meters (3) | Weighting (4)=(2)X(3) | Number of Meters (5) | Weighting (6)=(2)X(5) | Number of Meters (7) | Weighting (8)=(2)X(7) | Number of Meters (9) | Weighting (10)=(2)X(9) | Number of Meters (11) | Weighting (12)=(2)X(11) | Number of Meters (11) | Weighting (12)=(2)X(11) | Number of Meters (13) | Weighting (14)=(2)X(13) | Number of Meters (15) | Weighting (16) |
| 5/8 | 1.0 | 4,871 | 4,871 | 246 | 246 | 3 | 3 | 19 | 19 | 0 | 0 | 0 | 0 | 10 | 10 | 5,149 | 5,149 |
| 3/4 | 2.1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1 | 2.0 | 446 | 892 | 78 | 156 | 0 | 0 | 3 | 6 | 0 | 0 | 2 | 4 | 1 | 2 | 530 | 1,060 |
| 1-1/2 | 3.5 | 12 | 42 | 36 | 126 | 0 | 0 | 8 | 28 | 0 | 0 | 0 | 0 | 0 | 0 | 56 | 196 |
| 2 | 4.3 | 6 | 26 | 65 | 280 | 4 | 17 | 8 | 34 | 0 | 0 | 1 | 4 | 3 | 13 | 87 | 374 |
| 3 | 7.0 | 0 | 0 | 11 | 77 | 0 | 0 | 1 | 7 | 3 | 21 | 0 | 0 | 0 | 0 | 15 | 105 |
| 4 | 10.5 | 0 | 0 | 2 | 21 | 0 | 0 | 0 | 0 | 1 | 11 | 1 | 11 | 0 | 0 | 4 | 43 |
| 6 | 16.8 | 0 | 0 | 4 | 67 | 0 | 0 | 1 | 17 | 0 | 0 | 1 | 17 | 0 | 0 | 6 | 101 |
| 8 | 64.0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | <u>5,335</u> | <u>5,831</u> | <u>442</u> | <u>973</u> | <u>7</u> | <u>20</u> | <u>40</u> | <u>111</u> | <u>4</u> | <u>32</u> | <u>5</u> | <u>36</u> | <u>14</u> | <u>25</u> | <u>5,847</u> | <u>7,028</u> |

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MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 9. 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 - Rate A | 6,263 | 0.7599 |
| Commercial - Rate A | 1,095 | 0.1329 |
| Industrial - Rate A | 25 | 0.0030 |
| Other Public Authority - Rate A | 120 | 0.0146 |
| Sales for Resale - Rate B | 23 | 0.0028 |
| Rate J - Large Industrial | 28 | 0.0034 |
| Private Fire Protection | <u>687</u> | <u>0.0834</u> |
| Total | <u><u>8,241</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

| Rate A | | | | Rate B | | | | Rate J | | Rate F | | Total | | | |
|--------------------|--------------|--------------------|--------------|--------------------|-------------|------------------------|--------------|--------------------|---------------|--------------------|---------------|-------------------------|---------------|--------------------|--------------|
| Residential | | Commercial | | Industrial | | Other Public Authority | | Sales for Resale | | Large Users | | Private Fire Protection | | Total | |
| Number of Services | Weighting | Number of Services | Weighting | Number of Services | Weighting | Number of Services | Weighting | Number of Services | Weighting | Number of Services | Weighting | Number of Services | Weighting | Number of Services | Weighting |
| (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) | (11) | (12)=(2)X(11) | (13) | (14)=(2)X(11) | (15) | (16) |
| 4,871 | 4,871 | 246 | 246 | 3 | 3 | 19 | 19 | 0 | 0 | 0 | 0 | 0 | 0 | 5,139 | 5,139 |
| 446 | 1,311 | 78 | 229 | 0 | 0 | 3 | 9 | 0 | 0 | 2 | 6 | 0 | 0 | 529 | 1,555 |
| 12 | 48 | 36 | 145 | 0 | 0 | 8 | 32 | 0 | 0 | 0 | 0 | 0 | 0 | 56 | 225 |
| 6 | 33 | 65 | 361 | 4 | 22 | 8 | 44 | 0 | 0 | 1 | 6 | 1 | 6 | 85 | 472 |
| 0 | 0 | 11 | 61 | 0 | 0 | 1 | 6 | 3 | 17 | 0 | 0 | 1 | 6 | 16 | 90 |
| 0 | 0 | 2 | 13 | 0 | 0 | 0 | 0 | 1 | 6 | 1 | 6 | 11 | 70 | 15 | 95 |
| 0 | 0 | 4 | 40 | 0 | 0 | 1 | 10 | 0 | 0 | 1 | 10 | 47 | 466 | 53 | 526 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 | 89 | 9 | 89 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 50 | 5 | 50 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>5,335</u> | <u>6,263</u> | <u>442</u> | <u>1,095</u> | <u>7</u> | <u>25</u> | <u>40</u> | <u>120</u> | <u>4</u> | <u>23</u> | <u>5</u> | <u>28</u> | <u>74</u> | <u>687</u> | <u>5,907</u> | <u>8,241</u> |

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Schedule C-PTC

**MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 10. 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 - Rate A | \$ 534 | 0.5332 |
| Commercial - Rate A | 140 | 0.1393 |
| Industrial - Rate A | 2 | 0.0022 |
| Other Public Authority - Rate A | 11 | 0.0108 |
| Sales for Resale - Rate B | 19 | 0.0190 |
| Rate J - Large Industrial | 93 | 0.0929 |
| Private Fire Protection | 38 | 0.0376 |
| Public Fire Protection | 165 | 0.1650 |
| Total | 1,002 | 1.0000 |

FACTOR 11. 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 - Rate A | \$ 140,165 | 0.5324 |
| Commercial - Rate A | 36,627 | 0.1391 |
| Industrial - Rate A | 579 | 0.0022 |
| Other Public Authority - Rate A | 2,840 | 0.0108 |
| Sales for Resale - Rate B | 4,995 | 0.0190 |
| Rate J - Large Industrial | 24,448 | 0.0929 |
| Private Fire Protection | 9,859 | 0.0375 |
| Public Fire Protection | 43,716 | 0.1661 |
| Total | \$263,229 | 1.0000 |

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 12. ALLOCATION OF BILLING AND COLLECTING COSTS.

Factors are based on the total number of customers.

| Customer Classification | Total Customers | Allocation Factor |
|---------------------------------|--------------------|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | 5,335 | 0.8980 |
| Commercial - Rate A | 442 | 0.0744 |
| Industrial - Rate A | 7 | 0.0012 |
| Other Public Authority - Rate A | 40 | 0.0067 |
| Sales for Resale - Rate B | 4 | 0.0007 |
| Rate J - Large Industrial | 5 | 0.0008 |
| Private Fire Protection | 108 | 0.0182 |
| Public Fire Protection | 0 | 0.0000 |
| Total | <u>5,941</u> | <u>1.0000</u> |

FACTOR 13. ALLOCATION OF METER READING COSTS.

Factors are based on the number of metered customers.

| Customer Classification | Total Metered Customers | Allocation Factor |
|---------------------------------|----------------------------|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | 5,335 | 0.9145 |
| Commercial - Rate A | 442 | 0.0758 |
| Industrial - Rate A | 7 | 0.0012 |
| Other Public Authority - Rate A | 40 | 0.0069 |
| Sales for Resale - Rate B | 4 | 0.0007 |
| Rate J - Large Industrial | 5 | 0.0009 |
| Total | <u>5,833</u> | <u>1.0000</u> |

**MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 14. 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 | Operation & Maintenance Expenses | Allocation Factor |
|---------------------------------|--|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | \$571,263 | 0.6468 |
| Commercial - Rate A | 113,738 | 0.1287 |
| Industrial - Rate A | 1,858 | 0.0021 |
| Other Public Authority - Rate A | 9,004 | 0.0102 |
| Sales for Resale - Rate B | 21,558 | 0.0244 |
| Rate J - Large Industrial | 67,561 | 0.0765 |
| Private Fire Protection | 20,294 | 0.0230 |
| Public Fire Protection | <u>77,977</u> | <u>0.0883</u> |
| Total | <u>\$883,251</u> | <u>1.0000</u> |

FACTOR 15. ALLOCATION OF CASH WORKING CAPITAL
WORKING CAPITAL.

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

| Customer Classification | Operation & Maintenance Expenses | Allocation Factor |
|---------------------------------|--|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | \$1,684,725 | 0.6302 |
| Commercial - Rate A | 378,442 | 0.1416 |
| Industrial - Rate A | 6,843 | 0.0026 |
| Other Public Authority - Rate A | 29,837 | 0.0112 |
| Sales for Resale - Rate B | 99,129 | 0.0371 |
| Rate J - Large Industrial | 266,307 | 0.0996 |
| Private Fire Protection | 44,094 | 0.0165 |
| Public Fire Protection | <u>163,572</u> | <u>0.0612</u> |
| Total | <u>\$2,672,949</u> | 1.0000 |

**MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER 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 <u>(1)</u> | Direct Labor Expense <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|---------------------------------------|------------------------------------|
| Residential - Rate A | \$292,039 | 0.6904 |
| Commercial - Rate A | 51,428 | 0.1216 |
| Industrial - Rate A | 841 | 0.0020 |
| Other Public Authority - Rate A | 4,128 | 0.0098 |
| Sales for Resale - Rate B | 10,143 | 0.0240 |
| Rate J - Large Industrial | 28,144 | 0.0666 |
| Private Fire Protection | 7,898 | 0.0187 |
| Public Fire Protection | 28,281 | 0.0669 |
| Total | <u>\$422,903</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 <u>(1)</u> | Original Cost Less Depreciation <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|---|------------------------------------|
| Residential - Rate A | \$20,009,362 | 0.6052 |
| Commercial - Rate A | 4,601,549 | 0.1391 |
| Industrial - Rate A | 77,577 | 0.0023 |
| Other Public Authority - Rate A | 377,344 | 0.0114 |
| Sales for Resale - Rate B | 1,011,564 | 0.0306 |
| Rate J - Large Industrial | 2,737,816 | 0.0828 |
| Private Fire Protection | 642,972 | 0.0194 |
| Public Fire Protection | 3,612,590 | 0.1092 |
| Total | <u>\$33,070,773</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER 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 | Original Cost Measure of Value | Allocation Factor |
|---------------------------------|--------------------------------------|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | \$15,940,782 | 0.6051 |
| Commercial - Rate A | 3,665,488 | 0.1391 |
| Industrial - Rate A | 62,090 | 0.0024 |
| Other Public Authority - Rate A | 300,592 | 0.0114 |
| Sales for Resale - Rate B | 805,105 | 0.0306 |
| Rate J - Large Industrial | 2,180,703 | 0.0828 |
| Private Fire Protection | 512,496 | 0.0195 |
| Public Fire Protection | <u>2,875,119</u> | <u>0.1091</u> |
| Total | <u>\$26,342,376</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 | Total Cost of Service | Allocation Factor |
|---------------------------------|--------------------------|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | \$4,880,828 | 0.6173 |
| Commercial - Rate A | 1,102,831 | 0.1395 |
| Industrial - Rate A | 19,320 | 0.0024 |
| Other Public Authority - Rate A | 89,400 | 0.0113 |
| Sales for Resale - Rate B | 255,303 | 0.0323 |
| Rate J - Large Industrial | 691,448 | 0.0875 |
| Private Fire Protection | 148,081 | 0.0187 |
| Public Fire Protection | <u>719,482</u> | <u>0.0910</u> |
| Total | <u>\$7,906,692</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B Sales for Resale (8) | Rate J Large Users (9) | Fire Protection | |
|-----------------------------|--------------------|------------------------|--------------------|-------------------|-------------------|------------------------------|--------------------------------------|------------------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | | Private (10) | Public (11) |
| RATE BASE | | | | | | | | | | |
| Organization | 17 | \$ 2,435 | \$ 1,473 | \$ 339 | \$ 6 | \$ 28 | \$ 74 | \$ 202 | \$ 47 | \$ 266 |
| Franchises | 17 | 13 | 8 | 2 | 0 | 0 | 0 | 1 | 0 | 1 |
| Land & Ld Rights SS | 2 | 1,735 | 1,162 | 267 | 5 | 21 | 93 | 184 | 1 | 3 |
| Land & Ld Rights WT | 2 | 432 | 290 | 66 | 1 | 5 | 23 | 46 | 0 | 1 |
| Land & Ld Rights TD | 6 | 35,638 | 18,995 | 4,964 | 78 | 385 | 677 | 3,314 | 1,336 | 5,887 |
| Land & Land Rights AG | 14 | 142 | 92 | 18 | 0 | 1 | 3 | 11 | 3 | 13 |
| Struct & Imp SS | 2 | 6,876 | 4,606 | 1,056 | 19 | 82 | 367 | 731 | 3 | 12 |
| Struct & Imp P | 3 | 8,618 | 5,541 | 1,271 | 22 | 99 | 441 | 879 | 68 | 297 |
| Struct & Imp WT | 2 | 626,352 | 419,593 | 96,208 | 1,691 | 7,454 | 33,447 | 66,581 | 251 | 1,127 |
| Struct & Imp TD | 6 | 211,463 | 112,710 | 29,457 | 465 | 2,284 | 4,018 | 19,666 | 7,930 | 34,934 |
| Struct & Imp AG | 14 | 14,636 | 9,467 | 1,884 | 31 | 149 | 357 | 1,120 | 337 | 1,292 |
| Struct & Imp Offices | 14 | 34,971 | 22,619 | 4,501 | 73 | 357 | 853 | 2,675 | 804 | 3,088 |
| Struct & Imp Store,Shop,Gar | 14 | 14,477 | 9,364 | 1,863 | 30 | 148 | 353 | 1,107 | 333 | 1,278 |
| Struct & Imp Misc | 14 | 410,847 | 265,736 | 52,876 | 863 | 4,191 | 10,025 | 31,430 | 9,449 | 36,278 |
| Wells & Springs | 2 | 149,394 | 100,079 | 22,947 | 403 | 1,778 | 7,978 | 15,881 | 60 | 269 |
| Supply Mains | 2 | 132,154 | 88,530 | 20,299 | 357 | 1,573 | 7,057 | 14,048 | 53 | 238 |
| Power Generation Equip | 3 | 115,218 | 74,073 | 16,995 | 288 | 1,325 | 5,899 | 11,752 | 910 | 3,975 |
| Pump Equip Electric | 3 | 1,424,242 | 915,645 | 210,076 | 3,561 | 16,379 | 72,921 | 145,273 | 11,252 | 49,136 |
| Pump Equip Diesel | 3 | 9,869 | 6,345 | 1,456 | 25 | 113 | 505 | 1,007 | 78 | 340 |
| Pump Equip Hydraulic | 3 | 78,079 | 50,197 | 11,517 | 195 | 898 | 3,998 | 7,964 | 617 | 2,694 |
| Pump Equip Other | 3 | 75,611 | 48,610 | 11,153 | 189 | 870 | 3,871 | 7,712 | 597 | 2,609 |
| WT Equip Non-Media | 2 | 1,536,464 | 1,029,277 | 236,001 | 4,148 | 18,284 | 82,047 | 163,326 | 615 | 2,766 |
| WT Equip Filter Media | 2 | 289,694 | 194,066 | 44,497 | 782 | 3,447 | 15,470 | 30,795 | 116 | 521 |
| Dist Reservoirs & Standpipe | 5 | 2,565,736 | 1,563,816 | 447,721 | 6,414 | 34,637 | 58,755 | 288,389 | 30,532 | 135,471 |
| Elevated Tanks & Standpipes | 5 | 86,111 | 52,485 | 15,026 | 215 | 1,163 | 1,972 | 9,679 | 1,025 | 4,547 |
| Ground Level Facilities | 5 | 56,282 | 34,304 | 9,821 | 141 | 780 | 1,289 | 6,326 | 670 | 2,972 |
| Below Ground Facilities | 5 | 21,473 | 13,088 | 3,747 | 54 | 290 | 492 | 2,414 | 256 | 1,134 |
| TD Mains Not Classified by | 6 | 2,446,979 | 1,304,240 | 340,864 | 5,383 | 26,427 | 46,493 | 227,569 | 91,762 | 404,241 |
| TD Mains 4" & Less | 4 | 456,808 | 213,923 | 61,441 | 914 | 4,751 | 0 | 40,062 | 25,124 | 110,593 |
| TD Mains 6 to 8" | 4 | 3,736,420 | 1,749,765 | 502,548 | 7,473 | 38,859 | 0 | 327,684 | 205,503 | 904,587 |
| TD Mains 10 to 16" | 3 | 7,847,126 | 5,044,917 | 1,157,451 | 19,618 | 90,242 | 401,773 | 800,407 | 61,992 | 270,726 |
| TD Mains 18" & Grtr | 3 | 4,133,261 | 2,657,274 | 609,656 | 10,333 | 47,533 | 211,623 | 421,593 | 32,653 | 142,598 |
| Fire Mains | 7 | 69,292 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 69,292 |
| Services | 9 | 1,513,163 | 1,149,852 | 201,099 | 4,539 | 22,092 | 4,237 | 5,145 | 126,198 | 0 |
| Meters Bronze Case | 8 | 811,469 | 673,275 | 112,307 | 2,272 | 12,821 | 3,733 | 4,138 | 2,921 | 0 |
| Meters Plastic Case | 8 | 736 | 610 | 102 | 2 | 12 | 3 | 4 | 3 | 0 |
| Meters Other | 8 | 260,260 | 215,937 | 36,020 | 729 | 4,112 | 1,197 | 1,327 | 937 | 0 |
| Meters Other-Rem Rdr Unts | 8 | 9,311 | 7,726 | 1,289 | 26 | 147 | 43 | 47 | 34 | 0 |
| Meter Installations | 8 | 1,207,265 | 1,001,668 | 167,086 | 3,380 | 19,075 | 5,553 | 6,157 | 4,346 | 0 |
| Meter Vaults | 8 | 270,588 | 224,507 | 37,449 | 758 | 4,275 | 1,245 | 1,380 | 974 | 0 |
| Hydrants | 7 | 1,341,253 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,341,253 |
| Other P/E Intangible | 17 | 15,260 | 9,235 | 2,123 | 35 | 174 | 467 | 1,264 | 296 | 1,666 |
| Other P/E CPS | 14 | 106,011 | 68,568 | 13,644 | 223 | 1,081 | 2,587 | 8,110 | 2,438 | 9,361 |
| Office Furniture & Equip | 14 | (4,085) | (2,642) | (526) | (9) | (42) | (100) | (313) | (94) | (361) |

PTC-25

Schedule C-PTC

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|---|--------------------|------------------------|----------------------|---------------------|-------------------|---------------------------|-------------------------|---------------------|-------------------|---------------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large Users (9) | Private (10) | Public (11) |
| Comp & Periph Equip | 14 | 106,858 | 68,986 | 13,727 | 224 | 1,088 | 2,602 | 8,159 | 2,453 | 9,418 |
| Computer Software | 14 | 40,988 | 26,511 | 5,275 | 86 | 418 | 1,000 | 3,136 | 943 | 3,619 |
| Comp Software Mainframe | 14 | 301,441 | 194,972 | 38,795 | 633 | 3,075 | 7,355 | 23,060 | 6,933 | 26,617 |
| Comp Software Mainframe - CIS | 12 | 154,183 | 138,456 | 11,471 | 185 | 1,033 | 108 | 123 | 2,806 | 0 |
| Comp Software Other | 14 | 408 | 264 | 52 | 1 | 4 | 10 | 31 | 9 | 36 |
| Data Handling Equipment | 14 | 55,130 | 35,658 | 7,095 | 116 | 562 | 1,345 | 4,217 | 1,268 | 4,868 |
| Other Office Equipment | 14 | 6,591 | 4,263 | 848 | 14 | 67 | 161 | 504 | 152 | 582 |
| Trans Equip Lt Duty Trks | 14 | 102,035 | 65,996 | 13,132 | 214 | 1,041 | 2,490 | 7,806 | 2,347 | 9,010 |
| Trans Equip Hvy Duty Trks | 14 | (1,054) | (682) | (136) | (2) | (11) | (26) | (81) | (24) | (93) |
| Trans Equip Autos | 14 | (18,420) | (11,914) | (2,371) | (39) | (188) | (449) | (1,409) | (424) | (1,627) |
| Trans Equip Other | 14 | (17,150) | (11,093) | (2,207) | (36) | (175) | (418) | (1,312) | (394) | (1,514) |
| Stores Equipment | 14 | 667 | 432 | 86 | 1 | 7 | 16 | 51 | 15 | 59 |
| Tools, Shop, Garage Equip | 14 | 52,900 | 34,216 | 6,808 | 111 | 540 | 1,291 | 4,047 | 1,217 | 4,671 |
| Laboratory Equipment | 2 | 18,438 | 12,352 | 2,832 | 50 | 219 | 985 | 1,960 | 7 | 33 |
| Power Operated Equipment | 14 | (371) | (240) | (48) | (1) | (4) | (9) | (28) | (9) | (33) |
| Comm Equip Non-Telephone | 14 | (16,236) | (10,502) | (2,090) | (34) | (166) | (396) | (1,242) | (373) | (1,434) |
| Remote Control & Instr | 14 | 56,936 | 36,826 | 7,328 | 120 | 581 | 1,389 | 4,356 | 1,310 | 5,027 |
| Comm Equip Telephone | 14 | (7) | (4) | (1) | (0) | (0) | (0) | (1) | (0) | (1) |
| Misc Equipment | 14 | 115,266 | 74,554 | 14,835 | 242 | 1,176 | 2,812 | 8,818 | 2,651 | 10,178 |
| Other Tangible Property | 17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Utility Plant in Service | | 33,088,481 | 20,020,079 | 4,604,012 | 77,618 | 377,545 | 1,012,106 | 2,739,282 | 643,315 | 3,614,523 |
| Other Rate Base Items | | | | | | | | | | |
| Add: | | | | | | | | | | |
| Materials and Supplies | 14 | 31,004 | 20,053 | 3,990 | 65 | 316 | 756 | 2,372 | 713 | 2,738 |
| Prepayments | 14 | 25,195 | 16,296 | 3,243 | 53 | 257 | 615 | 1,927 | 579 | 2,225 |
| Pension / OPEB Tracker | 16 | 182,139 | 125,749 | 22,148 | 364 | 1,785 | 4,371 | 12,130 | 3,406 | 12,185 |
| Tank Painting Tracker | 5 | 18,511 | 11,282 | 3,230 | 46 | 250 | 424 | 2,081 | 220 | 977 |
| Less: | | | | | | | | | | |
| Accumulated Deferred ITC (3%) | 17 | (279) | (169) | (39) | (1) | (3) | (9) | (23) | (5) | (30) |
| Deferred Income Taxes | 17 | (6,832,610) | (4,135,096) | (950,416) | (15,715) | (77,892) | (209,078) | (565,740) | (132,553) | (746,121) |
| Pensions | 16 | (170,065) | (117,413) | (20,680) | (340) | (1,667) | (4,082) | (11,326) | (3,180) | (11,377) |
| Total Other Rate Base Elements | | (6,746,105) | (4,079,297) | (938,524) | (15,527) | (76,953) | (207,001) | (558,579) | (130,819) | (739,404) |
| Total Original Cost Measure of Value | | \$ 26,342,376 | \$ 15,940,782 | \$ 3,665,488 | \$ 62,090 | \$ 300,592 | \$ 805,105 | \$ 2,180,703 | \$ 512,496 | \$ 2,875,119 |

PTC-26

Schedule C-PTC

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER 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 - Rate A | 5,831 | 0.8364 |
| Commercial - Rate A | 973 | 0.1396 |
| Industrial - Rate A | 20 | 0.0029 |
| Other Public Authority - Rate A | 111 | 0.0159 |
| Sales for Resale - Rate B | 0 | 0.0000 |
| Rate J - Large Industrial | 36 | 0.0052 |
| Private Fire | <u>0</u> | <u>0.0000</u> |
| Total | <u><u>6,971</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1990-2014

| Year | Average Daily Send out (MGD) | Maximum Daily Use | | |
|------|------------------------------------|-------------------|---------------------|--------------------|
| | | MGD | Ratio to Average | Highest Use Day |
| (1) | (2) | (3) | (4) | (5) |
| 1990 | N/A | 2.867 | N/A | N/A |
| 1991 | N/A | 2.950 | N/A | N/A |
| 1992 | N/A | 2.700 | N/A | N/A |
| 1993 | N/A | 2.310 | N/A | N/A |
| 1994 | 1.710 | 3.200 | 1.87 | N/A |
| 1995 | 1.627 | 3.319 | 2.04 | N/A |
| 1996 | 1.764 | 3.200 | 1.81 | N/A |
| 1997 | 1.860 | 3.106 | 1.67 | 7/26/1997 |
| 1998 | 1.719 | 3.360 | 1.95 | 7/19/1998 |
| 1999 | 1.893 | 4.200 | 2.22 | 7/18/1999 |
| 2000 | 2.229 | 4.582 | 2.06 | 7/16/2000 |
| 2001 | 2.146 | 4.783 | 2.23 | 7/22/2001 |
| 2002 | 2.349 | 5.088 | 2.17 | 7/26/2002 |
| 2003 | 2.488 | 6.626 | 2.66 | 8/23/2003 |
| 2004 | 2.087 | 4.630 | 2.22 | 8/18/2004 |
| 2005 | 2.238 | 5.328 | 2.38 | 8/2/2005 |
| 2006 | 2.480 | 5.945 | 2.40 | 7/19/2006 |
| 2007 | 2.338 | 5.486 | 2.35 | 8/6/2007 |
| 2008 | 1.962 | 3.361 | 1.71 | 9/1/2008 |
| 2009 | 1.883 | 3.487 | 1.85 | 8/8/2009 |
| 2010 | 2.074 | 4.443 | 2.14 | 8/19/2010 |
| 2011 | 2.173 | 4.476 | 2.06 | 7/25/2011 |
| 2012 | 2.627 | 6.239 | 2.37 | 6/29/2012 |
| 2013 | 2.368 | 7.394 | 3.12 | 7/22/2013 |
| 2014 | 2.287 | 5.097 | 2.23 | 7/30/2014 |

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WATER 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) |
|--------------------------------|--|-----------------|-----------------------------------|-----------------------------|
| <u>PRIVATE FIRE PROTECTION</u> | | | | |
| Fire Lines | | | | |
| 2 -inch | 4.00 | 1 | 4 | |
| 3 -inch | 9.00 | 1 | 9 | |
| 4 -inch | 16.00 | 11 | 176 | |
| 6 -inch | 36.00 | 47 | 1,692 | |
| 8 -inch | 64.00 | 9 | 576 | |
| 10 -inch | 100.00 | 5 | 500 | |
| 12 -inch | 144.00 | 0 | 0 | |
| Private Hydrants | 26.50 | 34 | 901 | |
| Total Private Fire Protection | | 108 | 3,858 | 0.1849 |
| <u>PUBLIC FIRE PROTECTION</u> | | | | |
| Hydrant | Nozzle Sizes | | | |
| 5 1/4" Valve | 1- 2-1/2" & 1- 4 1/2" | 26.50 | 591 | 15,662 |
| 4 1/2" Valve | 1-2 1/2" | 6.25 | 215 | 1,344 |
| Total Public Fire Protection | | 806 | 17,006 | 0.8151 |
| Total Fire Protection | | 914 | 20,864 | 1.0000 |

MISSOURI AMERICAN WATER
 PLATTE COUNTY WATER DISTRICT
 CALCULATION OF THE 5/8-INCH CUSTOMER COSTS PER MONTH
 INCLUDING THE UNRECOVERED PUBLIC FIRE COSTS

| Cost Function | Cost of Service | Number of Units | Unit Cost Per Month |
|-------------------------|-------------------------|--------------------------|---------------------|
| Meters | 408,675 | 7,028 5/8 Equivalentents | 4.85 |
| Services | 242,365 | 7,526 3/4 Equvalents | 2.68 |
| Billing/Collecting | <u>628,260</u> | 69,936 Bills | <u>8.98</u> |
| Subtotal | 1,279,301 | | 16.51 |
| Unrecovered Public Fire | <u>722,152</u> | 7,028 5/8 Equivalentents | 8.56 |
| Total | <u><u>2,001,453</u></u> | | <u><u>25.07</u></u> |

PTC-30

Schedule F-PTC

ST. JOSEPH DISTRICT

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification (1) | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates Consolidated Pricing | | Proposed In |
|-----------------------------------|----------------------|----------------|-------------------------|----------------|--|----------------|---------------------|
| | Amount (2) | Percent (3) | Amount (4) | Percent (5) | Amount (6) | Percent (7) | Amount (8) |
| Residential | \$ 12,055,110 | 51.9% | \$ 11,319,736 | 51.0% | \$ 12,551,210 | 57.2% | \$ 1,231,474 |
| Commercial | 3,170,294 | 13.6% | 3,345,893 | 15.1% | 3,480,155 | 15.8% | 134,262 |
| Industrial | 841,937 | 3.6% | 769,589 | 3.5% | 1,017,522 | 4.6% | 247,933 |
| Public Authority | <u>466,501</u> | <u>2.0%</u> | <u>577,320</u> | <u>2.6%</u> | <u>610,186</u> | <u>2.8%</u> | <u>32,866</u> |
| Total - Rate A | 16,533,842 | 71.1% | 16,012,537 | 72.2% | 17,659,073 | 80.4% | 1,646,536 |
| Sales for Resale | 2,576,896 | 11.1% | 2,225,269 | 10.0% | 1,748,156 | 8.0% | (477,113) |
| Rate J - Large Users | 3,820,936 | 16.4% | 3,621,157 | 16.3% | 2,291,549 | 10.4% | (1,329,608) |
| Private Fire Service | 331,624 | 1.4% | 322,003 | 1.5% | 267,227 | 1.2% | (54,776) |
| Public Fire Service | <u>-</u> | <u>0.0%</u> | <u>-</u> | <u>0.0%</u> | <u>-</u> | <u>0.0%</u> | <u>-</u> |
| Total Sales | 23,263,298 | <u>100.0%</u> | 22,180,966 | <u>100.0%</u> | 21,966,005 | <u>100.0%</u> | (214,961) |
| Other Revenues* | <u>\$ 694,373</u> | | <u>\$ 687,362</u> | | <u>\$ 694,373</u> | | <u>7,011</u> |
| Total | <u>\$ 23,957,671</u> | | <u>\$ 22,868,328</u> | | <u>\$ 22,660,378</u> | | <u>\$ (207,950)</u> |

SJO-1

Schedule A-SJO

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B Sales for Resale (7) | Rate J Large Users (8) | Fire Protection | |
|---|-----------------------|---------------------------|--------------------|-------------------|-------------------|------------------------------|--------------------------------------|------------------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | | | Private (9) | Public (10) |
| OPERATION AND MAINTENANCE EXPENSES | | | | | | | | | | |
| SOURCE OF SUPPLY EXPENSES | | | | | | | | | | |
| Super & Eng Oper SS | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor & Exp Oper SS | 2 | 92,418 | 36,173 | 12,837 | 3,992 | 2,255 | 15,628 | 21,108 | 83 | 342 |
| Purchased Water | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SS EXPENSE - OPERATION | | 92,418 | 36,173 | 12,837 | 3,992 | 2,255 | 15,628 | 21,108 | 83 | 342 |
| Misc Exp Oper SS | 2 | (222) | (87) | (31) | (10) | (5) | (38) | (51) | (0) | (1) |
| Collect & Impound Maint SS - Labor | 2 | 229 | 90 | 32 | 10 | 6 | 39 | 52 | 0 | 1 |
| Lake, River & Oth Maint SS - Labor | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wells & Springs Maint SS - Labor | 2 | 5 | 2 | 1 | 0 | 0 | 1 | 1 | 0 | 0 |
| Infiltr Gall & Tunnels Maint SS - Labor | 2 | 35 | 14 | 5 | 2 | 1 | 6 | 8 | 0 | 0 |
| Supply Mains Maint SS - Labor | 2 | 9 | 3 | 1 | 0 | 0 | 1 | 2 | 0 | 0 |
| Misc Plant Maint SS - Labor | 2 | 19 | 7 | 3 | 1 | 0 | 3 | 4 | 0 | 0 |
| Misc Plant Maint SS | 2 | 2,842 | 1,112 | 395 | 123 | 69 | 481 | 649 | 3 | 11 |
| TOTAL SS EXPENSE - MAINTENANCE | | 2,918 | 1,142 | 405 | 126 | 71 | 493 | 666 | 3 | 11 |
| TOTAL SS EXPENSE | | 95,336 | 37,315 | 13,242 | 4,119 | 2,326 | 16,121 | 21,775 | 86 | 353 |
| POWER AND PUMPING EXPENSES | | | | | | | | | | |
| Super & Eng Oper P | 3 | 38,643 | 14,058 | 4,989 | 1,550 | 877 | 6,071 | 8,204 | 572 | 2,322 |
| Purch Fuel/Power for Pump | 1 | 991,138 | 340,753 | 131,821 | 47,376 | 23,193 | 176,423 | 264,634 | 1,388 | 5,550 |
| Labor & Exp Oper Pump - Labor | 3 | 423,188 | 153,956 | 54,634 | 16,970 | 9,606 | 66,483 | 89,843 | 6,263 | 25,434 |
| Labor & Exp Oper Pump | 3 | 95 | 31 | 11 | 3 | 2 | 13 | 18 | 1 | 5 |
| Misc Exp Oper P | 3 | 17,796 | 6,474 | 2,298 | 714 | 404 | 2,796 | 3,778 | 263 | 1,070 |
| Rents Oper P | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL PUMPING EXPENSE - OPERATION | | 1,470,851 | 515,273 | 193,752 | 66,613 | 34,082 | 251,785 | 366,477 | 8,487 | 34,381 |
| Super & Eng Maint P | 3 | 37,939 | 13,802 | 4,898 | 1,521 | 861 | 5,960 | 8,054 | 561 | 2,280 |
| Struct & Improve Maint P - Labor | 3 | 279 | 101 | 36 | 11 | 6 | 44 | 59 | 4 | 17 |
| Pump Equip Maint P - Labor | 3 | 17,119 | 6,228 | 2,210 | 686 | 389 | 2,689 | 3,634 | 253 | 1,029 |
| Pump Equip Maint P | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL PUMPING EXPENSES - MAINTENANCE | | 55,337 | 20,132 | 7,144 | 2,219 | 1,256 | 8,693 | 11,748 | 819 | 3,326 |
| TOTAL PUMPING EXPENSES | | 1,526,188 | 535,404 | 200,896 | 68,832 | 35,338 | 260,479 | 378,225 | 9,306 | 37,707 |
| WATER TREATMENT | | | | | | | | | | |
| Super & Eng Oper WT | 2 | 64,599 | 25,284 | 8,973 | 2,791 | 1,576 | 10,924 | 14,754 | 58 | 239 |
| Chemicals | 1 | 656,605 | 225,741 | 87,328 | 31,386 | 15,365 | 116,876 | 175,314 | 919 | 3,677 |
| Labor & Exp Oper WT | 2 | 93,502 | 36,597 | 12,987 | 4,039 | 2,281 | 15,811 | 21,356 | 84 | 346 |
| Misc Exp Oper WT | 1 | 477,979 | 164,329 | 63,571 | 22,847 | 11,185 | 85,080 | 127,620 | 669 | 2,677 |
| Rents Oper WT | 2 | 1,870 | 732 | 260 | 81 | 46 | 316 | 427 | 2 | 7 |
| TOTAL WT EXPENSE - OPERATION | | 1,294,555 | 452,683 | 173,120 | 61,144 | 30,453 | 229,007 | 339,471 | 1,732 | 6,946 |

SJO-2

Schedule B-SJO

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|---|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|-------------------------|--------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (7) | Large Users (8) | Private (9) | Public (10) |
| Super & Eng Maint WT | 2 | 67 | 26 | 9 | 3 | 2 | 11 | 15 | 0 | 0 |
| Super & Eng Maint WT - Contractors | 2 | 20,174 | 7,896 | 2,802 | 872 | 492 | 3,411 | 4,608 | 18 | 75 |
| WT Equip Maint WT - Labor | 2 | 302 | 118 | 42 | 13 | 7 | 51 | 69 | 0 | 1 |
| WT Equip Maint WT | 2 | 219,279 | 85,826 | 30,458 | 9,473 | 5,350 | 37,080 | 50,083 | 197 | 811 |
| TOTAL WT EXPENSE - MAINTENANCE | | 239,822 | 93,866 | 33,311 | 10,360 | 5,852 | 40,554 | 54,775 | 216 | 887 |
| TOTAL WT EXPENSE | | 1,534,378 | 546,549 | 206,431 | 71,504 | 36,304 | 269,561 | 394,247 | 1,948 | 7,833 |
| TRANSMISSION AND DISTRIBUTION EXPENSES | | | | | | | | | | |
| Super & Eng Oper TD | 10 | 23,896 | 13,296 | 3,384 | 769 | 476 | 502 | 1,775 | 867 | 2,827 |
| TD Lines Exp - Labor | 6 | 346,302 | 146,243 | 50,595 | 14,302 | 8,900 | 10,354 | 38,543 | 15,203 | 62,161 |
| TD Lines Exp | 6 | 4,290 | 1,812 | 627 | 177 | 110 | 128 | 477 | 188 | 770 |
| Meter Expense - Labor | 8 | 140,704 | 117,811 | 18,573 | 2,139 | 1,196 | 563 | 380 | 42 | 0 |
| Meter Expense | 8 | 260 | 218 | 34 | 4 | 2 | 1 | 1 | 0 | 0 |
| Customer Install Exp - Labor | 9 | 40,403 | 29,882 | 5,507 | 529 | 368 | 121 | 109 | 3,887 | 0 |
| Customer Install Exp | 9 | 45 | 33 | 6 | 1 | 0 | 0 | 0 | 4 | 0 |
| Misc Exp Oper TD - Labor | 10 | 19,491 | 10,845 | 2,760 | 628 | 388 | 409 | 1,448 | 708 | 2,306 |
| Misc Exp Oper TD | 10 | 56,953 | 31,689 | 8,065 | 1,834 | 1,133 | 1,196 | 4,232 | 2,067 | 6,738 |
| Rents Oper TD | 10 | 1,268 | 706 | 180 | 41 | 25 | 27 | 94 | 46 | 150 |
| TOTAL T & D EXPENSE OPERATION | | 633,612 | 352,534 | 89,729 | 20,424 | 12,598 | 13,302 | 47,060 | 23,013 | 74,952 |
| Super & Eng Maint TD | 11 | 42,277 | 17,135 | 4,811 | 1,196 | 740 | 816 | 2,947 | 1,264 | 13,368 |
| Struct & Improve Maint TD - Labor | 11 | 7 | 3 | 1 | 0 | 0 | 0 | 1 | 0 | 2 |
| TD Main Maint TD - Labor | 6 | 41,562 | 17,552 | 6,072 | 1,717 | 1,068 | 1,243 | 4,626 | 1,825 | 7,460 |
| TD Main Maint TD | 6 | 158,490 | 66,930 | 23,155 | 6,546 | 4,073 | 4,739 | 17,640 | 6,958 | 28,449 |
| Services Maint TD - Labor | 9 | 8,546 | 6,320 | 1,165 | 112 | 78 | 26 | 23 | 822 | 0 |
| Meters Maint TD - Labor | 8 | 47,099 | 39,436 | 6,217 | 716 | 400 | 188 | 127 | 14 | 0 |
| Hydrants Maint TD - Labor | 7 | 65,706 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 65,706 |
| Mat and Sup Maint TD - Labor | 11 | 21,589 | 8,750 | 2,457 | 611 | 378 | 417 | 1,505 | 646 | 6,826 |
| Mat and Sup Maint TD | 11 | 150,008 | 60,798 | 17,071 | 4,245 | 2,625 | 2,895 | 10,456 | 4,485 | 47,433 |
| Permits | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL T & D EXPENSE - MAINTENANCE | | 535,284 | 216,924 | 60,949 | 15,143 | 9,362 | 10,323 | 37,324 | 16,014 | 169,245 |
| TOTAL T & D EXPENSE | | 1,168,895 | 569,458 | 150,679 | 35,567 | 21,961 | 23,625 | 84,384 | 39,026 | 244,196 |
| CUSTOMER ACCOUNTS | | | | | | | | | | |
| Supervision CA | 12 | 32,670 | 29,259 | 2,757 | 111 | 0 | 20 | 23 | 500 | 0 |
| Meter Reading Exp CA - Labor | 13 | 250,445 | 227,755 | 21,488 | 877 | 0 | 150 | 175 | 0 | 0 |
| Meter Reading Exp CA | 13 | 4,410 | 4,010 | 378 | 15 | 0 | 3 | 3 | 0 | 0 |
| Cust Rec & Collection CA - Labor | 12 | 20,219 | 18,108 | 1,706 | 69 | 0 | 12 | 14 | 309 | 0 |
| Cust Rec & Collection CA | 12 | 243,331 | 217,927 | 20,537 | 827 | 0 | 146 | 170 | 3,723 | 0 |
| Uncollectible Accts | 12 | 279,682 | 250,483 | 23,605 | 951 | 0 | 168 | 196 | 4,279 | 0 |
| Misc Cust Accts Exp CA - Labor | 12 | 3,762 | 3,370 | 318 | 13 | 0 | 2 | 3 | 58 | 0 |
| Misc Cust Accts Exp CA | 12 | 10,463 | 9,371 | 883 | 36 | 0 | 6 | 7 | 160 | 0 |
| Cust Serv & Info Exp CA - Labor | 12 | 216 | 193 | 18 | 1 | 0 | 0 | 0 | 3 | 0 |
| TOTAL CUSTOMER ACCOUNTING EXPENSE | | 845,198 | 760,476 | 71,691 | 2,899 | 0 | 507 | 592 | 9,032 | 0 |
| ADMINISTRATIVE AND GENERAL EXPENSES | | | | | | | | | | |

SJO-3

Schedule B-SJO

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|---|-----------------------|---------------------------|--------------------|-------------------|-------------------|------------------------------|----------------------------|--------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (7) | Large Users (8) | Private (9) | Public (10) |
| Salaries AG | 14 | 640,904 | 305,968 | 79,536 | 22,432 | 11,793 | 69,474 | 107,223 | 7,563 | 36,916 |
| Other Supplies & Exp AG | 14 | 142,820 | 68,182 | 17,724 | 4,999 | 2,628 | 15,482 | 23,894 | 1,685 | 8,226 |
| Mgmt Fees-Admin | 14 | 1,603,146 | 765,342 | 198,950 | 56,110 | 29,498 | 173,781 | 268,206 | 18,917 | 92,341 |
| Mgmt Fees-Customer Service | 12 | 294,503 | 263,756 | 24,856 | 1,001 | 0 | 177 | 206 | 4,506 | 0 |
| Mgmt Fees-Belleville Lab | 2 | 9,245 | 3,619 | 1,284 | 399 | 226 | 1,563 | 2,112 | 8 | 34 |
| Mgmt Fees- Employee | 16 | 99,739 | 51,655 | 12,128 | 2,992 | 1,676 | 7,560 | 12,148 | 1,775 | 9,804 |
| Outside Services AG | 14 | 103,095 | 49,217 | 12,794 | 3,608 | 1,897 | 11,175 | 17,248 | 1,217 | 5,938 |
| Outside Services AG | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ins Gen Liab Oper AG | 14 | 231,766 | 110,645 | 28,762 | 8,112 | 4,264 | 25,123 | 38,774 | 2,735 | 13,350 |
| Ins Work Comp AG | 16 | 75,720 | 39,216 | 9,208 | 2,272 | 1,272 | 5,740 | 9,223 | 1,348 | 7,443 |
| Ins Other Oper AG | 14 | 36,814 | 17,575 | 4,569 | 1,288 | 677 | 3,991 | 6,159 | 434 | 2,120 |
| Insurance Vehicle | 14 | 9,919 | 4,735 | 1,231 | 347 | 183 | 1,075 | 1,659 | 117 | 571 |
| Injuries & Damages | 16 | 13,729 | 7,110 | 1,669 | 412 | 231 | 1,041 | 1,672 | 244 | 1,350 |
| Employee Pension & Benefits | 16 | 696,228 | 360,576 | 84,661 | 20,887 | 11,697 | 52,774 | 84,801 | 12,393 | 68,439 |
| Reg Commision Exp | 19 | 65,015 | 30,225 | 8,309 | 2,289 | 1,268 | 7,197 | 10,662 | 930 | 4,135 |
| Rents AG | 14 | 40,152 | 19,169 | 4,983 | 1,405 | 739 | 4,352 | 6,717 | 474 | 2,313 |
| Goodwill Advertising Exp | 14 | 1,247 | 595 | 155 | 44 | 23 | 135 | 209 | 15 | 72 |
| Misc Exp AG | 14 | 175,012 | 83,551 | 21,719 | 6,125 | 3,220 | 18,971 | 29,280 | 2,065 | 10,081 |
| Research & Development | 14 | 5,877 | 2,806 | 729 | 206 | 108 | 637 | 983 | 69 | 339 |
| TOTAL A & G OPERATIONS | | 4,244,930 | 2,183,942 | 513,268 | 134,928 | 71,398 | 400,249 | 621,177 | 56,495 | 263,473 |
| General Plant Maint AG - Labor | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maint Exp ARO/Net Neg Sal AG | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| General Plant Maint AG | 14 | 47,318 | 22,590 | 5,872 | 1,656 | 871 | 5,129 | 7,916 | 558 | 2,726 |
| TOTAL A & G EXPENSE - MAINTENANCE | | 47,318 | 22,590 | 5,872 | 1,656 | 871 | 5,129 | 7,916 | 558 | 2,726 |
| TOTAL A & G EXPENSE | | 4,292,248 | 2,206,532 | 519,140 | 136,584 | 72,269 | 405,379 | 629,093 | 57,054 | 266,198 |
| Total Operation & Maintenance Expenses | | 9,462,243 | 4,655,734 | 1,162,080 | 319,504 | 168,198 | 975,672 | 1,508,315 | 116,452 | 556,287 |
| DEPRECIATION EXPENSE | | | | | | | | | | |
| Struct & Imp SS | 2 | 41,047 | 16,066 | 5,701 | 1,773 | 1,002 | 6,941 | 9,375 | 37 | 152 |
| Struct & Imp P | 3 | 182,323 | 66,329 | 23,538 | 7,311 | 4,139 | 28,643 | 38,707 | 2,698 | 10,958 |
| Struct & Imp WT | 2 | 557,917 | 218,369 | 77,495 | 24,102 | 13,613 | 94,344 | 127,428 | 502 | 2,064 |
| Struct & Imp TD | 6 | 6,363 | 2,687 | 930 | 263 | 164 | 190 | 708 | 279 | 1,142 |
| Struct & Imp AG | 14 | 7,103 | 3,391 | 881 | 249 | 131 | 770 | 1,188 | 84 | 409 |
| Struct & Imp Offices | 14 | 35,007 | 16,712 | 4,344 | 1,225 | 644 | 3,795 | 5,857 | 413 | 2,016 |
| Struct & Imp Store,Shop,Gar | 14 | 5,854 | 2,795 | 726 | 205 | 108 | 635 | 979 | 69 | 337 |
| Struct & Imp Misc | 14 | 40,896 | 19,524 | 5,075 | 1,431 | 752 | 4,433 | 6,842 | 493 | 2,356 |
| Lake, River & Other Intakes | 2 | 245 | 96 | 34 | 11 | 6 | 41 | 56 | 0 | 1 |
| Wells & Springs | 2 | 670 | 262 | 93 | 29 | 16 | 113 | 153 | 1 | 2 |
| Supply Mains | 2 | 135,768 | 53,140 | 18,858 | 5,865 | 3,313 | 22,958 | 31,009 | 122 | 502 |
| Power Generation Equip | 3 | 3,186 | 1,159 | 411 | 128 | 72 | 501 | 676 | 47 | 191 |
| Pump Equip Electric | 3 | 125,612 | 45,698 | 16,217 | 5,037 | 2,851 | 19,734 | 26,667 | 1,859 | 7,549 |
| Pump Equip Diesel | 3 | 7,526 | 2,738 | 972 | 302 | 171 | 1,182 | 1,598 | 111 | 452 |
| Pump Equip Other | 3 | 118 | 43 | 15 | 5 | 3 | 19 | 25 | 2 | 7 |
| Pump Equip WT | 3 | 784 | 285 | 101 | 31 | 18 | 123 | 166 | 12 | 47 |

SJO-4

Schedule B-SJO

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|-----------------------------------|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|-------------------------|--------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (7) | Large Users (8) | Private (9) | Public (10) |
| WT Equip Non-Media | 3 | 489,194 | 177,969 | 63,155 | 19,617 | 11,105 | 76,852 | 103,856 | 7,240 | 29,401 |
| WT Equip Filter Media | 2 | 653 | 256 | 91 | 28 | 16 | 110 | 149 | 1 | 2 |
| Dist Reservoirs & Standpipe | 5 | 28,053 | 10,068 | 3,436 | 929 | 603 | 3,899 | 5,195 | 771 | 3,150 |
| Elevated Tanks & Standpipes | 5 | 7,126 | 2,558 | 873 | 236 | 153 | 991 | 1,320 | 196 | 800 |
| Ground Level Facilities | 5 | 36 | 13 | 4 | 1 | 1 | 5 | 7 | 1 | 4 |
| TD Mains Not Classified by | 6 | 58,941 | 24,891 | 8,611 | 2,434 | 1,515 | 1,762 | 6,560 | 2,588 | 10,580 |
| TD Mains 4" & Less | 4 | 31,045 | 13,533 | 4,660 | 1,291 | 820 | 0 | 2,720 | 1,577 | 6,445 |
| TD Mains 6 to 8" | 4 | 122,902 | 53,573 | 18,448 | 5,113 | 3,245 | 0 | 10,766 | 6,243 | 25,514 |
| TD Mains 10 to 16" | 3 | 240,901 | 87,640 | 31,100 | 9,660 | 5,468 | 37,846 | 51,143 | 3,565 | 14,478 |
| TD Mains 18" & Grtr | 3 | 76,637 | 27,881 | 9,894 | 3,073 | 1,740 | 12,040 | 16,270 | 1,134 | 4,606 |
| Services | 9 | 186,081 | 137,626 | 25,363 | 2,438 | 1,693 | 558 | 502 | 17,901 | 0 |
| Meters Bronze Case | 8 | 124,956 | 104,626 | 16,494 | 1,899 | 1,062 | 500 | 337 | 37 | 0 |
| Meters Plastic Case | 8 | 40 | 33 | 5 | 1 | 0 | 0 | 0 | 0 | 0 |
| Meters Other | 8 | 19,713 | 16,506 | 2,602 | 300 | 168 | 79 | 53 | 6 | 0 |
| Meters Other-Rem Rdr Unts | 8 | 1,897 | 1,588 | 250 | 29 | 16 | 8 | 5 | 1 | 0 |
| Meter Installations | 8 | 97,974 | 82,034 | 12,933 | 1,489 | 833 | 392 | 265 | 29 | 0 |
| Meter Vaults | 8 | 16,898 | 14,149 | 2,231 | 257 | 144 | 68 | 46 | 5 | 0 |
| Hydrants | 7 | 69,552 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 69,552 |
| Other P/E WT Res Hand Equip | 2 | 48,264 | 18,891 | 6,704 | 2,085 | 1,178 | 8,161 | 11,023 | 43 | 179 |
| Other P/E WT CPS | 14 | 9,713 | 4,637 | 1,205 | 340 | 179 | 1,053 | 1,625 | 115 | 559 |
| Office Furniture & Equip | 14 | 10,295 | 4,915 | 1,278 | 360 | 189 | 1,116 | 1,722 | 121 | 593 |
| Comp & Periph Equip | 14 | 142,244 | 67,907 | 17,652 | 4,979 | 2,617 | 15,419 | 23,797 | 1,678 | 8,193 |
| Computer Software | 14 | 28,606 | 13,657 | 3,550 | 1,001 | 526 | 3,101 | 4,786 | 338 | 1,648 |
| Comp Software Mainframe | 14 | 220,207 | 105,127 | 27,328 | 7,707 | 4,052 | 23,870 | 36,841 | 2,598 | 12,684 |
| Comp Software Mainframe - CIS | 12 | 112,633 | 100,874 | 9,506 | 383 | 0 | 68 | 79 | 1,723 | 0 |
| Comp Software Other | 14 | 287 | 137 | 36 | 10 | 5 | 31 | 48 | 3 | 17 |
| Data Handling Equipment | 14 | 2,565 | 1,225 | 318 | 90 | 47 | 278 | 429 | 30 | 148 |
| Other Office Equipment | 14 | 11,859 | 5,661 | 1,472 | 415 | 218 | 1,286 | 1,984 | 140 | 683 |
| Trans Equip Lt Duty Trks | 14 | 29,970 | 14,308 | 3,719 | 1,049 | 551 | 3,249 | 5,014 | 354 | 1,726 |
| Trans Equip Other | 14 | 2,360 | 1,127 | 293 | 83 | 43 | 256 | 395 | 28 | 136 |
| Stores Equipment | 14 | 9,698 | 4,630 | 1,203 | 339 | 178 | 1,051 | 1,622 | 114 | 559 |
| Tools,Shop,Garage Equip | 14 | 53,687 | 25,630 | 6,663 | 1,879 | 988 | 5,820 | 8,982 | 634 | 3,092 |
| Laboratory Equipment | 2 | 25,148 | 9,843 | 3,493 | 1,086 | 614 | 4,252 | 5,744 | 23 | 93 |
| Laboratory Equip Other | 2 | 1,219 | 477 | 169 | 53 | 30 | 206 | 278 | 1 | 5 |
| Power Operated Equipment | 14 | 6,264 | 2,990 | 777 | 219 | 115 | 679 | 1,048 | 74 | 361 |
| Comm Equip Non-Telephone | 14 | 13,886 | 6,629 | 1,723 | 486 | 256 | 1,505 | 2,323 | 164 | 800 |
| Remote Control & Instr | 14 | 6,758 | 3,226 | 839 | 237 | 124 | 733 | 1,131 | 80 | 389 |
| Comm Equip Telephone | 14 | 558 | 267 | 69 | 20 | 10 | 61 | 93 | 7 | 32 |
| Misc Equipment | 14 | 12,297 | 5,871 | 1,526 | 430 | 226 | 1,333 | 2,057 | 145 | 708 |
| Other Tangible Property | 14 | 182 | 87 | 23 | 6 | 3 | 20 | 30 | 2 | 10 |
| Total Depreciation Expense | | 3,471,718 | 1,602,348 | 445,089 | 120,018 | 67,734 | 393,078 | 561,684 | 56,431 | 225,335 |

SJO-5

Schedule B-SJO

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|--|--------------------|------------------------|----------------------|---------------------|-------------------|---------------------------|-------------------------|---------------------|-------------------|------------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (7) | Large Users (8) | Private (9) | Public (10) |
| Amort-Other UP | 18 | 11,121 | 4,900 | 1,471 | 409 | 235 | 1,304 | 1,886 | 170 | 745 |
| Amort-UPAA | 2 | 1,899 | 739 | 262 | 82 | 46 | 319 | 431 | 2 | 7 |
| Amort-Property Losses | 2 | 11,072 | 4,334 | 1,538 | 478 | 270 | 1,872 | 2,529 | 10 | 41 |
| Taxes Other Than Income | | | | | | | | | | |
| Utility Reg Assessment Fee | 19 | 204,144 | 94,907 | 26,090 | 7,186 | 3,981 | 22,599 | 33,480 | 2,919 | 12,984 |
| Property Taxes | 18 | 1,315,072 | 579,421 | 173,984 | 48,395 | 27,748 | 154,258 | 223,036 | 20,121 | 88,110 |
| Payroll Taxes | 16 | 175,614 | 90,950 | 21,355 | 5,268 | 2,950 | 13,312 | 21,390 | 3,126 | 17,263 |
| Other Taxes & Licenses | 14 | 11,761 | 5,615 | 1,460 | 412 | 216 | 1,275 | 1,968 | 139 | 677 |
| Gross Receipts Tax | 19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Taxes, Other Than Income | | 1,706,591 | 770,892 | 222,888 | 61,261 | 34,896 | 191,443 | 279,873 | 26,305 | 119,034 |
| Income Taxes | 18 | 2,905,330 | 1,280,088 | 384,375 | 106,916 | 61,302 | 340,795 | 492,744 | 44,452 | 194,657 |
| Utility Income Available for Return | 18 | 6,387,707 | 2,814,424 | 845,094 | 235,068 | 134,781 | 749,278 | 1,083,355 | 97,732 | 427,976 |
| Total Cost of Service | | 23,957,671 | 11,133,459 | 3,062,797 | 843,736 | 467,462 | 2,653,763 | 3,930,817 | 341,553 | 1,524,082 |
| Less: Other Water Revenues and Contract Rev | 19 | 694,373 | 322,814 | 88,741 | 24,442 | 13,540 | 76,867 | 113,877 | 9,930 | 44,162 |
| Total Cost of Service Related to Sales of Water | | 23,263,298 | 10,810,645 | 2,974,056 | 819,294 | 453,922 | 2,576,896 | 3,816,940 | 331,624 | 1,479,920 |
| Reallocation of Public Fire | 20 | 0 | 1,244,465 | 196,237 | 22,643 | 12,579 | 0 | 3,996 | 0 | (1,479,920) |
| Total | | \$ 23,263,298 | \$ 12,055,110 | \$ 3,170,294 | \$ 841,937 | \$ 466,501 | \$ 2,576,896 | \$ 3,820,936 | \$ 331,624 | \$ - |

SJO-9

Schedule B-SJO

**MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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, 100 Gallons (2) | Allocation Factor (3) |
|-----------------------------------|---|-----------------------------|
| Residential - Rate A | 41,872 | 0.3438 |
| Commercial - Rate A | 16,197 | 0.1330 |
| Industrial - Rate A | 5,819 | 0.0478 |
| Other Public Authority - Rate A | 2,846 | 0.0234 |
| Sales for Resale - Rate B | 21,676 | 0.1780 |
| Rate J - Large Users | 32,511 | 0.2670 |
| Private Fire Protection | 166 | 0.0014 |
| Public Fire Protection | 678 | 0.0056 |
| Total | 121,765 | 1.0000 |

**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 0.6667 | Allocation Factor (4) | Weighted Factor (5)=(4)x 0.3333 | |
| Residential - Rate A | 0.3438 | 0.2292 | 0.4867 | 0.1622 | 0.3914 |
| Commercial - Rate A | 0.1330 | 0.0887 | 0.1506 | 0.0502 | 0.1389 |
| Industrial - Rate A | 0.0478 | 0.0319 | 0.0338 | 0.0113 | 0.0432 |
| Other Public Authority - R: | 0.0234 | 0.0156 | 0.0265 | 0.0088 | 0.0244 |
| Sales for Resale - Rate B | 0.1780 | 0.1187 | 0.1512 | 0.0504 | 0.1691 |
| Rate J - Large Users | 0.2670 | 0.1780 | 0.1512 | 0.0504 | 0.2284 |
| Private Fire Protection | 0.0014 | 0.0009 | | | 0.0009 |
| Public Fire Protection | 0.0056 | 0.0037 | | | 0.0037 |
| Total | 1.0000 | 0.6667 | 1.0000 | 0.3333 | 1.0000 |

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
ST. JOSEPH 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, 100 Gallons | Maximum Day Extra Capacity | | |
|---------------------------------|--|----------------------------|--------------------------------------|----------------------|
| | | Factor* | Rate of Flow, 100 Gal. Per Day | Allocation Factor |
| (1) | (2) | (3) | (4)=(2)x(3) | (5) |
| Residential - Rate A | 41,872 | 1.0 | 41,872 | 0.4867 |
| Commercial - Rate A | 16,197 | 0.8 | 12,958 | 0.1506 |
| Industrial - Rate A | 5,819 | 0.5 | 2,910 | 0.0338 |
| Other Public Authority - Rate A | 2,846 | 0.8 | 2,277 | 0.0265 |
| Sales for Resale - Rate B | 21,676 | 0.6 | 13,006 | 0.1512 |
| Rate J - Large Users | 32,511 | 0.4 | 13,004 | 0.1512 |
| Total | 120,921 | | 86,027 | 1.0000 |

The weighting of the factors is based on the maximum day ratio of 1.50, based on a review of maximum day ratios experienced during the period 1990 through 2014 (see Schedule D).

| | Maximum Day Ratio | Weight |
|-------------------------------|-------------------------|--------|
| Average Day | 1.00 | 0.6667 |
| Maximum Day Extra Capacity | 0.50 | 0.3333 |
| Total | 1.50 | 1.0000 |

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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 | (4) | (5)=(4) X | (6) | (7)=(6) X | (8)=(3)+(5)+(7) |
| | | 0.6197 | | 0.3098 | | 0.0705 | |
| Residential - Rate A | 0.3438 | 0.2130 | 0.4867 | 0.1508 | | | 0.3638 |
| Commercial - Rate A | 0.1330 | 0.0824 | 0.1506 | 0.0467 | | | 0.1291 |
| Industrial - Rate A | 0.0478 | 0.0296 | 0.0338 | 0.0105 | | | 0.0401 |
| Other Public Authority - Rate A | 0.0234 | 0.0145 | 0.0265 | 0.0082 | | | 0.0227 |
| Sales for Resale - Rate B | 0.1780 | 0.1103 | 0.1512 | 0.0468 | | | 0.1571 |
| Rate J - Large Users | 0.2670 | 0.1655 | 0.1512 | 0.0468 | | | 0.2123 |
| Private Fire Protection | 0.0014 | 0.0009 | | | 0.1966 | 0.0139 | 0.0148 |
| Public Fire Protection | 0.0056 | 0.0035 | | | 0.8034 | 0.0566 | 0.0601 |
| Total | 1.0000 | 0.6197 | 1.0000 | 0.3098 | 1.0000 | 0.0705 | 1.0000 |

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Schedule C-SJO

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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 1.50 and the average daily system sendout for 2014 of 16.878 MGD. The system demand for fire protection is 8,000 Gallons per minute for 4 hours.

| | <u>Ratio</u> | <u>Rate of Flow, (GPD)</u> | <u>Weight</u> |
|-------------------------------|--------------------|--------------------------------|----------------------|
| Average Day | 1.00 | 16,877,888 | 0.6197 |
| Maximum Day Extra Capacity | <u>0.50</u> | <u>8,438,944</u> | <u>0.3098</u> |
| Subtotal | <u><u>1.50</u></u> | 25,316,832 | 0.9295 |
| Fire Protection | | <u>1,920,000</u> | <u>0.0705</u> |
| Total | | <u><u>27,236,832</u></u> | <u><u>1.0000</u></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
ST. JOSEPH 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 |
|---------------------------------|----------------------------|-------------------|---------------------|-----------------------------|---------------------|-------------------|---------------------|-------------------|
| | 100 Gallons | Allocation Factor | Weighted Factor | Allocation Factor | Weighted Factor | Allocation Factor | Weighted Factor | |
| (1) | (2) | (3) | (4)=(3) X 0.3728 | (5) | (6)=(5) X 0.3728 | (7) | (8)=(7) X 0.2544 | (9)=(4)+(6)+(8) |
| Residential - Rate A | 1,744.7 | 0.5243 | 0.1954 | 0.6454 | 0.2405 | | | 0.4359 |
| Commercial - Rate A | 674.9 | 0.2028 | 0.0756 | 0.1998 | 0.0745 | | | 0.1501 |
| Industrial - Rate A | 242.5 | 0.0729 | 0.0272 | 0.0385 | 0.0144 | | | 0.0416 |
| Other Public Authority - Rate A | 118.6 | 0.0356 | 0.0133 | 0.0351 | 0.0131 | | | 0.0264 |
| Sales for Resale - Rate B | 0.0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | | | 0.0000 |
| Rate J - Large Users | 511.9 | 0.1538 | 0.0573 | 0.0812 | 0.0303 | | | 0.0876 |
| Private Fire Protection | 6.9 | 0.0021 | 0.0008 | | | 0.1966 | 0.0500 | 0.0508 |
| Public Fire Protection | 28.3 | 0.0085 | 0.0032 | | | 0.8034 | 0.2044 | 0.2076 |
| Total | 3,327.8 | 1.0000 | 0.3728 | 1.0000 | 0.3728 | 1.0000 | 0.2544 | 1.0000 |

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

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Schedule C-SJO

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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 2.0 and the average daily system sendout for 2014 of 16.878 MGD. The system demand for fire protection is 8,000 gallons per minute.

| | Ratio | Rate of Flow, (GPM) | Weight |
|--------------------------------|-------------|------------------------|---------------|
| Average Hour | 1.00 | 11,721 | 0.3728 |
| Maximum Hour Extra Capacity | <u>1.00</u> | <u>11,721</u> | <u>0.3728</u> |
| Subtotal | <u>2.00</u> | 23,442 | 0.7456 |
| Fire Protection | | <u>8,000</u> | <u>0.2544</u> |
| Total | | <u>31,442</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 100 Gallons | Maximum Hour Extra Capacity | | |
|---------------------------------|---|-----------------------------|---------------------------|----------------------|
| | | Factor* | 1,000 Gallons Per Hour | Allocation Factor |
| (1) | (2) | (3) | (4)=(2)x(3) | (5) |
| Residential - Rate A | 1,744.7 | 3.5 | 6,106.5 | 0.6454 |
| Commercial - Rate A | 674.9 | 2.8 | 1,889.7 | 0.1998 |
| Industrial - Rate A | 242.5 | 1.5 | 363.8 | 0.0385 |
| Other Public Authority - Rate A | 118.6 | 2.8 | 332.1 | 0.0351 |
| Sales for Resale - Rate B | 0.0 | 2.0 | 0.0 | 0.0000 |
| Rate J - Large Users | <u>511.9</u> | 1.5 | <u>767.8</u> | <u>0.0812</u> |
| Total | <u>3,292.6</u> | | <u>9,459.9</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
ST. JOSEPH 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 0.4316 | (5) | (6)=(5) X 0.4316 | (7) | (8)=(7) X 0.1368 | (9)=(4)+(6)+(8) |
| Residential - Rate A | 1,744.7 | 0.3438 | 0.1485 | 0.4873 | 0.2104 | | | 0.3589 |
| Commercial - Rate A | 674.9 | 0.1330 | 0.0574 | 0.1508 | 0.0651 | | | 0.1225 |
| Industrial - Rate A | 242.5 | 0.0478 | 0.0206 | 0.0290 | 0.0125 | | | 0.0331 |
| Other Public Authority - Rate A | 118.6 | 0.0234 | 0.0101 | 0.0265 | 0.0114 | | | 0.0215 |
| Sales for Resale - Rate B | 903.2 | 0.1780 | 0.0768 | 0.1442 | 0.0622 | | | 0.1390 |
| Rate J - Large Users | 1,354.6 | 0.2670 | 0.1152 | 0.1622 | 0.0700 | | | 0.1852 |
| Private Fire Protection | 6.9 | 0.0014 | 0.0006 | | | 0.1966 | 0.0269 | 0.0275 |
| Public Fire Protection | 28.3 | 0.0056 | 0.0024 | | | 0.8034 | 0.1099 | 0.1123 |
| Total | 5,073.7 | 1.0000 | 0.4316 | 1.0000 | 0.4316 | 1.0000 | 0.1368 | 1.0000 |

The weighting of the factors is based on the ratio of the capacity required for a 4 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

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Schedule C-SJO

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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 4 hour demand of fire flow, as related to total storage capacity.

$$\text{Fire Protection Weight} = \frac{8,000 \text{ GPM} \times 60 \text{ Min.} \times 4 \text{ Hrs.}}{14,040,000 \text{ Gallons}} = 0.1368$$

$$\text{General Service Weight} = 1.0000 - 0.1368 = 0.8632$$

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 | 50.00 | 0.4316 |
| Extra Capacity Maximum Hour | 1.00 | 50.00 | 0.4316 |
| Total | <u>2.00</u> | <u>100.00</u> | <u>0.8632</u> |

| Customer Classification | Average Hourly Consumption Thousand Gal. | Factor* | Maximum Hour Extra Capacity | |
|---------------------------------|---|---------|-----------------------------|----------------------|
| | | | 1,000 Gallons Per Hour | Allocation Factor |
| (1) | (2) | (3) | (4)=(2)x(3) | (5) |
| Residential - Rate A | 1,744.7 | 3.5 | 6,106.5 | 0.4873 |
| Commercial - Rate A | 674.9 | 2.8 | 1,889.7 | 0.1508 |
| Industrial - Rate A | 242.5 | 1.5 | 363.8 | 0.0290 |
| Other Public Authority - Rate A | 118.6 | 2.8 | 332.1 | 0.0265 |
| Sales for Resale - Rate B | 903.2 | 2.0 | 1,806.4 | 0.1442 |
| Rate J - Large Users | 1,354.6 | 1.5 | 2,031.9 | 0.1622 |
| Total | <u>5038.5</u> | | <u>12,530.4</u> | <u>1.0000</u> |

* Ratio of Maximum Hour To Average Hour Minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 6. 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 0.1903 | (4) | (5)=(4)X 0.8097 | (6)=(3)+(5) |
| Residential - Rate A | 0.3638 | 0.0693 | 0.4359 | 0.3530 | 0.4223 |
| Commercial - Rate A | 0.1291 | 0.0246 | 0.1501 | 0.1215 | 0.1461 |
| Industrial - Rate A | 0.0401 | 0.0076 | 0.0416 | 0.0337 | 0.0413 |
| Other Public Authority - Rate A | 0.0227 | 0.0043 | 0.0264 | 0.0214 | 0.0257 |
| Sales for Resale - Rate B | 0.1571 | 0.0299 | 0.0000 | 0.0000 | 0.0299 |
| Rate J - Large Users | 0.2123 | 0.0404 | 0.0876 | 0.0709 | 0.1113 |
| Private Fire Protection | 0.0148 | 0.0028 | 0.0508 | 0.0411 | 0.0439 |
| Public Fire Protection | 0.0601 | 0.0114 | 0.2076 | 0.1681 | 0.1795 |
| Total | 1.0000 | 0.1903 | 1.0000 | 0.8097 | 1.0000 |

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 | 623,836 | 0.1903 |
| Distribution Mains | 2,654,382 | 0.8097 |
| Total | 3,278,218 | 1.0000 |

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 7. 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 8. 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 - Rate A | 31,239 | 0.8373 |
| Commercial - Rate A | 4,926 | 0.1320 |
| Industrial - Rate A | 569 | 0.0152 |
| Other Public Authority - Rate A | 317 | 0.0085 |
| Sales for Resale - Rate B | 150 | 0.0040 |
| Rate J - Large Users | 100 | 0.0027 |
| Private Fire | <u>11</u> | <u>0.0003</u> |
| Total | <u><u>37,312</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

| Meter Size | 5/8" Dollar Equivalent | Rate A | | | | | | | | Rate B | | Rate J | | Rate F | | Total | |
|---------------|------------------------------|---------------------|--------------------------|---------------------|--------------------------|---------------------|--------------------------|------------------------|---------------------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|---------------|
| | | Residential | | Commercial | | Industrial | | Other Public Authority | | Sales for Resale | | Large Users | | Private Fire | | Number of Meters | Weighting |
| | | 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)=(2)X(13) | Number of Meters | Weighting (14)=(2)X(13) | | |
| (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) | (13) | (14)=(2)X(13) | (15) | (16)=(2)X(15) |
| 5/8 | 1.0 | 26,587 | 26,587 | 1,677 | 1,677 | 11 | 11 | 39 | 39 | 0 | 0 | 0 | 0 | 11 | 11 | 28,325 | 28,325 |
| 3/4 | 2.1 | 1,543 | 3,240 | 150 | 315 | 6 | 13 | 32 | 67 | 0 | 0 | 0 | 0 | 0 | 0 | 1,731 | 3,635 |
| 1 | 2.0 | 662 | 1,324 | 422 | 844 | 16 | 32 | 91 | 182 | 0 | 0 | 7 | 14 | 0 | 0 | 1,198 | 2,396 |
| 1-1/2 | 3.5 | 7 | 25 | 82 | 287 | 2 | 7 | 7 | 25 | 0 | 0 | 0 | 0 | 0 | 0 | 98 | 344 |
| 2 | 4.3 | 13 | 56 | 358 | 1,539 | 51 | 219 | 1 | 4 | 11 | 47 | 11 | 47 | 0 | 0 | 445 | 1,912 |
| 3 | 7.0 | 1 | 7 | 14 | 98 | 4 | 28 | - | 0 | 0 | 0 | 4 | 28 | 0 | 0 | 23 | 161 |
| 4 | 10.5 | 0 | 0 | 11 | 116 | 15 | 158 | - | 0 | 5 | 53 | 1 | 11 | 0 | 0 | 32 | 338 |
| 6 | 16.8 | 0 | 0 | 3 | 50 | 6 | 101 | - | 0 | 3 | 50 | 0 | 0 | 0 | 0 | 12 | 201 |
| 8 | 64.0 | 0 | 0 | 0 | 0 | 0 | 0 | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | <u>28,813</u> | <u>31,239</u> | <u>2,717</u> | <u>4,926</u> | <u>111</u> | <u>569</u> | <u>170</u> | <u>317</u> | <u>19</u> | <u>150</u> | <u>23</u> | <u>100</u> | <u>11</u> | <u>11</u> | <u>31,864</u> | <u>37,312</u> |

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Schedule C-SJO

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 9. 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 - Rate A | 30,182 | 0.7396 |
| Commercial - Rate A | 5,563 | 0.1363 |
| Industrial - Rate A | 533 | 0.0131 |
| Other Public Authority - Rate A | 373 | 0.0091 |
| Sales for Resale - Rate B | 123 | 0.0030 |
| Rate J - Large Users | 110 | 0.0027 |
| Private Fire Protection | <u>3,924</u> | <u>0.0962</u> |
| Total | <u><u>40,808</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

| Service Size | 3/4" Dollar Equivalent | Rate A | | | | | | | | Rate B | | Rate J | | Rate F | | Total | |
|--------------|------------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|------------------------|--------------|--------------------|--------------|--------------------|---------------|-------------------------|---------------|--------------------|-----------|
| | | Residential | | Commercial | | Industrial | | Other Public Authority | | Sales for Resale | | Large Users | | Private Fire Protection | | | |
| | | Number of Services | Weighting | Number of Services | Weighting | Number of Services | Weighting | Number of Services | Weighting | Number of Services | Weighting | Number of Services | Weighting | Number of Services | Weighting | Number of Services | Weighting |
| (1) | (2) | (3) | (4)=(2)X(3) | (5) | (6)=(2)X(5) | (7) | (8)=(2)X(7) | (9) | (10)=(2)X(9) | (9) | (10)=(2)X(9) | (11) | (12)=(2)X(11) | (13) | (14)=(2)X(11) | (15) | (16) |
| 3/4 | 1.00 | 28,130 | 28,130 | 1,827 | 1,827 | 17 | 17 | 71 | 71 | 0 | 0 | 0 | 0 | 0 | 0 | 30,045 | 30,045 |
| 1 | 2.94 | 662 | 1,946 | 422 | 1,241 | 16 | 47 | 91 | 268 | 0 | 0 | 7 | 21 | 0 | 0 | 1,107 | 3,523 |
| 1-1/2 | 4.02 | 7 | 28 | 82 | 330 | 2 | 8 | 7 | 28 | 0 | 0 | 0 | 0 | 0 | 0 | 91 | 394 |
| 2 | 5.55 | 13 | 72 | 358 | 1,987 | 51 | 283 | 1 | 6 | 11 | 61 | 11 | 61 | 20 | 111 | 464 | 2,581 |
| 3 | 5.55 | 1 | 6 | 14 | 78 | 4 | 22 | 0 | 0 | 0 | 0 | 4 | 22 | 1 | 6 | 24 | 134 |
| 4 | 6.37 | 0 | 0 | 11 | 70 | 15 | 96 | 0 | 0 | 5 | 32 | 1 | 6 | 97 | 618 | 129 | 822 |
| 6 | 9.92 | 0 | 0 | 3 | 30 | 6 | 60 | 0 | 0 | 3 | 30 | 0 | 0 | 177 | 1,756 | 189 | 1,876 |
| 8 | 9.92 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 112 | 1,111 | 112 | 1,111 |
| 10 | 9.92 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 19 | 188 | 19 | 188 |
| 12 | 12.16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11 | 134 | 11 | 134 |
| Total | | 28,813 | 30,182 | 2,717 | 5,563 | 111 | 533 | 170 | 373 | 19 | 123 | 23 | 110 | 437 | 3,924 | 32,191 | 40,808 |

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Schedule C-SJO

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 10. 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 - Rate A | \$ 295,999 | 0.5564 |
| Commercial - Rate A | 75,342 | 0.1416 |
| Industrial - Rate A | 17,152 | 0.0322 |
| Other Public Authority - Rate A | 10,576 | 0.0199 |
| Sales for Resale - Rate B | 11,168 | 0.0210 |
| Rate J - Large Users | 39,511 | 0.0743 |
| Private Fire Protection | 19,324 | 0.0363 |
| Public Fire Protection | 62,931 | 0.1183 |
| Total | <u>532,003</u> | <u>1.0000</u> |

FACTOR 11. 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 - Rate A | \$ 130,238 | 0.4053 |
| Commercial - Rate A | 36,609 | 0.1138 |
| Industrial - Rate A | 9,090 | 0.0283 |
| Other Public Authority - Rate A | 5,619 | 0.0175 |
| Sales for Resale - Rate B | 6,196 | 0.0193 |
| Rate J - Large Users | 22,416 | 0.0697 |
| Private Fire Protection | 9,619 | 0.0299 |
| Public Fire Protection | 101,615 | 0.3162 |
| Total | <u>\$321,402</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 12. 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 - Rate A | 28,813 | 0.8956 |
| Commercial - Rate A | 2,717 | 0.0844 |
| Industrial - Rate A | 111 | 0.0034 |
| Other Public Authority - Rate A | 0 | 0.0000 |
| Sales for Resale - Rate B | 19 | 0.0006 |
| Rate J - Large Users | 23 | 0.0007 |
| Private Fire Protection | 492 | 0.0153 |
| Public Fire Protection | 0 | 0.0000 |
| Total | <u>32,175</u> | <u>1.0000</u> |

FACTOR 13. 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 - Rate A | 28,813 | 0.9094 |
| Commercial - Rate A | 2,717 | 0.0858 |
| Industrial - Rate A | 111 | 0.0035 |
| Other Public Authority - Rate A | 0 | 0.0000 |
| Sales for Resale - Rate B | 19 | 0.0006 |
| Rate J - Large Users | 23 | 0.0007 |
| Total | <u>31,683</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 14. 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 | Operation & Maintenance Expenses | Allocation Factor |
|---------------------------------|--|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | \$2,399,885 | 0.4774 |
| Commercial - Rate A | 623,861 | 0.1241 |
| Industrial - Rate A | 176,064 | 0.0350 |
| Other Public Authority - Rate A | 92,573 | 0.0184 |
| Sales for Resale - Rate B | 544,760 | 0.1084 |
| Rate J - Large Users | 840,922 | 0.1673 |
| Private Fire Protection | 59,198 | 0.0118 |
| Public Fire Protection | 289,285 | 0.0576 |
| Total | <u>\$5,026,548</u> | <u>1.0000</u> |

FACTOR 15. ALLOCATION OF ADMINISTRATIVE AND 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 | Operation & Maintenance Expenses | Allocation Factor |
|---------------------------------|--|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | \$4,625,509 | 0.4920 |
| Commercial - Rate A | 1,153,771 | 0.1228 |
| Industrial - Rate A | 317,216 | 0.0338 |
| Other Public Authority - Rate A | 166,931 | 0.0178 |
| Sales for Resale - Rate B | 968,475 | 0.1031 |
| Rate J - Large Users | 1,497,652 | 0.1594 |
| Private Fire Protection | 115,523 | 0.0123 |
| Public Fire Protection | 552,152 | 0.0588 |
| Total | <u>\$9,397,228</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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 <u>(1)</u> | Direct Labor Expense <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|---------------------------------------|------------------------------------|
| Residential - Rate A | \$1,205,616 | 0.5179 |
| Commercial - Rate A | 283,197 | 0.1216 |
| Industrial - Rate A | 69,779 | 0.0300 |
| Other Public Authority - Rate A | 39,116 | 0.0168 |
| Sales for Resale - Rate B | 176,581 | 0.0758 |
| Rate J - Large Users | 283,624 | 0.1218 |
| Private Fire Protection | 41,423 | 0.0178 |
| Public Fire Protection | <u>228,897</u> | <u>0.0983</u> |
| Total | <u>\$2,328,232</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 <u>(1)</u> | Original Cost Less Depreciation <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|---|------------------------------------|
| Residential - Rate A | \$43,424,236 | 0.4405 |
| Commercial - Rate A | 13,044,390 | 0.1323 |
| Industrial - Rate A | 3,629,091 | 0.0368 |
| Other Public Authority - Rate A | 2,080,387 | 0.0211 |
| Sales for Resale - Rate B | 11,568,780 | 0.1173 |
| Rate J - Large Users | 16,725,892 | 0.1697 |
| Private Fire Protection | 1,511,075 | 0.0153 |
| Public Fire Protection | <u>6,603,751</u> | <u>0.0670</u> |
| Total | <u>\$98,587,600</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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 <u>(1)</u> | Original Cost Measure of Value <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Residential - Rate A | \$34,280,545 | 0.4406 |
| Commercial - Rate A | 10,289,811 | 0.1323 |
| Industrial - Rate A | 2,862,734 | 0.0368 |
| Other Public Authority - Rate A | 1,640,547 | 0.0211 |
| Sales for Resale - Rate B | 9,126,806 | 0.1173 |
| Rate J - Large Users | 13,196,392 | 0.1696 |
| Private Fire Protection | 1,193,077 | 0.0153 |
| Public Fire Protection | <u>5,214,068</u> | <u>0.0670</u> |
| Total | <u>\$77,803,980</u> | <u>1.0000</u> |

FACTOR 19. ALLOCATION OF REGULATORY COMMISSION EXPENSES, ASSESSMENTS &
OTHER WATER REVENUES.

The factors are based on the allocation of the total cost of service, excluding those items being allocated.

| Customer Classification <u>(1)</u> | Total Cost of Service <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Residential - Rate A | \$11,003,994 | 0.4649 |
| Commercial - Rate A | 3,026,861 | 0.1278 |
| Industrial - Rate A | 833,784 | 0.0352 |
| Other Public Authority - Rate A | 461,943 | 0.0195 |
| Sales for Resale - Rate B | 2,622,095 | 0.1107 |
| Rate J - Large Users | 3,884,146 | 0.1640 |
| Private Fire Protection | 337,694 | 0.0143 |
| Public Fire Protection | <u>1,506,923</u> | <u>0.0636</u> |
| Total | <u>\$23,677,440</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|-----------------------------|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|-------------------------|--------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (7) | Large Users (8) | Private (9) | Public (10) |
| RATE BASE | | | | | | | | | | |
| Organization | 17 | \$ 13,096 | \$ 5,769 | \$ 1,733 | \$ 482 | \$ 276 | \$ 1,536 | \$ 2,222 | \$ 200 | \$ 877 |
| Land & Ld Rights SS | 2 | 1,414,424 | 553,606 | 196,463 | 61,103 | 34,512 | 239,179 | 323,054 | 1,273 | 5,233 |
| Land & Ld Rights P | 3 | 8,921 | 3,246 | 1,152 | 358 | 203 | 1,402 | 1,894 | 132 | 536 |
| Land & Ld Rights TD | 6 | 99,201 | 41,892 | 14,493 | 4,097 | 2,549 | 2,966 | 11,041 | 4,355 | 17,806 |
| Land & Land Rights AG | 14 | 8,112 | 3,873 | 1,007 | 284 | 149 | 879 | 1,357 | 96 | 467 |
| Struct & Imp SS | 2 | 1,523,035 | 596,116 | 211,550 | 65,795 | 37,162 | 257,545 | 347,861 | 1,371 | 5,635 |
| Struct & Imp P | 3 | 4,032,542 | 1,467,039 | 520,601 | 161,705 | 91,539 | 633,512 | 856,109 | 59,682 | 242,356 |
| Struct & Imp WT | 2 | 17,964,586 | 7,031,339 | 2,495,281 | 776,070 | 438,336 | 3,037,811 | 4,103,111 | 16,168 | 66,469 |
| Struct & Imp TD | 6 | 304,113 | 128,427 | 44,431 | 12,560 | 7,816 | 9,093 | 33,848 | 13,351 | 54,588 |
| Struct & Imp AG | 14 | 338,254 | 161,482 | 41,977 | 11,839 | 6,224 | 36,667 | 56,590 | 3,991 | 19,483 |
| Struct & Imp Offices | 14 | 2,065,453 | 986,047 | 256,323 | 72,291 | 38,004 | 223,895 | 345,550 | 24,372 | 118,970 |
| Struct & Imp Store,Shop,Gar | 14 | 126,567 | 60,423 | 15,707 | 4,430 | 2,329 | 13,720 | 21,175 | 1,493 | 7,290 |
| Struct & Imp Misc | 14 | 1,202,034 | 573,851 | 149,172 | 42,071 | 22,117 | 130,301 | 201,100 | 14,184 | 69,237 |
| Lake, River & Other Intakes | 2 | 1,165,405 | 456,140 | 161,875 | 50,346 | 28,436 | 197,070 | 266,179 | 1,049 | 4,312 |
| Wells & Springs | 2 | 63,269 | 24,764 | 8,788 | 2,733 | 1,544 | 10,699 | 14,451 | 57 | 234 |
| Supply Mains | 2 | 7,120,640 | 2,787,018 | 989,057 | 307,612 | 173,744 | 1,204,100 | 1,626,354 | 6,409 | 26,346 |
| Power Generation Equip | 3 | 105,163 | 38,258 | 13,577 | 4,217 | 2,387 | 16,521 | 22,326 | 1,556 | 6,320 |
| Pump Equip Electric | 3 | 5,238,829 | 1,905,886 | 676,333 | 210,077 | 118,921 | 823,020 | 1,112,203 | 77,535 | 314,854 |
| Pump Equip Diesel | 3 | 313,964 | 114,220 | 40,533 | 12,590 | 7,127 | 49,324 | 66,655 | 4,647 | 18,869 |
| Pump Equip Other | 3 | 4,981 | 1,812 | 643 | 200 | 113 | 783 | 1,058 | 74 | 299 |
| Pump Equip WT | 3 | 33,096 | 12,040 | 4,273 | 1,327 | 751 | 5,199 | 7,026 | 490 | 1,989 |
| WT Equip Non-Media | 2 | 9,307,288 | 3,642,872 | 1,292,782 | 402,075 | 227,098 | 1,573,862 | 2,125,784 | 8,377 | 34,437 |
| WT Equip Filter Media | 2 | (156,672) | (61,322) | (21,762) | (6,768) | (3,823) | (26,493) | (35,784) | (141) | (580) |
| Dist Reservoirs & Standpipe | 5 | 668,415 | 239,894 | 81,881 | 22,125 | 14,371 | 92,910 | 123,790 | 18,381 | 75,063 |
| Elevated Tanks & Standpipes | 5 | 169,786 | 60,936 | 20,799 | 5,620 | 3,650 | 23,600 | 31,444 | 4,669 | 19,067 |
| Ground Level Facilities | 5 | 866 | 311 | 106 | 29 | 19 | 120 | 160 | 24 | 97 |
| TD Mains Not Classified by | 6 | 32,078 | 13,546 | 4,687 | 1,325 | 824 | 959 | 3,570 | 1,408 | 5,758 |
| TD Mains 4" & Less | 4 | 1,688,190 | 735,882 | 253,397 | 70,229 | 44,568 | 0 | 147,885 | 85,760 | 350,468 |
| TD Mains 6 to 8" | 4 | 9,002,016 | 3,923,979 | 1,351,203 | 374,484 | 237,653 | 0 | 788,577 | 457,302 | 1,868,818 |
| TD Mains 10 to 16" | 3 | 10,995,859 | 4,000,294 | 1,419,565 | 440,934 | 249,606 | 1,727,450 | 2,334,421 | 162,739 | 660,851 |
| TD Mains 18" & Grtr | 3 | 3,498,063 | 1,272,595 | 451,600 | 140,272 | 79,406 | 549,546 | 742,639 | 51,771 | 210,234 |
| Services | 9 | 4,437,523 | 3,281,992 | 604,834 | 58,132 | 40,381 | 13,313 | 11,981 | 426,890 | 0 |
| Meters Bronze Case | 8 | 4,345,164 | 3,638,206 | 573,562 | 66,046 | 36,934 | 17,381 | 11,732 | 1,304 | 0 |
| Meters Plastic Case | 8 | 96,626 | 80,905 | 12,755 | 1,469 | 821 | 387 | 261 | 29 | 0 |
| Meters Other | 8 | (314,623) | (263,434) | (41,530) | (4,782) | (2,674) | (1,258) | (849) | (94) | 0 |
| Meters Other-Rem Rdr Unts | 8 | 52,448 | 43,915 | 6,923 | 797 | 446 | 210 | 142 | 16 | 0 |
| Meter Installations | 8 | 2,709,389 | 2,268,571 | 357,639 | 41,183 | 23,030 | 10,838 | 7,315 | 813 | 0 |
| Meter Vaults | 8 | 467,302 | 391,272 | 61,684 | 7,103 | 3,972 | 1,869 | 1,262 | 140 | 0 |
| Hydrants | 7 | 2,171,083 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,171,083 |
| Other P/E WT Res Hand Equip | 2 | 1,449,357 | 567,278 | 201,316 | 62,612 | 35,364 | 245,086 | 331,033 | 1,304 | 5,363 |
| Other P/E CPS | 14 | 296,911 | 141,745 | 36,847 | 10,392 | 5,463 | 32,185 | 49,673 | 3,504 | 17,102 |
| Office Furniture & Equip | 14 | (254,664) | (121,576) | (31,604) | (8,913) | (4,686) | (27,606) | (42,605) | (3,005) | (14,669) |

SJO-25

Schedule C-SJO

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|---|--------------------|------------------------|----------------------|----------------------|---------------------|---------------------------|-------------------------|----------------------|---------------------|---------------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (7) | Large Users (8) | Private (9) | Public (10) |
| Comp & Periph Equip | 14 | 671,300 | 320,479 | 83,308 | 23,496 | 12,352 | 72,769 | 112,309 | 7,921 | 38,667 |
| Computer Software | 14 | 217,349 | 103,762 | 26,973 | 7,607 | 3,999 | 23,561 | 36,362 | 2,565 | 12,519 |
| Comp Software Mainframe | 14 | 1,614,959 | 770,982 | 200,416 | 56,524 | 29,715 | 175,062 | 270,183 | 19,057 | 93,022 |
| Comp Software Mainframe - CIS | 12 | 826,031 | 739,793 | 69,717 | 2,809 | 0 | 496 | 578 | 12,638 | 0 |
| Comp Software Other | 14 | 2,184 | 1,043 | 271 | 76 | 40 | 237 | 365 | 26 | 126 |
| Data Handling Equipment | 14 | 10,170 | 4,855 | 1,262 | 356 | 187 | 1,102 | 1,701 | 120 | 586 |
| Other Office Equipment | 14 | 45,792 | 21,861 | 5,883 | 1,603 | 843 | 4,964 | 7,661 | 540 | 2,638 |
| Trans Equip Lt Duty Trks | 14 | 620,736 | 296,340 | 77,033 | 21,726 | 11,422 | 67,288 | 103,849 | 7,325 | 35,754 |
| Trans Equip Hvy Duty Trks | 14 | 37,681 | 17,989 | 4,676 | 1,319 | 693 | 4,085 | 6,304 | 445 | 2,170 |
| Trans Equip Autos | 14 | (35,356) | (16,879) | (4,388) | (1,237) | (651) | (3,833) | (5,915) | (417) | (2,036) |
| Trans Equip Other | 14 | (216,158) | (103,194) | (26,825) | (7,566) | (3,977) | (23,432) | (36,163) | (2,551) | (12,451) |
| Stores Equipment | 14 | 91,060 | 43,472 | 11,301 | 3,187 | 1,676 | 9,871 | 15,234 | 1,075 | 5,245 |
| Tools, Shop, Garage Equip | 14 | 474,430 | 226,493 | 58,877 | 16,605 | 8,730 | 51,428 | 79,372 | 5,598 | 27,327 |
| Laboratory Equipment | 2 | 160,399 | 62,780 | 22,279 | 6,929 | 3,914 | 27,123 | 36,635 | 144 | 593 |
| Laboratory Equip Other | 2 | 8,693 | 3,402 | 1,207 | 376 | 212 | 1,470 | 1,985 | 8 | 32 |
| Power Operated Equipment | 14 | 5,684 | 2,713 | 705 | 199 | 105 | 616 | 951 | 67 | 327 |
| Comm Equip Non-Telephone | 14 | 91,639 | 43,749 | 11,372 | 3,207 | 1,686 | 9,934 | 15,331 | 1,081 | 5,278 |
| Remote Control & Instr | 14 | 101,314 | 48,367 | 12,573 | 3,546 | 1,864 | 10,982 | 16,950 | 1,196 | 5,836 |
| Comm Equip Telephone | 14 | 4,612 | 2,202 | 572 | 161 | 85 | 500 | 772 | 54 | 266 |
| Misc Equipment | 14 | 60,083 | 28,684 | 7,456 | 2,103 | 1,106 | 6,513 | 10,052 | 709 | 3,461 |
| Other Tangible Property | 17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Utility Plant in Service | | 98,600,696 | 43,430,004 | 13,046,122 | 3,629,573 | 2,080,664 | 11,570,316 | 16,728,114 | 1,511,275 | 6,604,628 |
| Other Rate Base Items | | | | | | | | | | |
| Add: | | | | | | | | | | |
| Other Utility Plant Adjustments | 17 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash Working Capital | 15 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Materials and Supplies | 14 | 259,300 | 123,790 | 32,179 | 9,076 | 4,771 | 28,108 | 43,381 | 3,060 | 14,936 |
| Prepayments | 14 | 135,537 | 64,705 | 16,820 | 4,744 | 2,494 | 14,692 | 22,675 | 1,599 | 7,807 |
| Pension / OPEB Tracker | 16 | 979,757 | 507,416 | 119,138 | 29,393 | 16,460 | 74,266 | 119,334 | 17,440 | 96,310 |
| Tank Painting Tracker | 5 | 99,300 | 35,639 | 12,164 | 3,287 | 2,135 | 13,803 | 18,390 | 2,731 | 11,151 |
| Less: | | | | | | | | | | |
| Accumulated Deferred ITC (3%) | 17 | (6,066) | (2,672) | (803) | (223) | (128) | (712) | (1,029) | (93) | (406) |
| Deferred Income Taxes | 17 | (21,349,737) | (9,404,559) | (2,824,570) | (785,670) | (450,479) | (2,504,324) | (3,623,050) | (326,651) | (1,430,432) |
| Pensions | 16 | (914,807) | (473,779) | (111,241) | (27,444) | (15,369) | (69,342) | (111,423) | (16,284) | (89,926) |
| Total Other Rate Base Elements | | (20,796,716) | (9,149,460) | (2,756,311) | (766,839) | (440,116) | (2,443,509) | (3,531,722) | (318,196) | (1,390,560) |
| Total Original Cost Measure of Value | | \$ 77,803,980 | \$ 34,280,545 | \$ 10,289,811 | \$ 2,862,734 | \$ 1,640,547 | \$ 9,126,806 | \$ 13,196,392 | \$ 1,193,077 | \$ 5,214,068 |

SJO-26

Schedule C-SJO

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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.

| Customer Classification (1) | 5/8" Dollar Equivalents (2) | Allocation Factor (3) |
|-----------------------------------|-----------------------------------|-----------------------------|
| Residential - Rate A | 31,239 | 0.8409 |
| Commercial - Rate A | 4,926 | 0.1326 |
| Industrial - Rate A | 569 | 0.0153 |
| Other Public Authority - Rate A | 317 | 0.0085 |
| Sales for Resale - Rate B | 0 | 0.0000 |
| Rate J - Large Users | 100 | 0.0027 |
| Private Fire | 0 | 0.0000 |
| Total | 37,151 | 1.0000 |

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1990-2014

| Year | Average Daily Send out (MGD) | Maximum Daily Use | | |
|------|------------------------------------|-------------------|---------------------|--------------------|
| | | MGD | Ratio to Average | Highest Use Day |
| (1) | (2) | (3) | (4) | (5) |
| 1990 | 16.540 | 22.556 | 1.36 | 9/30/1990 |
| 1991 | 16.389 | 24.628 | 1.50 | 7/20/1991 |
| 1992 | 15.936 | 21.983 | 1.38 | 6/30/1992 |
| 1993 | 15.958 | 21.619 | 1.35 | 6/15/1993 |
| 1994 | 14.665 | 22.291 | 1.52 | 8/25/1994 |
| 1995 | 14.525 | 22.125 | 1.52 | 7/12/1995 |
| 1996 | 15.116 | 19.378 | 1.28 | 7/18/1996 |
| 1997 | 15.018 | 20.865 | 1.39 | 7/16/1997 |
| 1998 | 15.018 | 20.912 | 1.39 | 8/24/1998 |
| 1999 | 16.047 | 21.888 | 1.36 | 7/30/1999 |
| 2000 | 15.185 | 21.096 | 1.39 | 8/16/2000 |
| 2001 | 14.232 | 19.574 | 1.38 | 8/6/2001 |
| 2002 | 15.117 | 22.027 | 1.46 | 7/31/2002 |
| 2003 | 14.994 | 22.510 | 1.50 | 8/8/2003 |
| 2004 | 14.889 | 19.653 | 1.32 | 7/27/2004 |
| 2005 | 15.003 | 21.333 | 1.42 | 7/21/2005 |
| 2006 | 16.891 | 23.463 | 1.39 | 5/25/2006 |
| 2007 | 18.057 | 23.952 | 1.33 | 7/17/2007 |
| 2008 | 17.892 | 22.588 | 1.26 | 8/19/2008 |
| 2009 | 17.594 | 22.572 | 1.28 | 8/17/2009 |
| 2010 | 17.522 | 22.344 | 1.28 | 8/13/2010 |
| 2011 | 17.370 | 23.563 | 1.36 | 7/22/2011 |
| 2012 | 18.001 | 24.431 | 1.36 | 6/30/2012 |
| 2013 | 17.852 | 25.557 | 1.43 | 7/19/2013 |
| 2014 | 16.878 | 21.408 | 1.27 | 7/25/2014 |

MISSOURI-AMERICAN WATER COMPANY
ST. JOSEPH 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) |
|--------------------------------|--|-----------------|------------------------------------|-----------------------------|
| <u>PRIVATE FIRE PROTECTION</u> | | | | |
| Fire Lines | | | | |
| 2 -inch | 4.00 | 20 | 80 | |
| 3 -inch | 9.00 | 1 | 9 | |
| 4 -inch | 16.00 | 97 | 1,552 | |
| 6 -inch | 36.00 | 177 | 6,372 | |
| 8 -inch | 64.00 | 112 | 7,168 | |
| 10 -inch | 100.00 | 19 | 1,900 | |
| 12 -inch | 144.00 | 11 | 1,584 | |
| Private Hydrants | 20.25 | 55 | 1,114 | |
| Total Private Fire Protection | | 492 | 19,779 | 0.1966 |
| <u>PUBLIC FIRE PROTECTION</u> | | | | |
| Hydrant | Nozzle Sizes | | | |
| 4 1/2" Valve | 2- 2-1/2" & 1- 4 1/2" | 20.25 | 22 | 446 |
| 5 1/4" Valve | 2- 2-1/2" & 1- 4 1/2" | 26.50 | 3,033 | 80,375 |
| Total Public Fire Protection | | 3,055 | 80,821 | 0.8034 |
| Total Fire Protection | | 3,547 | 100,600 | 1.0000 |

MISSOURI AMERICAN WATER
 ST. JOSEPH DISTRICT
 CALCULATION OF THE 5/8-INCH CUSTOMER COSTS PER MONTH
 INCLUDING THE UNRECOVERED PUBLIC FIRE COSTS

| <u>Cost Function</u> | <u>Cost of Service</u> | <u>Number of Units</u> | <u>Unit Cost Per Month</u> |
|-------------------------|----------------------------|------------------------|----------------------------|
| Meters | \$ 1,599,668 | 37,312 5/8 Equivalents | \$ 3.57 |
| Services | 716,958 | 36,884 3/4 Equivalents | 1.62 |
| Billing/Collecting | <u>2,232,370</u> | 380,196 Bills | <u>5.87</u> |
| Subtotal | 4,548,995 | | 11.06 |
| Unrecovered Public Fire | <u>1,479,920</u> | 37,312 5/8 Equivalents | 3.31 |
| Total | <u><u>\$ 6,028,916</u></u> | | <u><u>\$ 14.37</u></u> |

SJO-30

Schedule F-SJO

ST. LOUIS METRO DISTRICT

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification (1) | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates | | Proposed Increase | |
|-----------------------------------|-------------------------------|----------------|-------------------------|----------------|---------------------------------------|----------------|----------------------|----------------------------|
| | Amount (Schedule B) (2) | Percent (3) | Amount (4) | Percent (5) | Consolidated Pricing Amount (6) | Percent (7) | Amount (8) | Percent Increase (9) |
| | | | | | | | | |
| Rate A - Res/Com/Ind/OPA | \$ 209,097,492 | 94.2% | \$ 166,637,144 | 93.4% | \$ 210,254,974 | 93.6% | \$ 43,617,830 | 26.2% |
| Rate B - Sales for Resale | 2,703,797 | 1.2% | 2,892,461 | 1.6% | 3,420,355 | 1.5% | 527,894 | 18.3% |
| Rate J - Manufacturing | 7,000,296 | 3.2% | 6,571,486 | 3.7% | 8,419,384 | 3.7% | 1,847,898 | 28.1% |
| Rate F - Private Fire | 3,096,131 | 1.4% | 2,312,409 | 1.3% | 2,796,173 | 1.2% | 483,764 | 20.9% |
| Rate E - Public Fire | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% |
| Total Sales | 221,897,717 | <u>100.0%</u> | 178,413,499 | <u>100.0%</u> | 224,890,886 | <u>100.0%</u> | 46,477,387 | 26.1% |
| Other Revenues* | <u>6,350,401</u> | | <u>6,350,400</u> | | <u>\$6,350,401</u> | | 0.33 | 0.0% |
| Total | <u>\$ 228,248,118</u> | | <u>\$ 184,763,899</u> | | <u>\$ 231,241,287</u> | | <u>\$ 46,477,388</u> | 25.2% |

* Includes Rate G and H Contract Sales.

** Includes revenue for Public Fire.

SLM-1

Schedule A-SLM

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA Rate A (4) | Sales for Resale Rate B (5) | Large Industrial Rate J (6) | Fire Protection | |
|---|-----------------------|---------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------|---------------|
| | | | | | | Rate F (7) | Rate E (8) |
| OPERATION AND MAINTENANCE EXPENSES | | | | | | | |
| SOURCE OF SUPPLY EXPENSES | | | | | | | |
| Super & Eng Oper SS | 2 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Labor & Exp Oper SS | 2 | 151,450 | 137,532 | 4,377 | 9,420 | 91 | 30 |
| Purchased Water | 1 | 390,672 | 338,361 | 14,377 | 37,231 | 508 | 195 |
| TOTAL SS EXPENSE - OPERATION | | 542,122 | 475,893 | 18,754 | 46,651 | 599 | 226 |
| Misc Exp Oper SS | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Exp Oper SS | 2 | 448,332 | 407,130 | 12,957 | 27,886 | 269 | 90 |
| Rents Oper SS | 2 | 2,603 | 2,364 | 75 | 162 | 2 | 1 |
| Lake, River & Oth Maint SS - Labor | 2 | 18 | 16 | 1 | 1 | 0 | 0 |
| Wells & Springs Maint SS - Labor | 2 | 65 | 59 | 2 | 4 | 0 | 0 |
| Infiltr Gall & Tunnels Maint SS - Labor | 2 | 414 | 376 | 12 | 26 | 0 | 0 |
| Supply Mains Maint SS - Labor | 2 | 104 | 94 | 3 | 6 | 0 | 0 |
| Misc Plant Maint SS - Labor | 2 | 252,865 | 229,627 | 7,308 | 15,728 | 152 | 51 |
| Misc Plant Maint SS | 2 | 6,956 | 6,316 | 201 | 433 | 4 | 1 |
| TOTAL SS EXPENSE - MAINTENANCE | | 711,358 | 645,984 | 20,558 | 44,246 | 427 | 142 |
| TOTAL SS EXPENSE | | 1,253,480 | 1,121,877 | 39,312 | 90,898 | 1,026 | 368 |
| POWER AND PUMPING EXPENSES | | | | | | | |
| Super & Eng Oper P | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fuel for Power Prod | 1 | 10,243 | 8,871 | 377 | 976 | 13 | 5 |
| Labor & Exp Oper Pwr Prod - Labor | 3 | 664 | 581 | 19 | 40 | 6 | 19 |
| Purch Fuel/Power for Pump | 1 | 8,468,645 | 7,334,693 | 311,646 | 807,062 | 11,009 | 4,234 |
| Labor & Exp Oper Pump - Labor | 3 | 1,745,507 | 1,527,318 | 48,700 | 104,556 | 15,186 | 49,747 |
| Misc Exp Oper P | 3 | 2,158 | 1,888 | 60 | 129 | 19 | 62 |
| Rents Oper P | 3 | 1,683 | 1,473 | 47 | 101 | 15 | 48 |
| TOTAL PUMPING EXPENSE - OPERATION | | 10,228,899 | 8,874,825 | 360,848 | 912,864 | 26,248 | 54,115 |

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Schedule B-SLM

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA Rate A (4) | Sales for Resale Rate B (5) | Large Industrial Rate J (6) | Fire Protection | |
|---|-----------------------|---------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------|---------------|
| | | | | | | Rate F (7) | Rate E (8) |
| Super & Eng Maint P | 3 | 29,506 | 25,818 | 823 | 1,767 | 257 | 841 |
| Struct & Improve Maint P - Labor | 3 | 694,311 | 607,522 | 19,371 | 41,589 | 6,041 | 19,788 |
| Struct & Improve Maint P | 3 | 71,690 | 62,729 | 2,000 | 4,294 | 624 | 2,043 |
| Pump Equip Maint P - Labor | 3 | 42,920 | 37,555 | 1,197 | 2,571 | 373 | 1,223 |
| Pump Equip Maint P | 3 | 11,857 | 10,375 | 331 | 710 | 103 | 338 |
| TOTAL PUMPING EXPENSES - MAINTENANCE | | 850,284 | 743,998 | 23,723 | 50,932 | 7,397 | 24,233 |
| TOTAL PUMPING EXPENSES | | 11,079,183 | 9,618,823 | 384,571 | 963,796 | 33,645 | 78,348 |
| WATER TREATMENT | | | | | | | |
| Super & Eng Oper WT | 2 | 69,401 | 63,023 | 2,006 | 4,317 | 42 | 14 |
| Chemicals | 1 | 7,419,482 | 6,426,013 | 273,037 | 707,077 | 9,645 | 3,710 |
| Labor & Exp Oper WT - Labor | 2 | 1,286,730 | 1,168,479 | 37,186 | 80,035 | 772 | 257 |
| Labor & Exp Oper WT | 2 | 199,129 | 180,829 | 5,755 | 12,386 | 119 | 40 |
| Misc Exp Oper WT | 1 | 102,227 | 88,539 | 3,762 | 9,742 | 133 | 51 |
| Misc Exp Oper WT | 2 | 29,508 | 26,796 | 853 | 1,835 | 18 | 6 |
| Rents Oper WT | 2 | 10,157 | 9,224 | 294 | 632 | 6 | 2 |
| TOTAL WT EXPENSE - OPERATION | | 9,116,634 | 7,962,903 | 322,892 | 816,023 | 10,735 | 4,080 |
| Super & Eng Maint WT | 2 | 1,613,443 | 1,465,167 | 46,628 | 100,356 | 968 | 323 |
| WT Equip Maint WT - Labor | 2 | 2,987 | 2,713 | 86 | 186 | 2 | 1 |
| WT Equip Maint WT | 2 | 542,382 | 492,537 | 15,675 | 33,736 | 325 | 108 |
| TOTAL WT EXPENSE - MAINTENANCE | | 2,158,812 | 1,960,417 | 62,390 | 134,278 | 1,295 | 432 |
| TOTAL WT EXPENSE | | 11,275,446 | 9,923,320 | 385,282 | 950,301 | 12,030 | 4,512 |
| TRANSMISSION AND DISTRIBUTION EXPENSES | | | | | | | |
| Super & Eng Oper TD | 10 | 532,432 | 491,488 | 2,023 | 7,561 | 17,091 | 14,269 |
| Storage Facility Exp - Labor | 5 | 48,575 | 39,302 | 1,380 | 2,798 | 1,151 | 3,944 |
| TD Lines Exp - Labor | 6 | 1,448,255 | 1,319,360 | 9,269 | 27,517 | 21,000 | 71,109 |
| TD Lines Exp | 6 | 43,719 | 39,828 | 280 | 831 | 634 | 2,147 |
| Meter Expense - Labor | 8 | 665,032 | 648,340 | 0 | 7,914 | 8,778 | 0 |

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Schedule B-SLM

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA Rate A (4) | Sales for Resale Rate B (5) | Large Industrial Rate J (6) | Fire Protection | |
|--|-----------------------|---------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------|------------------|
| | | | | | | Rate F (7) | Rate E (8) |
| Meter Expense | 8 | 4,556 | 4,442 | 0 | 54 | 60 | 0 |
| Customer Install Exp - Labor | 9 | 674,665 | 611,786 | 0 | 1,822 | 61,057 | 0 |
| Misc Exp Oper TD - Labor | 10 | 2,131,681 | 1,967,755 | 8,100 | 30,270 | 68,427 | 57,129 |
| Misc Exp Oper TD | 10 | 781,087 | 721,022 | 2,968 | 11,091 | 25,073 | 20,933 |
| Rents Oper TD | 10 | 53,538 | 49,421 | 203 | 760 | 1,719 | 1,435 |
| TOTAL T & D EXPENSE OPERATION | | 6,383,540 | 5,892,743 | 24,223 | 90,617 | 204,990 | 170,966 |
| Super & Eng Maint TD | 11 | 47,109 | 40,867 | 264 | 810 | 787 | 4,381 |
| Contract Svc-Eng Maint | 11 | 458 | 397 | 3 | 8 | 8 | 43 |
| Struct & Improve Maint TD - Labor | 11 | 26,630 | 23,102 | 149 | 458 | 445 | 2,477 |
| Dist Res Stand Maint TD - Labor | 5 | 1,406 | 1,137 | 40 | 81 | 33 | 114 |
| TD Main Maint TD - Labor | 6 | 214,728 | 195,617 | 1,374 | 4,080 | 3,114 | 10,543 |
| TD Main Maint TD | 6 | 4,911,363 | 4,474,251 | 31,433 | 93,316 | 71,215 | 241,148 |
| Services Maint TD - Labor | 9 | 229,646 | 208,243 | 0 | 620 | 20,783 | 0 |
| Services Maint TD | 9 | 448 | 406 | 0 | 1 | 41 | 0 |
| Meters Maint TD - Labor | 8 | 209,156 | 203,907 | 0 | 2,489 | 2,761 | 0 |
| Hydrants Maint TD - Labor | 7 | 293,107 | 0 | 0 | 0 | 0 | 293,107 |
| Misc Plant Maint TD - Labor | 11 | 1,475,326 | 1,279,845 | 8,262 | 25,376 | 24,638 | 137,205 |
| Mat and Sup Maint TD | 11 | 2,295,991 | 1,991,772 | 12,858 | 39,491 | 38,343 | 213,527 |
| TOTAL T & D EXPENSE - MAINTENANCE | | 9,705,368 | 8,419,545 | 54,382 | 166,730 | 162,166 | 902,545 |
| TOTAL T & D EXPENSE | | 16,088,907 | 14,312,288 | 78,605 | 257,347 | 367,156 | 1,073,511 |
| CUSTOMER ACCOUNTS | | | | | | | |
| Supervision CA | 12 | 27,081 | 26,252 | 0 | 24 | 804 | 0 |
| Meter Reading Exp CA - Labor | 13 | 1,220,279 | 1,219,791 | 0 | 488 | 0 | 0 |
| Meter Reading Exp CA | 13 | 2,682 | 2,681 | 0 | 1 | 0 | 0 |
| Cust Rec & Collection CA - Labor | 12 | 561,079 | 543,910 | 0 | 505 | 16,664 | 0 |
| Cust Rec & Collection CA | 12 | 1,873,076 | 1,815,760 | 0 | 1,686 | 55,630 | 0 |
| Uncollectible Accts | 12 | 2,526,935 | 2,449,611 | 0 | 2,274 | 75,050 | 0 |
| Misc Cust Accts Exp CA - Labor | 12 | 3,415 | 3,311 | 0 | 3 | 101 | 0 |
| Misc Cust Accts Exp CA | 12 | 10,725 | 10,396 | 0 | 10 | 319 | 0 |
| Cust Serv & Info Exp CA | 12 | 64 | 62 | 0 | 0 | 2 | 0 |
| TOTAL CUSTOMER ACCOUNTING EXPENSE | | 6,225,335 | 6,071,773 | 0 | 4,991 | 148,571 | 0 |

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Schedule B-SLM

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA Rate A (4) | Sales for Resale Rate B (5) | Large Industrial Rate J (6) | Fire Protection | |
|---|-----------------------|---------------------------|----------------------------------|-----------------------------------|-----------------------------------|------------------|------------------|
| | | | | | | Rate F (7) | Rate E (8) |
| ADMINISTRATIVE AND GENERAL EXPENSES | | | | | | | |
| Salaries AG | 14 | 6,143,844 | 5,586,597 | 58,981 | 146,838 | 112,432 | 238,996 |
| Other Supplies & Exp AG | 14 | 1,361,753 | 1,238,242 | 13,073 | 32,546 | 24,920 | 52,972 |
| Mgmt Fees-Admin | 14 | 18,109,147 | 16,466,647 | 173,848 | 432,809 | 331,397 | 704,446 |
| Mgmt Fees-Customer Service | 12 | 3,326,703 | 3,224,906 | 0 | 2,994 | 98,803 | 0 |
| Mgmt Fees-Belleville Lab | 2 | 104,435 | 94,838 | 3,018 | 6,496 | 63 | 21 |
| Mgmt Fees- Employee | 16 | 1,126,651 | 1,014,774 | 13,182 | 31,772 | 19,942 | 46,981 |
| Outside Services AG | 14 | 1,164,557 | 1,058,931 | 11,180 | 27,833 | 21,311 | 45,301 |
| Outside Services AG | 14 | - | 0 | 0 | 0 | 0 | 0 |
| Ins Gen Liab Oper AG | 14 | 2,576,615 | 2,342,916 | 24,736 | 61,581 | 47,152 | 100,230 |
| Ins Work Comp AG | 16 | 897,953 | 808,786 | 10,506 | 25,322 | 15,894 | 37,445 |
| Ins Other Oper AG | 14 | 223,460 | 203,192 | 2,145 | 5,341 | 4,089 | 8,693 |
| Insurance Vehicle | 14 | 110,270 | 100,269 | 1,059 | 2,635 | 2,018 | 4,290 |
| Injuries & Damages | 16 | 33,278 | 29,973 | 389 | 938 | 589 | 1,388 |
| Employee Pension & Benefits | 16 | 6,500,734 | 5,855,211 | 76,059 | 183,321 | 115,063 | 271,081 |
| Reg Commision Exp | 19 | 570,911 | 504,286 | 6,965 | 17,584 | 7,993 | 34,083 |
| Rents AG | 14 | 172,042 | 156,438 | 1,652 | 4,112 | 3,148 | 6,692 |
| Goodwill Advertising Exp | 14 | 13,919 | 12,657 | 134 | 333 | 255 | 541 |
| Misc Exp AG | 14 | 1,230,844 | 1,119,206 | 11,816 | 29,417 | 22,524 | 47,880 |
| Research & Development | 14 | 65,583 | 59,635 | 630 | 1,567 | 1,200 | 2,551 |
| TOTAL A & G OPERATIONS | | 43,732,698 | 39,877,504 | 409,371 | 1,013,439 | 828,794 | 1,603,591 |
| General Plant Maint AG - Labor | 14 | (657) | (597) | (6) | (16) | (12) | (26) |
| Maint Exp ARO/Net Neg Sal AG | 14 | 0 | 0 | 0 | 0 | 0 | 0 |
| General Plant Maint AG | 14 | 536,551 | 487,886 | 5,151 | 12,824 | 9,819 | 20,872 |
| TOTAL A & G EXPENSE - MAINTENANCE | | 535,894 | 487,289 | 5,145 | 12,808 | 9,807 | 20,846 |
| TOTAL A & G EXPENSE | | 44,268,592 | 40,364,793 | 414,515 | 1,026,246 | 838,601 | 1,624,437 |
| Total Operation & Maintenance Expenses | | 90,190,943 | 81,412,874 | 1,302,285 | 3,293,579 | 1,401,029 | 2,781,176 |

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Schedule B-SLM

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA Rate A (4) | Sales for Resale Large Industrial Rate B (5) | Rate J (6) | Fire Protection | |
|------------------------------|-----------------------|---------------------------|----------------------------------|--|---------------|-----------------|---------------|
| | | | | | | Rate F (7) | Rate E (8) |
| DEPRECIATION EXPENSE | | | | | | | |
| Struct & Imp SS | 2 | 137,846 | 125,178 | 3,984 | 8,574 | 83 | 28 |
| Struct & Imp P | 3 | 85,435 | 74,756 | 2,384 | 5,118 | 743 | 2,435 |
| Struct & Imp Pumps (STL) | 3 | 199,810 | 174,834 | 5,575 | 11,969 | 1,738 | 5,695 |
| Struct & Imp Pump Boosters | 3 | 150,950 | 132,081 | 4,212 | 9,042 | 1,313 | 4,302 |
| Struct & Imp WT | 2 | 193,065 | 175,322 | 5,580 | 12,009 | 116 | 39 |
| Struct & Imp WT Nth Plt (ST) | 2 | 227,493 | 206,586 | 6,575 | 14,150 | 136 | 45 |
| Struct & Imp WT Ctrl Plt 1 | 2 | 60,458 | 54,902 | 1,747 | 3,760 | 36 | 12 |
| Struct & Imp WT Ctrl Plt 3 | 2 | 536,321 | 487,033 | 15,500 | 33,359 | 322 | 107 |
| Struct & Imp WT Sth Plt (ST) | 2 | 190,036 | 172,572 | 5,492 | 11,820 | 114 | 38 |
| Struct & Imp WT Meramec (ST) | 2 | 255,635 | 232,142 | 7,388 | 15,900 | 153 | 51 |
| Struct & Imp TD | 6 | 87,407 | 79,628 | 559 | 1,661 | 1,267 | 4,292 |
| Struct & Imp TD Spec Cross | 6 | 3,984 | 3,629 | 25 | 76 | 58 | 196 |
| Struct & Imp AG | 14 | 135,075 | 122,824 | 1,297 | 3,228 | 2,472 | 5,254 |
| Struct & Imp Offices | 14 | 82,031 | 74,591 | 787 | 1,961 | 1,501 | 3,191 |
| Gen Structures HVAC | 14 | 28,841 | 26,225 | 277 | 689 | 528 | 1,122 |
| Struct & Imp Leasehold | 14 | 181 | 165 | 2 | 4 | 3 | 7 |
| Struct & Imp Store,Shop,Gar | 14 | 16,468 | 14,974 | 158 | 394 | 301 | 641 |
| Struct & Imp Misc | 14 | 35,981 | 32,718 | 345 | 860 | 658 | 1,400 |
| Wells & Springs | 2 | 834 | 757 | 24 | 52 | 1 | 0 |
| Supply Mains | 2 | 17 | 15 | 0 | 1 | 0 | 0 |
| Supply Mains Nth Plt (STL) | 2 | 4,021 | 3,651 | 116 | 250 | 2 | 1 |
| Supply Mains Ctrl Plt (STL) | 2 | 58,503 | 53,127 | 1,691 | 3,639 | 35 | 12 |
| Supply Mains Sth Plt (STL) | 2 | 6,604 | 5,997 | 191 | 411 | 4 | 1 |
| Supply Mains Meramec Plt (S) | 2 | 18,965 | 17,222 | 548 | 1,180 | 11 | 4 |
| Power Generation Equip | 3 | 42,040 | 36,785 | 1,173 | 2,518 | 366 | 1,198 |
| Pump Equip Electric | 3 | 274,487 | 240,176 | 7,658 | 16,442 | 2,388 | 7,823 |
| Pump Equip Elec Pre46 (STL) | 3 | 16,609 | 14,533 | 463 | 995 | 144 | 473 |
| Pump Equip Elec Post46 (STL) | 3 | 519,473 | 454,539 | 14,493 | 31,116 | 4,519 | 14,805 |
| Pump Equip Elec Boosters Po | 3 | 26,707 | 23,369 | 745 | 1,600 | 232 | 761 |
| Pump Equip Diesel Ctrl Plt | 3 | 36,245 | 31,714 | 1,011 | 2,171 | 315 | 1,033 |
| Pump Equip Hydraulic | 3 | 4,901 | 4,288 | 137 | 294 | 43 | 140 |
| Pump Equip Other | 3 | 4,158 | 3,638 | 116 | 249 | 36 | 119 |
| Pump Equip WT | 3 | 11,979 | 10,482 | 334 | 718 | 104 | 341 |
| Pump Equip TD | 3 | 56 | 49 | 2 | 3 | 0 | 2 |
| WT Equip Non-Media | 2 | 474,986 | 431,335 | 13,727 | 29,544 | 285 | 95 |
| WT Equip Non-Med North (STL) | 2 | 193,239 | 175,480 | 5,585 | 12,019 | 116 | 39 |
| WT Equip Non Media Ctrl 1 & | 2 | 59,333 | 53,880 | 1,715 | 3,691 | 36 | 12 |
| WT Equip Non Media Ctrl 3 (| 2 | 526,771 | 478,361 | 15,224 | 32,765 | 316 | 105 |

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Schedule B-SLM

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA | | | Fire Protection | |
|------------------------------|-----------------------|---------------------------|-----------------|---------------|---------------|-----------------|---------------|
| | | | Rate A (4) | Rate B (5) | Rate J (6) | Rate F (7) | Rate E (8) |
| WT Equip Non Media Sth (STL) | 2 | 168,510 | 153,024 | 4,870 | 10,481 | 101 | 34 |
| WT Equip Non Media Mer (STL) | 2 | 286,838 | 260,478 | 8,290 | 17,841 | 172 | 57 |
| WT Equip Filter Media | 2 | 72,745 | 66,060 | 2,102 | 4,525 | 44 | 15 |
| Dist Reservoirs & Standpipe | 5 | 35,632 | 28,830 | 1,012 | 2,052 | 844 | 2,893 |
| Elevated Tanks & Standpipes | 5 | 69,686 | 56,383 | 1,979 | 4,014 | 1,652 | 5,659 |
| Ground Level Facilities | 5 | 168,177 | 136,072 | 4,776 | 9,687 | 3,986 | 13,656 |
| Below Ground Facilities | 5 | 271 | 219 | 8 | 16 | 6 | 22 |
| TD Mains Not Classified by | 6 | 1,029,339 | 937,728 | 6,588 | 19,557 | 14,925 | 50,541 |
| TD Mains 4" & Less | 4 | 16,770 | 15,459 | 0 | 112 | 273 | 926 |
| TD Mains 6 to 8" | 4 | 302,167 | 278,538 | 0 | 2,025 | 4,925 | 16,680 |
| TD Mains 10 to 16" | 3 | 350,153 | 306,384 | 9,769 | 20,974 | 3,046 | 9,979 |
| TD Mains 18" & Grtr | 3 | 250,473 | 219,164 | 6,988 | 15,003 | 2,179 | 7,138 |
| TD Mains AC 4" (STL) | 4 | 34,240 | 31,562 | 0 | 229 | 558 | 1,890 |
| TD Mains CI <10" 1900-28 | 4 | 37,274 | 34,359 | 0 | 250 | 608 | 2,058 |
| TD Mains CI <10" 1929-56 | 4 | 168,288 | 155,128 | 0 | 1,128 | 2,743 | 9,289 |
| TD Mains CI <10" 1957-93 | 4 | 700,924 | 646,112 | 0 | 4,696 | 11,425 | 38,691 |
| TD Mains CI 12" (STL) | 3 | 188,178 | 164,656 | 5,250 | 11,272 | 1,637 | 5,363 |
| TD Mains CI 16" (STL) | 3 | 278,129 | 243,363 | 7,760 | 16,660 | 2,420 | 7,927 |
| TD Mains DI 6-8" (STL) | 4 | 2,916,823 | 2,688,727 | 0 | 19,543 | 47,544 | 161,009 |
| TD Mains DI 12" (STL) | 3 | 1,410,655 | 1,234,323 | 39,357 | 84,498 | 12,273 | 40,204 |
| TD Mains DI 16" & >(STL) | 3 | 2,075,553 | 1,816,109 | 57,908 | 124,326 | 18,057 | 59,153 |
| TD Mains Galve 1" (STL) | 4 | 13,598 | 12,535 | 0 | 91 | 222 | 751 |
| TD Mains LJ 20" (STL) | 3 | 63,990 | 55,991 | 1,785 | 3,833 | 557 | 1,824 |
| TD Mains PL 6-8in (STL) | 4 | 2,686,063 | 2,476,013 | 0 | 17,997 | 43,783 | 148,271 |
| TD Mains PL 12in (STL) | 3 | 154,191 | 134,917 | 4,302 | 9,236 | 1,341 | 4,394 |
| TD Mains DI 4in (STL) " | 4 | 46,018 | 42,419 | 0 | 308 | 750 | 2,540 |
| TD Mains DI 10in (STL) " | 3 | 2,440 | 2,135 | 68 | 146 | 21 | 70 |
| Fire Mains | 7 | 5,265 | 0 | 0 | 0 | 0 | 5,265 |
| Services | 9 | 249,937 | 226,643 | 0 | 675 | 22,619 | 0 |
| Meters Bronze Case | 8 | 204,954 | 199,810 | 0 | 2,439 | 2,705 | 0 |

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Schedule B-SLM

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA | | Sales for Resale Large Industrial | | Fire Protection | |
|-----------------------------------|-----------------------|---------------------------|-------------------|----------------|-----------------------------------|----------------|------------------|--|
| | | | Rate A (4) | Rate B (5) | Rate J (6) | Rate F (7) | Rate E (8) | |
| Meters Plastic Case | 8 | 15,371 | 14,985 | 0 | 183 | 203 | 0 | |
| Meters Other | 8 | 1,734,888 | 1,691,342 | 0 | 20,645 | 22,901 | 0 | |
| Meters Other-Rem Rdr Unts | 8 | 104,788 | 102,158 | 0 | 1,247 | 1,383 | 0 | |
| Meter Installations | 8 | 170,406 | 166,129 | 0 | 2,028 | 2,249 | 0 | |
| Meter Installation Other | 8 | 273,879 | 267,005 | 0 | 3,259 | 3,615 | 0 | |
| Meter Vaults | 8 | 1,876 | 1,829 | 0 | 22 | 25 | 0 | |
| Hydrants | 7 | 1,199,982 | 0 | 0 | 0 | 0 | 1,199,982 | |
| Office Furniture & Equip | 14 | 39,073 | 35,529 | 375 | 934 | 715 | 1,520 | |
| Comp & Periph Equip | 14 | 1,647,952 | 1,498,482 | 15,820 | 39,386 | 30,158 | 64,105 | |
| Other P/E - CPS | 14 | 36,464 | 33,157 | 350 | 871 | 667 | 1,418 | |
| Computer Software | 14 | 591,227 | 537,603 | 5,676 | 14,130 | 10,819 | 22,999 | |
| Comp Software Mainframe | 14 | 2,430,304.9 | 2,209,876 | 23,331 | 58,084 | 44,475 | 94,539 | |
| Comp Software Mainframe - CIS | 12 | 1,243,070 | 1,205,032 | 0 | 1,119 | 36,919 | 0 | |
| Comp Software Other | 14 | 3,287 | 2,989 | 32 | 79 | 60 | 128 | |
| Data Handling Equipment | 14 | 974 | 886 | 9 | 23 | 18 | 38 | |
| Other Office Equipment | 14 | 5,096 | 4,634 | 49 | 122 | 93 | 198 | |
| Trans Equip Lt Duty Trks | 14 | 252,008 | 229,151 | 2,419 | 6,023 | 4,612 | 9,803 | |
| Trans Equip Other | 14 | 206,990 | 188,216 | 1,987 | 4,947 | 3,788 | 8,052 | |
| Stores Equipment | 14 | 51,175 | 46,534 | 491 | 1,223 | 937 | 1,991 | |
| Tools,Shop,Garage Equip | 14 | 208,000 | 189,134 | 1,997 | 4,971 | 3,806 | 8,091 | |
| Tools,Shop,Garage Equip Oth | 14 | 94,576 | 85,998 | 908 | 2,260 | 1,731 | 3,679 | |
| Laboratory Equipment | 2 | 62,387 | 56,654 | 1,803 | 3,880 | 37 | 12 | |
| Laboratory Equip Other | 2 | 4,497 | 4,084 | 130 | 280 | 3 | 1 | |
| Power Operated Equipment | 14 | 32,243 | 29,319 | 310 | 771 | 590 | 1,254 | |
| Comm Equip Non-Telephone | 14 | 143,754 | 130,715 | 1,380 | 3,436 | 2,631 | 5,592 | |
| Remote Control & Instr | 14 | 101,977 | 92,728 | 979 | 2,437 | 1,866 | 3,967 | |
| Comm Equip Telephone | 14 | 1,992 | 1,811 | 19 | 48 | 36 | 77 | |
| Misc Equipment | 14 | 166,035 | 150,976 | 1,594 | 3,968 | 3,038 | 6,459 | |
| Other Tangible Property | 17 | 3,101 | 2,692 | 32 | 81 | 39 | 256 | |
| Total Depreciation Expense | | 29,521,599 | 25,832,345 | 349,343 | 854,304 | 399,332 | 2,086,276 | |

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Schedule B-SLM

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA | | Sales for Resale | | Fire Protection | |
|--|-----------------------|---------------------------|-----------------------|---------------------|---------------------|---------------------|----------------------|--|
| | | | Rate A (4) | Rate B (5) | Rate J (6) | Rate F (7) | Rate E (8) | |
| Amort-Other UP | 18 | 121,654 | 105,693 | 1,253 | 3,212 | 1,545 | 9,951 | |
| Amort-UPAA | 2 | 204,612 | 185,808 | 5,913 | 12,727 | 123 | 41 | |
| Amort-Property Losses | 2 | 121,130 | 109,998 | 3,501 | 7,534 | 73 | 24 | |
| Taxes Other Than Income | | | | | | | | |
| Utility Reg Assessment Fee | 19 | 1,792,650 | 1,583,448 | 21,870 | 55,214 | 25,097 | 107,021 | |
| Property Taxes | 18 | 9,187,232 | 7,981,867 | 94,628 | 242,543 | 116,678 | 751,516 | |
| Payroll Taxes | 16 | 1,604,292 | 1,444,986 | 18,770 | 45,241 | 28,396 | 66,899 | |
| Other Taxes & Licenses | 14 | (24,339) | (22,131) | (234) | (582) | (445) | (947) | |
| Gross Receipts Tax | 19 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Taxes, Other Than Income | | 12,559,835 | 10,988,169 | 135,035 | 342,416 | 169,726 | 924,489 | |
| Income Taxes | 18 | 28,928,453 | 25,133,040 | 297,963 | 763,711 | 367,391 | 2,366,347 | |
| Utility Income Available for Return | 18 | 66,599,892 | 57,861,986 | 685,979 | 1,758,237 | 845,819 | 5,447,871 | |
| Total Cost of Service | | 228,248,118 | 201,629,913 | 2,781,272 | 7,035,720 | 3,185,037 | 13,616,176 | |
| Less: Other Water Revenues | 19 | 2,792,893 | 2,466,962 | 34,073 | 86,021 | 39,101 | 166,736 | |
| Contract Sales | 19 | 3,557,508 | 3,142,347 | 43,402 | 109,571 | 49,805 | 212,383 | |
| Total Other Water Revenues | | 6,350,401 | 5,609,309 | 77,475 | 195,592 | 88,906 | 379,119 | |
| Total Cost of Service Related to Sales of Water | | \$ 221,897,717 | \$ 196,020,604 | \$ 2,703,797 | \$ 6,840,128 | \$ 3,096,131 | \$ 13,237,057 | |
| Reallocation of Public Fire | 20 | 0 | 13,076,888 | 0 | 160,168 | 0 | (13,237,057) | |
| Total | | \$ 221,897,717 | \$ 209,097,492 | \$ 2,703,797 | \$ 7,000,296 | \$ 3,096,131 | \$ - | |

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Schedule B-SLM

**MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO 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 <u>(1)</u> | Average Daily Consumption, 100 Gallons <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Rate A - Res/Com/Ind/OPA | 1,022,086 | 0.8661 |
| Rate B - Sales for Resale | 43,484 | 0.0368 |
| Rate J - Manufacturing | 112,429 | 0.0953 |
| Rate F - Private Fire | 1,537 | 0.0013 |
| Rate E - Public Fire | 597 | 0.0005 |
| Total | <u><u>1,180,133</u></u> | <u><u>1.0000</u></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 <u>(1)</u> | Average Daily Consumption | | Maximum Day Extra Capacity | | Allocation Factor <u>(6)=(3)+(5)</u> |
|--|--------------------------------------|--|------------------------------------|--|--|
| | Allocation Factor 1 <u>(2)</u> | Weighted Factor <u>(3)=(2)x 0.4762</u> | Allocation Factor <u>(4)</u> | Weighted Factor <u>(5)=(4)x 0.5238</u> | |
| Rate A - Res/Com/Ind/OPA | 0.8661 | 0.4125 | 0.9463 | 0.4956 | 0.9081 |
| Rate B - Sales for Resale | 0.0368 | 0.0175 | 0.0217 | 0.0114 | 0.0289 |
| Rate J - Manufacturing | 0.0953 | 0.0454 | 0.0320 | 0.0168 | 0.0622 |
| Rate F - Private Fire | 0.0013 | 0.0006 | | | 0.0006 |
| Rate E - Public Fire | 0.0005 | 0.0002 | | | 0.0002 |
| Total | <u><u>1.0000</u></u> | <u><u>0.4762</u></u> | <u><u>1.0000</u></u> | <u><u>0.5238</u></u> | <u><u>1.0000</u></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
ST. LOUIS METRO 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 (1) | Average Daily Consumption, Thousand Gal. (2) | Maximum Day Extra Capacity | | |
|-----------------------------------|---|----------------------------|--|-----------------------------|
| | | Factor* (3) | Rate of Flow, Thousand Gal. Per Day (4)=(2)x(3) | Allocation Factor (5) |
| Rate A - Res/Com/Ind/OPA | 1,022,086 | 1.3 | 1,328,712 | 0.9463 |
| Rate B - Sales for Resale | 43,484 | 0.7 | 30,439 | 0.0217 |
| Rate J - Manufacturing | 112,429 | 0.4 | 44,972 | 0.0320 |
| | <u>1,177,999</u> | | <u>1,404,123</u> | <u>1.0000</u> |

The weighting of the factors is based on the maximum day ratio of 1.90, based on a review of maximum day ratios experienced during the period 1999 through 2014 (see Schedule D).

| | Maximum Day Ratio | Weight |
|-------------------------------|-------------------------|---------------|
| Average Day | 1.00 | 0.4762 |
| Maximum Day Extra Capacity | 1.10 | 0.5238 |
| Total | <u>2.10</u> | <u>1.0000</u> |

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO 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 0.4589 | (4) | (5)=(4) X 0.5047 | (6) | (7)=(6) X 0.0364 | (8)=(3)+(5)+(7) |
| Rate A - Res/Com/Ind/OP/ | 0.8661 | 0.3975 | 0.9463 | 0.4775 | | | 0.8750 |
| Rate B - Sales for Resale | 0.0368 | 0.0169 | 0.0217 | 0.0110 | | | 0.0279 |
| Rate J - Manufacturing | 0.0953 | 0.0437 | 0.0320 | 0.0162 | | | 0.0599 |
| Rate F - Private Fire | 0.0013 | 0.0006 | | | 0.2224 | 0.0081 | 0.0087 |
| Rate E - Public Fire | 0.0005 | 0.0002 | | | 0.7776 | 0.0283 | 0.0285 |
| Total | 1.0000 | 0.4589 | 1.0000 | 0.5047 | 1.0000 | 0.0364 | 1.0000 |

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Schedule C-SLM

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO 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 1.90 and the average daily system sendout for 2014 of 151.326 MGD. The system demand for fire protection is 20,000 Gallons per minute for 10 hours.

| | Ratio | Rate of Flow, (GPD) | Weight |
|-------------------------------|-------|------------------------|--------|
| Average Day | 1.00 | 151,326,332 | 0.4589 |
| Maximum Day Extra Capacity | 1.10 | 166,458,965 | 0.5047 |
| Subtotal | 2.10 | 317,785,297 | 0.9636 |
| Fire Protection | | 12,000,000 | 0.0364 |
| Total | | 329,785,297 | 1.0000 |

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
ST. LOUIS METRO 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.

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| Customer Classification | Average Hourly Consumption | | | Maximum Hour Extra Capacity | | Fire Protection | | Allocation Factor (9)=(4)+(6)+(8) |
|---------------------------|----------------------------|--------------------------|--|-----------------------------|--|--------------------------|--|--------------------------------------|
| | 100 Gallons (2) | Allocation Factor (3) | Weighted Factor (4)=(3) X 0.3717 | Allocation Factor (5) | Weighted Factor (6)=(5) X 0.5576 | Allocation Factor (7) | Weighted Factor (8)=(7) X 0.0707 | |
| Rate A - Res/Com/Ind/OP/ | 42,586.9 | 0.9870 | 0.3668 | 0.9953 | 0.5550 | | | 0.9218 |
| Rate B - Sales for Resale | 0.0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | | | 0.0000 |
| Rate J - Manufacturing | 468.5 | 0.0109 | 0.0041 | 0.0047 | 0.0026 | | | 0.0067 |
| Rate F - Private Fire | 64.0 | 0.0015 | 0.0006 | | | 0.2224 | 0.0157 | 0.0163 |
| Rate E - Public Fire | 24.9 | 0.0006 | 0.0002 | | | 0.7776 | 0.0550 | 0.0552 |
| Total | 43,144.3 | 1.0000 | 0.3717 | 1.0000 | 0.5576 | 1.0000 | 0.0707 | 1.0000 |

The maximum hour extra capacity factors in column 5 are determined as follows:

Schedule C-SLM

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO 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 2014 of 151.326 MGD. The system demand for fire protection is 20,000 gallons per minute.

| | Ratio | Rate of Flow, (GPM) | Weight |
|--------------------------------|-------------|------------------------|---------------|
| Average Hour | 1.00 | 105,088 | 0.3717 |
| Maximum Hour Extra Capacity | <u>1.50</u> | <u>157,632</u> | <u>0.5576</u> |
| Subtotal | <u>2.50</u> | 262,720 | 0.9293 |
| Fire Protection | | <u>20,000</u> | <u>0.0707</u> |
| Total | | <u>282,720</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) |
| Rate A | 42,586.9 | 3.5 | 149,054.2 | 0.9953 |
| Rate B | 0.0 | 2.5 | 0.0 | 0.0000 |
| Rate J | <u>468.5</u> | 1.5 | <u>702.7</u> | <u>0.0047</u> |
| Total | <u>43,055.4</u> | | <u>149,756.9</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
ST. LOUIS METRO 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 0.3583 | (5) | (6)=(5) X 0.5375 | (7) | (8)=(7) X 0.1042 | (9)=(4)+(6)+(8) |
| Rate A - Res/Com/Ind/OPA | 42,586.9 | 0.8661 | 0.3103 | 0.9280 | 0.4988 | | | 0.8091 |
| Rate B - Sales for Resale | 1,811.8 | 0.0368 | 0.0132 | 0.0282 | 0.0152 | | | 0.0284 |
| Rate J - Manufacturing | 4,684.5 | 0.0953 | 0.0341 | 0.0438 | 0.0235 | | | 0.0576 |
| Rate F - Private Fire | 64.0 | 0.0013 | 0.0005 | | | 0.2224 | 0.0232 | 0.0237 |
| Rate E - Public Fire | 24.9 | 0.0005 | 0.0002 | | | 0.7776 | 0.0810 | 0.0812 |
| Total | 49,172.1 | 1.0000 | 0.3583 | 1.0000 | 0.5375 | 1.0000 | 0.1042 | 1.0000 |

The weighting of the factors is based on the ratio of the capacity required for a 10 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

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Schedule C-SLM

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO 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 10 hour demand of fire flow, as related to total storage capacity.

$$\text{Fire Protection Weight} = \frac{20,000 \text{ GPM} \times 60 \text{ Min.} \times 10 \text{ Hrs.}}{115,172,000 \text{ Gallons}} = 0.1042$$

$$\text{General Service Weight} = 1.0000 - 0.1042 = 0.8958$$

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 | 0.3583 |
| Extra Capacity Maximum Hour | 1.50 | 60.00 | 0.5375 |
| Total | <u>2.50</u> | <u>100.00</u> | <u>0.8958</u> |

| 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) |
| Rate A - Res/Com/Ind/OPA | 42,586.9 | 3.5 | 149,054.2 | 0.9280 |
| Rate B - Sales for Resale | 1,811.8 | 2.5 | 4,529.5 | 0.0282 |
| Rate J - Manufacturing | 4,684.5 | 1.5 | 7,026.8 | 0.0438 |
| | <u>49,083.2</u> | | <u>160,610.5</u> | <u>1.0000</u> |

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 6. 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) | | (4) | (5) | (6)=(3)+(5) |
| | | 0.2309 | | 0.7691 | |
| Rate A - Res/Com/Ind/OPA | 0.8750 | 0.2021 | 0.9218 | 0.7089 | 0.9110 |
| Rate B - Sales for Resale | 0.0279 | 0.0064 | 0.0000 | 0.0000 | 0.0064 |
| Rate J - Manufacturing | 0.0599 | 0.0138 | 0.0067 | 0.0052 | 0.0190 |
| Rate G | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Other | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Rate F - Private Fire | 0.0087 | 0.0020 | 0.0163 | 0.0125 | 0.0145 |
| Rate E - Public Fire | 0.0285 | 0.0066 | 0.0552 | 0.0425 | 0.0491 |
| Total | 1.0000 | 0.2309 | 1.0000 | 0.7691 | 1.0000 |

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 | 6,032,651 | 0.2309 |
| Distribution Mains | 20,097,707 | 0.7691 |
| Total | 26,130,358 | 1.0000 |

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 7. ALLOCATION OF COSTS ASSOCIATED WITH FIRE HYDRANTS.

Costs are assigned directly to Rate E.

| <u>Customer Classification</u> (1) | <u>Allocation Factor</u> (3) |
|---|-------------------------------------|
| Rate E - Public Fire | <u>1.0000</u> |
| Total | <u><u>1.0000</u></u> |

FACTOR 8. 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) |
|---|---|-------------------------------------|
| Rate A - Res/Com/Ind/OPA | 452,992 | 0.9749 |
| Rate B - Sales for Resale | 0 | 0.0000 |
| Rate J - Manufacturing | 5,532 | 0.0119 |
| Rate F - Private Fire | 6,129 | 0.0132 |
| Rate E - Public Fire | <u>0</u> | <u>0.0000</u> |
| Total | <u><u>464,653</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

| Meter Size | 5/8" Dollar Equivalent | Rate A | | Rate B | | Rate J | | Rate F | | 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 Services | Weighting (14)=(2)X(11) | Number of Meters | Weighting (16) |
| (1) | (2) | (3) | (4)=(2)X(3) | (5) | (6)=(2)X(5) | (7) | (8)=(2)X(7) | (13) | (14)=(2)X(11) | (15) | (16) |
| 5/8 | 1.0 | 331,926 | 331,926 | 0 | 0 | 0 | 0 | 47 | 47 | 331,973 | 331,973 |
| 3/4 | 2.1 | 25,082 | 52,672 | 0 | 0 | 0 | 0 | 2,844 | 5,972 | 27,926 | 58,644 |
| 1 | 2.0 | 9,557 | 19,114 | 0 | 0 | 0 | 0 | 27 | 54 | 9,584 | 19,168 |
| 1-1/2 | 3.5 | 1,554 | 5,439 | 0 | 0 | 0 | 0 | | 0 | 1,554 | 5,439 |
| 2 | 4.3 | 4,055 | 17,437 | 0 | 0 | 2 | 9 | 13 | 56 | 4,070 | 17,502 |
| 3 | 7.0 | 299 | 2,093 | 0 | 0 | 7 | 49 | | 0 | 306 | 2,142 |
| 4 | 10.5 | 211 | 2,216 | 0 | 0 | 30 | 315 | | 0 | 241 | 2,531 |
| 6 | 16.8 | 199 | 3,343 | 0 | 0 | 29 | 487 | | 0 | 228 | 3,830 |
| 8 | 64.0 | 233 | 14,912 | 0 | 0 | 40 | 2,560 | | 0 | 273 | 17,472 |
| 10 | 64.0 | 60 | 3,840 | 0 | 0 | 33 | 2,112 | | 0 | 93 | 5,952 |
| 12 | 64.0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 |
| Total | | <u>373,176</u> | <u>452,992</u> | <u>0</u> | <u>0</u> | <u>141</u> | <u>5,532</u> | <u>2,931</u> | <u>6,129</u> | <u>376,248</u> | <u>464,653</u> |

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MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 9. 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) |
|---|---|-------------------------------------|
| Rate A - Res/Com/Ind/OPA | 421,741 | 0.9068 |
| Rate B - Sales for Resale | 0 | 0.0000 |
| Rate J - Manufacturing | 1,253 | 0.0027 |
| Rate F - Private Fire | <u>42,095</u> | <u>0.0905</u> |
| Total | <u><u>465,089</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

| Service Size | 3/4" Dollar Equivalent | Rate A | | Rate B | | Rate J | | Rate F | | 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 (14)=(2)X(11) | Number of Services | Weighting (16) |
| (1) | (2) | (3) | (4)=(2)X(3) | (5) | (6)=(2)X(5) | (7) | (8)=(2)X(7) | (13) | (14)=(2)X(11) | (15) | (16) |
| 3/4 | 1.00 | 357,008 | 357,008 | 0 | 0 | 0 | 0 | 0 | 0 | 357,008 | 357,008 |
| 1 | 2.94 | 9,557 | 28,098 | 0 | 0 | 0 | 0 | 0 | 0 | 9,557 | 28,098 |
| 1-1/2 | 4.02 | 1,554 | 6,247 | 0 | 0 | 0 | 0 | 0 | 0 | 1,554 | 6,247 |
| 2 | 5.55 | 4,055 | 22,505 | 0 | 0 | 2 | 11 | 118 | 655 | 4,175 | 23,171 |
| 3 | 5.55 | 299 | 1,659 | 0 | 0 | 7 | 39 | 0 | 0 | 306 | 1,698 |
| 4 | 6.37 | 211 | 1,344 | 0 | 0 | 30 | 191 | 556 | 3,542 | 797 | 5,077 |
| 6 | 9.92 | 199 | 1,974 | 0 | 0 | 29 | 288 | 2,300 | 22,816 | 2,528 | 25,078 |
| 8 | 9.92 | 233 | 2,311 | 0 | 0 | 40 | 397 | 1,385 | 13,739 | 1,658 | 16,447 |
| 10 | 9.92 | 60 | 595 | 0 | 0 | 33 | 327 | 41 | 407 | 134 | 1,329 |
| 12 and above | 12.16 | 0 | 0 | 0 | 0 | 0 | 0 | 77 | 936 | 77 | 936 |
| Total | | <u>373,176</u> | <u>421,741</u> | <u>0</u> | <u>0</u> | <u>141</u> | <u>1,253</u> | <u>4,477</u> | <u>42,095</u> | <u>377,794</u> | <u>465,089</u> |

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Schedule C-SLM

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 10. 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 & Distribution Operating Expenses</u> (2) | <u>Allocation Factor</u> (3) |
|---|--|-------------------------------------|
| Rate A - Res/Com/Ind/OPA | \$ 2,663,057 | 0.9231 |
| Rate B - Sales for Resale | 10,928 | 0.0038 |
| Rate J - Manufacturing | 40,935 | 0.0142 |
| Rate F - Private Fire | 92,681 | 0.0321 |
| Rate E - Public Fire | <u>77,200</u> | <u>0.0268</u> |
| Total | <u><u>2,884,801</u></u> | <u><u>1.0000</u></u> |

FACTOR 11. 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:

| <u>Customer Classification</u> (1) | <u>Transmission & Distribution Maintenance Expenses</u> (2) | <u>Allocation Factor</u> (3) |
|---|--|-------------------------------------|
| Rate A - Res/Com/Ind/OPA | \$ 5,083,561 | 0.8675 |
| Rate B - Sales for Resale | 32,847 | 0.0056 |
| Rate J - Manufacturing | 100,587 | 0.0172 |
| Rate F - Private Fire | 97,946 | 0.0167 |
| Rate E - Public Fire | <u>544,912</u> | <u>0.0930</u> |
| Total | <u><u>\$5,859,853</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 12. ALLOCATION OF BILLING AND COLLECTING COSTS.

Factors are based on the total number of bills.

| Customer Classification <u>(1)</u> | Total Bills <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|------------------------------|------------------------------------|
| Rate A - Res/Com/Ind/OPA | 1,751,011 | 0.9694 |
| Rate B - Sales for Resale | 0 | 0.0000 |
| Rate J - Manufacturing | 1,692 | 0.0009 |
| Rate F - Private Fire | 53,724 | 0.0297 |
| Rate E - Public Fire | <u>0</u> | <u>0.0000</u> |
| Total | <u><u>1,806,427</u></u> | <u><u>1.0000</u></u> |

FACTOR 13. 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> |
|--|--|------------------------------------|
| Rate A - Res/Com/Ind/OPA | 373,176 | 0.9996 |
| Rate B - Sales for Resale | 0 | 0.0000 |
| Rate J - Manufacturing | <u>155</u> | <u>0.0004</u> |
| | <u><u>373,331</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 14. 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 <u>(1)</u> | Operation & Maintenance Expenses <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Rate A - Res/Com/Ind/OPA | \$26,851,603 | 0.9093 |
| Rate B - Sales for Resale | 284,572 | 0.0096 |
| Rate J - Manufacturing | 705,245 | 0.0239 |
| Rate F - Private Fire | 541,119 | 0.0183 |
| Rate E - Public Fire | <u>1,148,543</u> | <u>0.0389</u> |
| Total | <u><u>\$29,531,082</u></u> | <u><u>1.0000</u></u> |

FACTOR 15. ALLOCATION OF CASH WORKING CAPITAL

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

| Customer Classification <u>(1)</u> | Operation & Maintenance Expenses <u>(2)</u> | Allocation Factor <u>(3)</u> |
|--|--|------------------------------------|
| Rate A - Res/Com/Ind/OPA | \$80,908,588 | 0.9027 |
| Rate B - Sales for Resale | 1,295,320 | 0.0145 |
| Rate J - Manufacturing | 3,275,995 | 0.0366 |
| Rate F - Private Fire | 1,393,036 | 0.0155 |
| Rate E - Public Fire | <u>2,747,092</u> | <u>0.0307</u> |
| Total | <u><u>\$89,620,032</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO 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) |
|---|--|-------------------------------------|
| Rate A - Res/Com/Ind/OPA | \$19,538,360 | 0.9007 |
| Rate B - Sales for Resale | 253,178 | 0.0117 |
| Rate J - Manufacturing | 610,819 | 0.0282 |
| Rate F - Private Fire | 383,853 | 0.0177 |
| Rate E - Public Fire | <u>905,512</u> | <u>0.0417</u> |
| Total | <u><u>\$21,691,722</u></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:

| <u>Customer Classification</u> (1) | <u>Original Cost Less Depreciation</u> (2) | <u>Allocation Factor</u> (3) |
|---|---|-------------------------------------|
| Rate A - Res/Com/Ind/OPA | \$868,574,960 | 0.8682 |
| Rate B - Sales for Resale | 10,258,953 | 0.0103 |
| Rate J - Manufacturing | 26,228,326 | 0.0262 |
| Rate F - Private Fire | 12,593,622 | 0.0126 |
| Rate E - Public Fire | <u>82,778,302</u> | <u>0.0827</u> |
| Total | <u><u>\$1,000,434,162</u></u> | <u>1.0000</u> |

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

| <u>Customer Classification</u> (1) | <u>Original Cost Measure of Value</u> (2) | <u>Allocation Factor</u> (3) |
|---|--|-------------------------------------|
| Rate A - Res/Com/Ind/OPA | \$704,806,807 | 0.8688 |
| Rate B - Sales for Resale | 8,368,132 | 0.0103 |
| Rate J - Manufacturing | 21,395,223 | 0.0264 |
| Rate F - Private Fire | 10,285,734 | 0.0127 |
| Rate E - Public Fire | <u>66,348,638</u> | <u>0.0818</u> |
| Total | <u><u>\$811,204,534</u></u> | <u><u>1.0000</u></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.

| <u>Customer Classification</u> (1) | <u>Total Cost of Service</u> (2) | <u>Allocation Factor</u> (3) |
|---|---|-------------------------------------|
| Rate A - Res/Com/Ind/OPA | \$199,542,180 | 0.8833 |
| Rate B - Sales for Resale | 2,752,437 | 0.0122 |
| Rate J - Manufacturing | 6,962,922 | 0.0308 |
| Rate F - Private Fire | 3,151,947 | 0.0140 |
| Rate E - Public Fire | <u>13,475,071</u> | <u>0.0597</u> |
| Total | <u><u>\$225,884,557</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA Rate A (4) | Sales for Resale Rate B (5) | Large Industrial Rate J (6) | Fire Protection | |
|------------------------------|-----------------------|---------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------|---------------|
| | | | | | | Rate F (7) | Rate E (8) |
| Rate Base | | | | | | | |
| Organization | 17 | \$ 197,742 | \$ 171,680 | \$ 2,037 | \$ 5,181 | \$ 2,492 | \$ 16,353 |
| Franchises | 17 | 12,572 | 10,915 | 129 | 329 | 158 | 1,040 |
| Land & Ld Rights SS | 2 | 82,872 | 75,256 | 2,395 | 5,155 | 50 | 17 |
| Land & Ld Rights P | 3 | 285,553 | 249,859 | 7,967 | 17,105 | 2,484 | 8,138 |
| Land & Ld Rights WT | 2 | 1,872,125 | 1,700,077 | 54,104 | 116,446 | 1,123 | 374 |
| Land & Ld Rights TD | 7 | 4,355,135 | 0 | 0 | 0 | 0 | 4,355,135 |
| Land & Land Rights AG | 14 | 116 | 105 | 1 | 3 | 2 | 5 |
| Struct & Imp SS | 2 | 3,012,376 | 2,735,538 | 87,058 | 187,370 | 1,807 | 602 |
| Struct & Imp P | 3 | 1,224,756 | 1,071,662 | 34,171 | 73,363 | 10,655 | 34,906 |
| Struct & Imp Pumps (STL) | 3 | 2,864,377 | 2,506,330 | 79,916 | 171,576 | 24,920 | 81,635 |
| Struct & Imp Pump Boosters | 3 | 2,163,933 | 1,893,442 | 60,374 | 129,620 | 18,826 | 61,672 |
| Struct & Imp WT | 2 | 4,984,661 | 4,526,570 | 144,057 | 310,046 | 2,991 | 997 |
| Struct & Imp WT Nth Plt (ST) | 2 | 5,873,542 | 5,333,764 | 169,745 | 365,334 | 3,524 | 1,175 |
| Struct & Imp WT Ctrl Plt 1 | 2 | 1,560,931 | 1,417,481 | 45,111 | 97,090 | 937 | 312 |
| Struct & Imp WT Ctrl Plt 3 | 2 | 13,847,051 | 12,574,507 | 400,180 | 861,287 | 8,308 | 2,769 |
| Struct & Imp WT Sth Plt (ST) | 2 | 4,906,456 | 4,455,553 | 141,797 | 305,182 | 2,944 | 981 |
| Struct & Imp WT Meramec (ST) | 2 | 6,600,120 | 5,993,569 | 190,743 | 410,527 | 3,960 | 1,320 |
| Struct & Imp TD | 6 | 1,789,886 | 1,630,586 | 11,455 | 34,008 | 25,953 | 87,883 |
| Struct & Imp TD Spec Cross | 6 | 81,575 | 74,315 | 522 | 1,550 | 1,183 | 4,005 |
| Struct & Imp AG | 6 | 5,941,519 | 5,412,724 | 38,026 | 112,889 | 86,152 | 291,729 |
| Struct & Imp Offices | 14 | 3,190,629 | 2,901,239 | 30,630 | 76,256 | 58,389 | 124,115 |
| Gen Structures HVAC | 14 | 1,382,053 | 1,256,701 | 13,268 | 33,031 | 25,292 | 53,762 |
| Struct & Imp Leasehold | 14 | 4,520 | 4,110 | 43 | 108 | 83 | 176 |
| Struct & Imp Store,Shop,Gar | 14 | 376,788 | 342,613 | 3,617 | 9,005 | 6,895 | 14,657 |
| Struct & Imp Misc | 14 | 924,570 | 840,711 | 8,876 | 22,097 | 16,920 | 35,966 |
| Wells & Springs | 2 | 22,268 | 20,222 | 644 | 1,385 | 13 | 4 |
| Supply Mains | 2 | 423 | 384 | 12 | 26 | 0 | 0 |
| Supply Mains Nth Plt (STL) | 2 | 97,176 | 88,245 | 2,808 | 6,044 | 58 | 19 |
| Supply Mains Ctrl Plt (STL) | 2 | 1,413,820 | 1,283,890 | 40,859 | 87,940 | 848 | 283 |
| Supply Mains Sth Plt (STL) | 2 | 159,604 | 144,936 | 4,613 | 9,927 | 96 | 32 |
| Supply Mains Meramec Plt (S) | 2 | 458,314 | 416,195 | 13,245 | 28,507 | 275 | 92 |
| Power Generation Equip | 2 | 1,138,717 | 1,034,069 | 32,909 | 70,828 | 683 | 228 |
| Pump Equip Electric | 3 | 7,581,263 | 6,633,605 | 211,517 | 454,118 | 65,957 | 216,066 |
| Pump Equip Elec Pre46 (STL) | 3 | 458,737 | 401,395 | 12,799 | 27,478 | 3,991 | 13,074 |
| Pump Equip Elec Post46 (STL) | 3 | 14,347,720 | 12,554,255 | 400,301 | 859,428 | 124,825 | 408,910 |
| Pump Equip Elec Boosters Po | 3 | 737,653 | 645,446 | 20,581 | 44,185 | 6,418 | 21,023 |
| Pump Equip Diesel Ctrl Plt | 3 | 237,558 | 207,863 | 6,628 | 14,230 | 2,067 | 6,770 |
| Pump Equip Hydraulic | 3 | 223,836 | 195,857 | 6,245 | 13,408 | 1,947 | 6,379 |

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Schedule C-SLM

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA Rate A (4) | Sales for Resale Rate B (5) | Large Industrial Rate J (6) | Fire Protection | |
|------------------------------|-----------------------|---------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------|---------------|
| | | | | | | Rate F (7) | Rate E (8) |
| Pump Equip Other | 3 | 51,969 | 45,473 | 1,450 | 3,113 | 452 | 1,481 |
| Pump Equip WT | 3 | 630,484 | 551,674 | 17,591 | 37,766 | 5,485 | 17,969 |
| Pump Equip TD | 3 | 2,964 | 2,594 | 83 | 178 | 26 | 84 |
| WT Equip Non-Media | 2 | 12,575,736 | 11,420,026 | 363,439 | 782,211 | 7,545 | 2,515 |
| WT Equip Non-Med North (STL) | 2 | 5,116,204 | 4,646,025 | 147,858 | 318,228 | 3,070 | 1,023 |
| WT Equip Non Media Ctr1 1 & | 2 | 1,570,893 | 1,426,528 | 45,399 | 97,710 | 943 | 314 |
| WT Equip Non Media Ctr1 3 (| 2 | 13,946,794 | 12,665,084 | 403,062 | 867,491 | 8,368 | 2,789 |
| WT Equip Non Media Sth (STL) | 2 | 4,461,470 | 4,051,461 | 128,936 | 277,503 | 2,677 | 892 |
| WT Equip Non Media Mer (STL) | 2 | 7,594,328 | 6,896,409 | 219,476 | 472,367 | 4,557 | 1,519 |
| WT Equip Filter Media | 2 | 1,925,987 | 1,748,989 | 55,661 | 119,796 | 1,156 | 385 |
| Dist Reservoirs & Standpipe | 5 | 859,582 | 695,487 | 24,412 | 49,512 | 20,372 | 69,798 |
| Elevated Tanks & Standpipes | 5 | 1,681,094 | 1,360,173 | 47,743 | 96,831 | 39,842 | 136,505 |
| Ground Level Facilities | 5 | 4,057,052 | 3,282,561 | 115,220 | 233,686 | 96,152 | 329,433 |
| Below Ground Facilities | 5 | 6,535 | 5,288 | 186 | 376 | 155 | 531 |
| TD Mains Not Classified by | 6 | 56,239,939 | 51,234,584 | 359,936 | 1,068,559 | 815,479 | 2,761,381 |
| TD Mains 4" & Less | 4 | 783,285 | 722,032 | 0 | 5,248 | 12,768 | 43,237 |
| TD Mains 6 to 8" | 4 | 13,402,199 | 12,354,147 | 0 | 89,795 | 218,456 | 739,801 |
| TD Mains 10 to 16" | 3 | 14,822,267 | 12,969,484 | 413,541 | 887,854 | 128,954 | 422,435 |
| TD Mains 18" & Grtr | 3 | 10,602,742 | 9,277,399 | 295,817 | 635,104 | 92,244 | 302,178 |
| TD Mains AC 4" (STL) | 4 | 1,599,285 | 1,474,221 | 0 | 10,715 | 26,068 | 88,281 |
| TD Mains CI <10" 1900-28 | 4 | 1,653,244 | 1,523,960 | 0 | 11,077 | 26,948 | 91,259 |
| TD Mains CI <10" 1929-56 | 4 | 7,464,159 | 6,880,462 | 0 | 50,010 | 121,666 | 412,022 |
| TD Mains CI <10" 1957-93 | 4 | 31,088,480 | 28,657,361 | 0 | 208,293 | 506,742 | 1,716,084 |
| TD Mains CI 12" (STL) | 3 | 7,965,750 | 6,970,031 | 222,244 | 477,148 | 69,302 | 227,024 |
| TD Mains CI 16" (STL) | 3 | 11,773,451 | 10,301,770 | 328,479 | 705,230 | 102,429 | 335,543 |
| TD Mains DI 6-8" (STL) | 4 | 241,075,432 | 222,223,333 | 0 | 1,615,205 | 3,929,530 | 13,307,364 |
| TD Mains DI 12" (STL) | 3 | 59,714,248 | 52,249,967 | 1,666,028 | 3,576,883 | 519,514 | 1,701,856 |
| TD Mains DI 16" & >(STL) | 3 | 87,859,927 | 76,877,436 | 2,451,292 | 5,262,810 | 764,381 | 2,504,008 |
| TD Mains Galve 1" (STL) | 4 | 635,134 | 585,467 | 0 | 4,255 | 10,353 | 35,059 |
| TD Mains LJ 20" (STL) | 3 | 2,708,744 | 2,370,151 | 75,574 | 162,254 | 23,566 | 77,199 |
| TD Mains PL 6-8in (STL) | 4 | 119,136,522 | 109,820,046 | 0 | 798,215 | 1,941,925 | 6,576,336 |
| TD Mains PL 12in (STL) | 3 | 6,527,046 | 5,711,165 | 182,105 | 390,970 | 56,785 | 186,021 |
| TD Mains DI 4in (STL) | 4 | 2,149,401 | 1,981,317 | 0 | 14,401 | 35,035 | 118,647 |
| TD Mains DI 10in (STL) | 3 | 103,286 | 90,375 | 2,882 | 6,187 | 899 | 2,944 |
| Fire Mains | 7 | 265,873 | 0 | 0 | 0 | 0 | 265,873 |
| Services | 9 | 5,026,533 | 4,558,060 | 0 | 13,572 | 454,901 | 0 |
| Meters Bronze Case | 8 | 6,394,260 | 6,233,765 | 0 | 76,092 | 84,404 | 0 |
| Meters Plastic Case | 8 | 556,158 | 542,199 | 0 | 6,618 | 7,341 | 0 |
| Meters Other | 8 | 56,548,008 | 55,128,653 | 0 | 672,921 | 746,434 | 0 |

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Schedule C-SLM

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA | | | Fire Protection | |
|---------------------------------------|-----------------------|---------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| | | | Rate A (4) | Rate B (5) | Rate J (6) | Rate F (7) | Rate E (8) |
| Meters Other-Rem Rdr Unts | 8 | 3,411,143 | 3,325,523 | 0 | 40,593 | 45,027 | 0 |
| Meter Installations | 8 | 2,860,291 | 2,788,498 | 0 | 34,037 | 37,756 | 0 |
| Meter Installation Other | 8 | 4,597,093 | 4,481,706 | 0 | 54,705 | 60,682 | 0 |
| Meter Vaults | 8 | 73,484 | 71,639 | 0 | 874 | 970 | 0 |
| Hydrants | 7 | 42,811,802 | 0 | 0 | 0 | 0 | 42,811,802 |
| Other P/E CPS | 14 | 626,409 | 569,594 | 6,014 | 14,971 | 11,463 | 24,367 |
| Office Furniture & Equip | 14 | 432,417 | 393,197 | 4,151 | 10,335 | 7,913 | 16,821 |
| Comp & Periph Equip | 14 | 6,346,325 | 5,770,714 | 60,925 | 151,677 | 116,138 | 246,872 |
| Computer Software | 14 | 3,414,038 | 3,104,385 | 32,775 | 81,596 | 62,477 | 132,806 |
| Comp Software Mainframe | 14 | 18,080,316 | 16,440,431 | 173,571 | 432,120 | 330,870 | 703,324 |
| Comp Software Mainframe - CIS | 12 | 9,247,852 | 8,964,868 | 0 | 8,323 | 274,661 | 0 |
| Comp Software Personal | 14 | 24,451 | 22,234 | 235 | 584 | 447 | 951 |
| Data Handling Equipment | 14 | 14,606 | 13,282 | 140 | 349 | 267 | 568 |
| Other Office Equipment | 14 | 13,452 | 12,232 | 129 | 321 | 246 | 523 |
| Trans Equip Lt Duty Trks | 14 | 4,037,252 | 3,671,073 | 38,758 | 96,490 | 73,882 | 157,049 |
| Trans Equip Hvy Duty Trks | 14 | (17,223) | (15,661) | (165) | (412) | (315) | (670) |
| Trans Equip Autos | 14 | (692,803) | (629,966) | (6,651) | (16,558) | (12,678) | (26,950) |
| Trans Equip Other | 14 | 2,927,594 | 2,662,061 | 28,105 | 69,969 | 53,575 | 113,883 |
| Stores Equipment | 14 | 746,882 | 679,139 | 7,170 | 17,850 | 13,668 | 29,054 |
| Tools,Shop,Garage Equip | 14 | 1,735,642 | 1,578,219 | 16,662 | 41,482 | 31,762 | 67,516 |
| Tools,Shop,Garage Equip Oth | 14 | 901,308 | 819,559 | 8,653 | 21,541 | 16,494 | 35,061 |
| Laboratory Equipment | 2 | 174,988 | 158,907 | 5,057 | 10,884 | 105 | 35 |
| Laboratory Equip Other | 2 | 24,521 | 22,267 | 709 | 1,525 | 15 | 5 |
| Power Operated Equipment | 14 | (7,272) | (6,613) | (70) | (174) | (133) | (283) |
| Comm Equip Non-Telephone | 14 | 631,380 | 574,114 | 6,061 | 15,090 | 11,554 | 24,561 |
| Remote Control & Instr | 14 | 1,528,886 | 1,390,216 | 14,677 | 36,540 | 27,979 | 59,474 |
| Comm Equip Telephone | 14 | 6,129 | 5,573 | 59 | 146 | 112 | 238 |
| Misc Equipment | 14 | 1,704,098 | 1,549,536 | 16,359 | 40,728 | 31,185 | 66,289 |
| Other Tangible Property | 17 | 318,223 | 276,281 | 3,278 | 8,337 | 4,010 | 26,317 |
| Total Utility Plant in Service | | 1,000,962,699 | 869,033,836 | 10,264,397 | 26,242,173 | 12,600,281 | 82,822,012 |

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Schedule C-SLM

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Res/Com/Ind/OPA Rate A (4) | Sales for Resale Rate B (5) | Large Industrial Rate J (6) | Fire Protection | |
|---|-----------------------|---------------------------|----------------------------------|-----------------------------------|-----------------------------------|---------------------|----------------------|
| | | | | | | Rate F (7) | Rate E (8) |
| Other Rate Base Items | | | | | | | |
| Add: | | | | | | | |
| Other Utility Plant Adjustments | 17 | | 0 | 0 | 0 | 0 | 0 |
| Cash Working Capital | 15 | 9,661,000 | 8,720,985 | 140,085 | 353,593 | 149,746 | 296,593 |
| Materials and Supplies | 14 | 4,063,350 | 3,694,804 | 39,008 | 97,114 | 74,359 | 158,064 |
| Prepayments | 14 | 1,549,642 | 1,409,089 | 14,877 | 37,036 | 28,358 | 60,281 |
| OPEB's Contributed to External Fund | 16 | | 0 | 0 | 0 | 0 | 0 |
| Pension / OPEB Tracker | 16 | 11,202,607 | 10,090,188 | 131,071 | 315,914 | 198,286 | 467,149 |
| Regulatory Deferrals | 17 | | 0 | 0 | 0 | 0 | 0 |
| Tank Painting Tracker | 5 | 1,135,785 | 918,964 | 32,256 | 65,421 | 26,918 | 92,226 |
| Less: Accumulated Amortization | 17 | | 0 | 0 | 0 | 0 | 0 |
| Accumulated Deferred ITC (3%) | 17 | | 0 | 0 | 0 | 0 | 0 |
| Deferred Income Taxes | 17 | (206,910,588) | (179,639,773) | (2,131,179) | (5,421,057) | (2,607,073) | (17,111,506) |
| Pensions | 16 | (10,459,961) | (9,421,287) | (122,382) | (294,971) | (185,141) | (436,180) |
| Total Other Rate Base Elements | | <u>(189,758,165)</u> | <u>(164,227,029)</u> | <u>(1,896,265)</u> | <u>(4,846,950)</u> | <u>(2,314,547)</u> | <u>(16,473,373)</u> |
| Total Original Cost Measure of Value | | <u>\$ 811,204,534</u> | <u>\$ 704,806,807</u> | <u>\$ 8,368,132</u> | <u>\$ 21,395,223</u> | <u>\$10,285,734</u> | <u>\$ 66,348,638</u> |

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Schedule C-SLM

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO 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) |
|---|---|-------------------------------------|
| Rate A - Res/Com/Ind/OPA | 452,992 | 0.9879 |
| Rate B - Sales for Resale | 0 | 0.0000 |
| Rate J - Manufacturing | 5,532 | 0.0121 |
| Rate F - Private Fire | <u>0</u> | <u>0.0000</u> |
| Total | <u><u>458,524</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO DISTRICT

FOR THE YEARS 1999-2014

| Year | Average Daily | Maximum Daily Use | | |
|------|-------------------|-------------------|---------------------|--------------------|
| | Send out (MGD) | MGD | Ratio to Average | Highest Use Day |
| (1) | (2) | (3) | (4) | (5) |
| 1999 | 176.034 | 337.657 | 1.92 | NA |
| 2000 | 167.103 | 276.090 | 1.65 | NA |
| 2001 | 173.067 | 294.010 | 1.70 | NA |
| 2002 | 175.226 | 330.780 | 1.89 | NA |
| 2003 | 167.899 | 322.790 | 1.92 | 8/23/2003 |
| 2004 | 171.808 | 268.970 | 1.57 | 7/22/2004 |
| 2005 | 185.871 | 333.620 | 1.79 | 6/25/2005 |
| 2006 | 181.038 | 319.290 | 1.76 | 8/5/2006 |
| 2007 | 188.414 | 352.250 | 1.87 | 8/12/2007 |
| 2008 | 155.868 | 273.580 | 1.76 | 7/21/2008 |
| 2009 | 148.640 | 269.630 | 1.81 | 8/15/09 |
| 2010 | 153.987 | 261.860 | 1.70 | 7/17/10 |
| 2011 | 163.128 | 294.272 | 1.80 | 7/23/11 |
| 2012 | 174.674 | 368.223 | 2.11 | 6/29/12 |
| 2013 | 157.903 | 279.019 | 1.77 | 9/7/13 |
| 2014 | 153.584 | 255.312 | 1.66 | 8/4/14 |

MISSOURI-AMERICAN WATER COMPANY
ST. LOUIS METRO 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) |
|--------------------------------|--|----------------------|-----------------------------------|-----------------------------|
| <u>PRIVATE FIRE PROTECTION</u> | | | | |
| <u>Fire Lines</u> | | | | |
| 2 -inch | 4.00 | 118 | 472 | |
| 3 -inch | 9.00 | - | 0 | |
| 4 -inch | 16.00 | 556 | 8,896 | |
| 6 -inch | 36.00 | 2,300 | 82,800 | |
| 8 -inch | 64.00 | 1,385 | 88,640 | |
| 10 -inch | 100.00 | 41 | 4,100 | |
| 12 -inch | 144.00 | 77 | 11,088 | |
| Private Hydrants | 18.06 | 49 | 885 | |
| Total Rate F | | <u>4,526</u> | <u>196,881</u> | 0.2224 |
| <u>PUBLIC FIRE PROTECTION</u> | | | | |
| <u>Hydrant</u> | <u>Nozzle Sizes</u> | | | |
| 4 1/4" Valve | 2- 2-1/2" & 1- 4.5" | 18.06 | 1,101 | 19,887 |
| 4 1/2" Valve | 2- 2-1/2" & 1- 4.5" | 20.25 | 30,803 | 623,761 |
| 6" Valve | 2- 2-1/2" & 1- 4.5" | 32.75 | 258 | 8,450 |
| 6" Valve | 2- 2-1/2" | 12.50 | 2,789 | 34,863 |
| 4 1/2" Valves | 1- 2-1/2" & 1- 4 1/2" | 20.25 | 52 | 1,053 |
| 5 1/4 Valves | 1- 2-1/2" & 1- 4 1/2" | 26.50 | 14 | 371 |
| Total Rate E | | <u>35,017</u> | <u>688,385</u> | <u>0.7776</u> |
| Total Fire Protection | | <u><u>39,543</u></u> | <u><u>885,266</u></u> | <u><u>1.0000</u></u> |

MISSOURI AMERICAN WATER
ST. LOUIS METRO
CALCULATION OF THE 5/8-INCH CUSTOMER COSTS PER MONTH
INCLUDING THE UNRECOVERED PUBLIC FIRE COSTS

| Cost Function | Cost of Service | Number of Units | Unit Cost Per Month | Unit Cost Per Quarter |
|-------------------------|----------------------|-------------------------|---------------------|-----------------------|
| Meters | \$ 15,174,281 | 464,653 5/8 Equivalents | \$ 2.72 | \$ 8.16 |
| Services | 5,723,323 | 422,994 3/4 Equivalents | 1.13 | 3.39 |
| Billing/Collecting | <u>21,711,232</u> | 1,712,753 Bills | <u>12.68</u> | <u>12.68</u> |
| Subtotal | 42,608,836 | | 16.53 | 24.23 |
| Unrecovered Public Fire | <u>13,237,057</u> | 464,653 5/8 Equivalents | 2.37 | 7.11 |
| Total | <u>\$ 55,845,893</u> | | <u>\$ 18.90</u> | <u>\$ 31.34</u> |

SLM-35

Schedule F-SLM

WARRENSBURG DISTRICT

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates Consolidated Pricing | | Proposed Increase | |
|----------------------------|------------------------|---------------|-------------------------|---------------|--|---------------|-------------------|---------------------|
| | Amount (Schedule B) | Percent | Amount | Percent | Amount | Percent | Amount | Percent Increase |
| | (1) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Residential | \$ 2,709,324 | 63.3% | \$ 2,185,801 | 56.2% | \$ 2,830,487 | 61.5% | \$ 644,686 | 29.5% |
| Commercial | 656,945 | 15.3% | 687,595 | 17.7% | 797,009 | 17.3% | 109,414 | 15.9% |
| Industrial | 44,527 | 1.0% | 49,045 | 1.3% | 67,270 | 1.5% | 18,225 | 37.2% |
| Public Authority | <u>346,912</u> | <u>8.1%</u> | <u>358,281</u> | <u>9.2%</u> | <u>443,637</u> | <u>9.6%</u> | <u>85,356</u> | 23.8% |
| Total - Rate A | 3,757,707 | 87.7% | 3,280,722 | 84.4% | 4,138,403 | 89.9% | 857,681 | 26.1% |
| Sales for Resale | 189,325 | 4.4% | 273,463 | 7.0% | 203,662 | 4.4% | (69,801) | -25.5% |
| Rate J - Large Users | 202,637 | 4.7% | 204,977 | 5.3% | 153,479 | 3.3% | (51,498) | -25.1% |
| Private Fire Service | 138,127 | 3.2% | 128,890 | 3.3% | 111,449 | 2.4% | (17,441) | -13.5% |
| Public Fire Service | <u>-</u> | <u>0.0%</u> | <u>-</u> | <u>0.0%</u> | <u>-</u> | <u>0.0%</u> | <u>-</u> | - |
| Total Sales | 4,287,796 | <u>100.0%</u> | 3,888,052 | <u>100.0%</u> | 4,606,993 | <u>100.0%</u> | 718,941 | 18.5% |
| Other Revenues | <u>84,414</u> | | <u>\$84,414</u> | | <u>\$84,414</u> | | <u>-</u> | 0.0% |
| Total | <u>\$ 4,372,210</u> | | <u>\$ 3,972,466</u> | | <u>\$ 4,691,407</u> | | <u>\$ 718,941</u> | 18.1% |

WAR-1

Schedule A-WAR

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|---|-----------------------|---------------------------|--------------------|-------------------|-------------------|------------------------------|----------------------------|--------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large Users (9) | Private (10) | Public (11) |
| OPERATION AND MAINTENANCE EXPENSES | | | | | | | | | | |
| SOURCE OF SUPPLY EXPENSES | | | | | | | | | | |
| Super & Eng Oper SS | 2 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Labor & Exp Oper SS - Labor | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor & Exp Oper SS | 2 | 1,253 | 640 | 224 | 18 | 129 | 138 | 99 | 1 | 3 |
| TOTAL SS EXPENSE - OPERATION | | 1,253 | 640 | 224 | 18 | 129 | 138 | 99 | 1 | 3 |
| Misc Exp Oper SS | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Exp Oper SS | 2 | 144,658 | 73,906 | 25,894 | 2,083 | 14,885 | 15,941 | 11,471 | 116 | 362 |
| Rents Oper SS | 2 | 58 | 30 | 10 | 1 | 6 | 6 | 5 | 0 | 0 |
| Lake, River & Oth Maint SS - Labor | 2 | 142 | 73 | 25 | 2 | 15 | 16 | 11 | 0 | 0 |
| Wells & Springs Maint SS - Labor | 2 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Infiltr Gall & Tunnels Maint SS - Labor | 2 | 8 | 4 | 1 | 0 | 1 | 1 | 1 | 0 | 0 |
| Supply Mains Maint SS - Labor | 2 | 371 | 189 | 66 | 5 | 38 | 41 | 29 | 0 | 1 |
| Misc Plant Maint SS - Labor | 2 | 4 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Plant Maint SS | 2 | 2,380 | 1,216 | 426 | 34 | 245 | 262 | 189 | 2 | 6 |
| TOTAL SS EXPENSE - MAINTENANCE | | 147,622 | 75,420 | 26,424 | 2,126 | 15,190 | 16,268 | 11,706 | 118 | 369 |
| TOTAL SS EXPENSE | | 148,875 | 76,060 | 26,649 | 2,144 | 15,319 | 16,406 | 11,806 | 119 | 372 |
| POWER AND PUMPING EXPENSES | | | | | | | | | | |
| Super & Eng Oper P | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor & Exp Oper Pump - Labor | 3 | 17,649 | 8,505 | 2,979 | 240 | 1,712 | 1,834 | 1,318 | 263 | 798 |
| Misc Exp Oper P | 3 | 50 | 24 | 8 | 1 | 5 | 5 | 4 | 1 | 2 |
| Rents Oper P | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL PUMPING EXPENSE - OPERATION | | 17,699 | 8,529 | 2,988 | 241 | 1,717 | 1,839 | 1,322 | 264 | 800 |
| Super & Eng Maint P | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Struct & Improve Maint P - Labor | 3 | 88 | 43 | 15 | 1 | 9 | 9 | 7 | 1 | 4 |
| Pump Equip Maint P - Labor | 3 | 26,779 | 12,905 | 4,520 | 364 | 2,598 | 2,782 | 2,000 | 399 | 1,210 |
| Pump Equip Maint P | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL PUMPING EXPENSES - MAINTENANCE | | 26,867 | 12,947 | 4,535 | 365 | 2,606 | 2,791 | 2,007 | 400 | 1,214 |
| TOTAL PUMPING EXPENSES | | 44,566 | 21,476 | 7,523 | 606 | 4,323 | 4,630 | 3,329 | 664 | 2,014 |

WAR-2

Schedule B-WAR

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|---|-----------------------|---------------------------|--------------------|-------------------|-------------------|------------------------------|----------------------------|--------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large Users (9) | Private (10) | Public (11) |
| WATER TREATMENT | | | | | | | | | | |
| Super & Eng Oper WT | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Chemicals | 1 | 30,903 | 14,478 | 5,584 | 528 | 3,208 | 3,826 | 3,103 | 43 | 133 |
| Labor & Exp Oper WT | 2 | 2,522 | 1,289 | 451 | 36 | 260 | 278 | 200 | 2 | 6 |
| Misc Exp Oper WT | 2 | 1,015 | 519 | 182 | 15 | 104 | 112 | 80 | 1 | 3 |
| Rents Oper WT | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL WT EXPENSE - OPERATION | | 34,440 | 16,285 | 6,217 | 579 | 3,572 | 4,216 | 3,383 | 46 | 142 |
| Super & Eng Maint WT | 2 | (15) | (8) | (3) | (0) | (2) | (2) | (1) | (0) | (0) |
| WT Equip Maint WT | 2 | 7,828 | 3,999 | 1,401 | 113 | 806 | 863 | 621 | 6 | 20 |
| TOTAL WT EXPENSE - MAINTENANCE | | 7,813 | 3,991 | 1,398 | 113 | 804 | 861 | 620 | 6 | 20 |
| TOTAL WT EXPENSE | | 42,253 | 20,277 | 7,616 | 692 | 4,376 | 5,077 | 4,003 | 52 | 161 |
| TRANSMISSION AND DISTRIBUTION EXPENSES | | | | | | | | | | |
| Super & Eng Oper TD | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TD Lines Exp - Labor | 6 | 96,144 | 39,679 | 13,499 | 971 | 7,759 | 2,000 | 5,586 | 6,595 | 20,056 |
| TD Lines Exp | 6 | 1,375 | 567 | 193 | 14 | 111 | 29 | 80 | 94 | 287 |
| Meter Expense - Labor | 8 | 38,202 | 30,069 | 4,936 | 275 | 2,449 | 92 | 195 | 187 | 0 |
| Meter Expense | 8 | (153) | (120) | (20) | (1) | (10) | (0) | (1) | (1) | 0 |
| Customer Install Exp - Labor | 9 | 5,091 | 3,623 | 698 | 35 | 263 | 9 | 17 | 445 | 0 |
| Misc Exp Oper TD - Labor | 10 | 27,734 | 14,555 | 3,808 | 255 | 2,086 | 419 | 1,159 | 1,442 | 4,010 |
| Misc Exp Oper TD | 10 | 65,719 | 34,489 | 9,023 | 605 | 4,942 | 992 | 2,747 | 3,417 | 9,503 |
| Rents Oper TD | 10 | 8,182 | 4,294 | 1,123 | 75 | 615 | 124 | 342 | 425 | 1,183 |
| TOTAL T & D EXPENSE OPERATION | | 242,293 | 127,155 | 33,260 | 2,229 | 18,215 | 3,664 | 10,125 | 12,606 | 35,039 |
| Super & Eng Maint TD | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Struct & Improve Maint TD - Labor | 11 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Struct & Improve Maint TD | 11 | 501 | 205 | 68 | 5 | 38 | 10 | 27 | 33 | 115 |
| TD Main Maint TD - Labor | 6 | 10,550 | 4,354 | 1,481 | 107 | 851 | 219 | 613 | 724 | 2,201 |
| TD Main Maint TD | 6 | 76,956 | 31,760 | 10,805 | 777 | 6,210 | 1,601 | 4,471 | 5,279 | 16,053 |
| Services Maint TD - Labor | 9 | 3,076 | 2,189 | 422 | 21 | 159 | 6 | 10 | 269 | 0 |
| Meters Maint TD - Labor | 8 | 3 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meters Maint TD | 8 | 466 | 367 | 60 | 3 | 30 | 1 | 2 | 2 | 0 |
| Hydrants Maint TD - Labor | 7 | 2,892 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,892 |
| Hydrants Maint TD | 7 | 426 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 426 |
| Misc Plant Maint TD - Labor | 11 | 10 | 4 | 1 | 0 | 1 | 0 | 1 | 1 | 2 |
| Mat and Sup Maint TD | 11 | 35,708 | 14,633 | 4,831 | 343 | 2,742 | 693 | 1,928 | 2,375 | 8,163 |
| TOTAL T & D EXPENSE - MAINTENANCE | | 130,591 | 53,516 | 17,669 | 1,256 | 10,033 | 2,529 | 7,053 | 8,663 | 29,852 |
| TOTAL T & D EXPENSE | | 372,884 | 180,671 | 50,930 | 3,485 | 28,247 | 6,193 | 17,178 | 21,269 | 64,891 |

WAR-3

Schedule B-WAR

MISSOURI-AMERICAN WATER COMPANY

WARRENSBURG DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J Large Users (9) | Fire Protection | |
|---|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|-------------------------|------------------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | | Private (10) | Public (11) |
| CUSTOMER ACCOUNTS | | | | | | | | | | |
| Supervision CA | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meter Reading Exp CA - Labor | 13 | 38,266 | 34,110 | 3,191 | 73 | 849 | 15 | 27 | 0 | 0 |
| Cust Rec & Collection CA - Labor | 12 | 1,426 | 1,255 | 118 | 3 | 31 | 1 | 1 | 18 | 0 |
| Cust Rec & Collection CA | 12 | 52,818 | 46,485 | 4,352 | 100 | 1,162 | 21 | 37 | 660 | 0 |
| Uncollectible Accts | 12 | 60,345 | 53,110 | 4,972 | 115 | 1,328 | 24 | 42 | 754 | 0 |
| Misc Cust Accts Exp CA - Labor | 12 | 12,564 | 11,075 | 1,037 | 24 | 277 | 5 | 9 | 157 | 0 |
| Misc Cust Accts Exp CA | 12 | 9,676 | 8,516 | 797 | 18 | 213 | 4 | 7 | 121 | 0 |
| TOTAL CUSTOMER ACCOUNTING EXPENSE | | 175,115 | 154,551 | 14,468 | 333 | 3,860 | 70 | 123 | 1,711 | 0 |
| ADMINISTRATIVE AND GENERAL EXPENSES | | | | | | | | | | |
| Salaries AG | 14 | 142,747 | 83,164 | 19,271 | 1,270 | 10,035 | 5,410 | 6,324 | 4,511 | 12,762 |
| Other Supplies & Exp AG | 14 | 49,874 | 29,057 | 6,733 | 444 | 3,506 | 1,890 | 2,209 | 1,576 | 4,459 |
| Mgmt Fees-Admin | 14 | 317,717 | 185,102 | 42,892 | 2,828 | 22,336 | 12,041 | 14,075 | 10,040 | 28,404 |
| Mgmt Fees-Customer Service | 12 | 58,366 | 51,368 | 4,809 | 111 | 1,284 | 23 | 41 | 730 | 0 |
| Mgmt Fees-Belleville Lab | 2 | 1,832 | 936 | 328 | 26 | 189 | 202 | 145 | 1 | 5 |
| Mgmt Fees- Employee | 16 | 19,767 | 11,469 | 2,615 | 170 | 1,358 | 599 | 806 | 700 | 2,050 |
| Outside Services AG | 14 | 20,432 | 11,903 | 2,758 | 182 | 1,436 | 774 | 905 | 646 | 1,827 |
| Outside Services AG | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Property Insurance | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ins Gen Liab Oper AG | 14 | 45,886 | 26,733 | 6,195 | 408 | 3,226 | 1,739 | 2,033 | 1,450 | 4,102 |
| Ins Work Comp AG | 16 | 13,428 | 7,791 | 1,777 | 115 | 923 | 407 | 548 | 475 | 1,392 |
| Ins Other Oper AG | 14 | 7,807 | 4,548 | 1,054 | 69 | 549 | 296 | 346 | 247 | 698 |
| Ins Other Vehicle | 14 | 1,963 | 1,144 | 265 | 17 | 138 | 74 | 87 | 62 | 176 |
| Injuries & Damages | 16 | (292) | (169) | (39) | (3) | (20) | (9) | (12) | (10) | (30) |
| Employee Pension & Benefits | 16 | 159,001 | 92,252 | 21,036 | 1,367 | 10,923 | 4,818 | 6,487 | 5,629 | 16,488 |
| Reg Commision Exp | 19 | 11,482 | 6,309 | 1,604 | 110 | 852 | 508 | 536 | 370 | 1,193 |
| Rents AG | 14 | 3,029 | 1,765 | 409 | 27 | 213 | 115 | 134 | 96 | 271 |
| Goodwill Advertising Exp | 14 | 803 | 468 | 108 | 7 | 56 | 30 | 36 | 25 | 72 |
| Misc Exp AG | 14 | 33,113 | 19,292 | 4,470 | 295 | 2,328 | 1,255 | 1,467 | 1,046 | 2,960 |
| Research & Development | 14 | 1,166 | 679 | 157 | 10 | 82 | 44 | 52 | 37 | 104 |
| TOTAL A & G OPERATIONS | | 888,121 | 533,811 | 116,443 | 7,456 | 59,413 | 30,217 | 36,219 | 27,630 | 76,932 |
| General Plant Maint AG | 14 | 9,242 | 5,384 | 1,248 | 82 | 650 | 350 | 409 | 292 | 826 |
| TOTAL A & G EXPENSE - MAINTENANCE | | 9,242 | 5,384 | 1,248 | 82 | 650 | 350 | 409 | 292 | 826 |
| TOTAL A & G EXPENSE | | 897,363 | 539,195 | 117,690 | 7,539 | 60,063 | 30,568 | 36,628 | 27,922 | 77,758 |
| Total Operation & Maintenance Expenses | | 1,681,055 | 992,231 | 224,875 | 14,798 | 116,188 | 62,944 | 73,066 | 51,757 | 145,196 |

WAR-4

Schedule B-WAR

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|-------------------------------|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|-------------------------|--------------------|-----------------|----------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large Users (9) | Private (10) | Public (11) |
| DEPRECIATION EXPENSE | | | | | | | | | | |
| Struct & Imp SS | 2 | 2,392 | 1,222 | 428 | 34 | 246 | 264 | 190 | 2 | 6 |
| Struct & Imp P | 3 | 9,382 | 4,521 | 1,584 | 128 | 910 | 975 | 701 | 140 | 424 |
| Struct & Imp WT | 2 | 21,610 | 11,041 | 3,868 | 311 | 2,224 | 2,381 | 1,714 | 17 | 54 |
| Struct & Imp TD | 6 | 5,133 | 2,118 | 721 | 52 | 414 | 107 | 298 | 352 | 1,071 |
| Struct & Imp AG | 14 | 734 | 428 | 99 | 7 | 52 | 28 | 33 | 23 | 66 |
| Struct & Imp Offices | 14 | 5,131 | 2,989 | 693 | 46 | 361 | 194 | 227 | 162 | 459 |
| Struct & Imp Store,Shop,Gar | 14 | 1,659 | 967 | 224 | 15 | 117 | 63 | 73 | 52 | 148 |
| Struct & Imp Misc | 14 | 379 | 221 | 51 | 3 | 27 | 14 | 17 | 12 | 34 |
| Wells & Springs | 2 | 21,918 | 11,198 | 3,923 | 316 | 2,255 | 2,415 | 1,738 | 18 | 55 |
| Supply Mains | 2 | 2,759 | 1,410 | 494 | 40 | 284 | 304 | 219 | 2 | 7 |
| Power Generation Equip | 3 | 163 | 79 | 28 | 2 | 16 | 17 | 12 | 2 | 7 |
| Pump Equip Electric | 3 | 11,347 | 5,468 | 1,915 | 154 | 1,101 | 1,179 | 848 | 169 | 513 |
| Pump Equip Hydraulic | 3 | 1,610 | 776 | 272 | 22 | 156 | 167 | 120 | 24 | 73 |
| Pump Equip Other | 3 | 239 | 115 | 40 | 3 | 23 | 25 | 18 | 4 | 11 |
| WT Equip Non-Media | 2 | 80,715 | 41,237 | 14,448 | 1,162 | 8,306 | 8,895 | 6,401 | 65 | 202 |
| Dist Reservoirs & Standpipe | 5 | 12,850 | 5,907 | 1,975 | 134 | 1,135 | 519 | 784 | 592 | 1,804 |
| Elevated Tanks & Standpipes | 5 | 1,334 | 613 | 205 | 14 | 118 | 54 | 81 | 61 | 187 |
| TD Mains Not Classified by | 6 | 66,894 | 27,607 | 9,392 | 676 | 5,398 | 1,391 | 3,887 | 4,589 | 13,954 |
| TD Mains 4" & Less | 4 | 2,319 | 917 | 309 | 22 | 178 | 0 | 125 | 190 | 579 |
| TD Mains 6 to 8" | 4 | 8,682 | 3,433 | 1,156 | 81 | 665 | 0 | 468 | 712 | 2,167 |
| TD Mains 10 to 16" | 3 | 63,870 | 30,779 | 10,781 | 869 | 6,195 | 6,636 | 4,771 | 952 | 2,887 |
| TD Mains 18" & Grtr | 3 | 20 | 10 | 3 | 0 | 2 | 2 | 1 | 0 | 1 |
| Fire Mains | 7 | 1,831 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,831 |
| Services | 9 | 80,921 | 57,591 | 11,102 | 558 | 4,184 | 146 | 267 | 7,072 | 0 |
| Meters Bronze Case | 8 | 21,371 | 16,821 | 2,761 | 154 | 1,370 | 51 | 109 | 105 | 0 |
| Meters Plastic Case | 8 | 6,062 | 4,771 | 783 | 44 | 389 | 15 | 31 | 30 | 0 |
| Meters Other | 8 | 4,131 | 3,252 | 534 | 30 | 265 | 10 | 21 | 20 | 0 |
| Meter Installations | 8 | 35,960 | 28,304 | 4,646 | 259 | 2,305 | 86 | 183 | 176 | 0 |
| Meter Vaults | 8 | 175 | 138 | 23 | 1 | 11 | 0 | 1 | 1 | 0 |
| Hydrants | 7 | 21,319 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 21,319 |
| Other P/E CPS | 14 | 472 | 275 | 64 | 4 | 33 | 18 | 21 | 15 | 42 |
| Office Furniture & Equip | 14 | 513 | 299 | 69 | 5 | 36 | 19 | 23 | 16 | 46 |
| Comp & Periph Equip | 14 | 40,884 | 23,819 | 5,519 | 364 | 2,874 | 1,550 | 1,811 | 1,292 | 3,655 |
| Computer Software | 14 | 10,126 | 5,899 | 1,367 | 90 | 712 | 384 | 449 | 320 | 905 |
| Comp Software Mainframe | 14 | 51,975 | 30,280 | 7,017 | 463 | 3,654 | 1,970 | 2,302 | 1,642 | 4,647 |
| Comp Software Mainframe - CIS | 12 | 26,584 | 23,397 | 2,191 | 51 | 585 | 11 | 19 | 332 | 0 |
| Comp Software Other | 14 | 68 | 40 | 9 | 1 | 5 | 3 | 3 | 2 | 6 |
| Other Office Equipment | 14 | 73 | 42 | 10 | 1 | 5 | 3 | 3 | 2 | 7 |

WAR-5

Schedule B-WAR

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|--|--------------------|------------------------|---------------------|-------------------|-------------------|---------------------------|-------------------------|--------------------|-------------------|-------------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large Users (9) | Private (10) | Public (11) |
| Trans Equip Lt Duty Trks | 14 | 9,141 | 5,326 | 1,234 | 81 | 643 | 346 | 405 | 289 | 817 |
| Trans Equip Other | 14 | 10 | 6 | 1 | 0 | 1 | 0 | 0 | 0 | 1 |
| Stores Equipment | 14 | 653 | 380 | 88 | 6 | 46 | 25 | 29 | 21 | 58 |
| Tools,Shop,Garage Equip | 14 | 3,437 | 2,003 | 464 | 31 | 242 | 130 | 152 | 109 | 307 |
| Laboratory Equipment | 2 | 4,469 | 2,283 | 800 | 64 | 460 | 492 | 354 | 4 | 11 |
| Power Operated Equipment | 14 | 2,223 | 1,295 | 300 | 20 | 156 | 84 | 98 | 70 | 199 |
| Comm Equip Non-Telephone | 14 | 2,520 | 1,468 | 340 | 22 | 177 | 95 | 112 | 80 | 225 |
| Remote Control & Instr | 14 | 8,409 | 4,899 | 1,135 | 75 | 591 | 319 | 373 | 266 | 752 |
| Comm Equip Telephone | 14 | 208 | 121 | 28 | 2 | 15 | 8 | 9 | 7 | 19 |
| Misc Equipment | 14 | 3,589 | 2,091 | 484 | 32 | 252 | 136 | 159 | 113 | 321 |
| Other Tangible Property | 14 | 320 | 186 | 43 | 3 | 22 | 12 | 14 | 10 | 29 |
| Total Depreciation Expense | | 658,583 | 368,042 | 93,623 | 6,448 | 49,213 | 31,544 | 29,674 | 20,135 | 59,904 |
| Amort-Other UP | 18 | 2,262 | 1,154 | 326 | 23 | 178 | 111 | 114 | 77 | 280 |
| Amort-UPAA | 2 | 384 | 196 | 69 | 6 | 40 | 42 | 30 | 0 | 1 |
| Amort-Property Losses | 2 | 2,253 | 1,151 | 403 | 32 | 232 | 248 | 179 | 2 | 6 |
| Taxes Other Than Income | | | | | | | | | | |
| Utility Reg Assessment Fee | 19 | 36,054 | 19,812 | 5,037 | 346 | 2,675 | 1,594 | 1,684 | 1,161 | 3,746 |
| Property Taxes | 18 | 289,670 | 147,790 | 41,741 | 2,984 | 22,739 | 14,165 | 14,541 | 9,849 | 35,861 |
| Payroll Taxes | 16 | 32,276 | 18,727 | 4,270 | 278 | 2,217 | 978 | 1,317 | 1,143 | 3,347 |
| Other Taxes & Licenses | 14 | 19,692 | 11,473 | 2,658 | 175 | 1,384 | 746 | 872 | 622 | 1,760 |
| Gross Receipts Tax | 19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Taxes, Other Than Income | | 377,692 | 197,800 | 53,707 | 3,783 | 29,016 | 17,483 | 18,414 | 12,775 | 44,715 |
| Income Taxes | 18 | 494,443 | 252,265 | 71,249 | 5,093 | 38,814 | 24,178 | 24,821 | 16,811 | 61,212 |
| Utility Income Available for Return | 18 | 1,155,538 | 589,555 | 166,513 | 11,902 | 90,710 | 56,506 | 58,008 | 39,288 | 143,056 |
| Total Cost of Service | | 4,372,210 | 2,402,394 | 610,765 | 42,085 | 324,390 | 193,056 | 204,307 | 140,845 | 454,369 |
| Less: Other Water Revenues | 19 | 84,414 | 46,385 | 11,793 | 810 | 6,264 | 3,731 | 3,942 | 2,718 | 8,771 |
| Total Other Water Revenues | | 84,414 | 46,385 | 11,793 | 810 | 6,264 | 3,731 | 3,942 | 2,718 | 8,771 |
| Total Cost of Service Related to Sales of Water | | \$ 4,287,796 | \$ 2,356,009 | \$ 598,972 | \$ 41,274 | \$ 318,126 | \$ 189,325 | \$ 200,364 | \$ 138,127 | \$ 445,599 |
| Reallocation of Public Fire | 20 | 0 | 353,315 | 57,972 | 3,253 | 28,786 | 0 | 2,273 | 0 | (445,599) |
| Total | | \$ 4,287,796 | \$ 2,709,324 | \$ 656,945 | \$ 44,527 | \$ 346,912 | \$ 189,325 | \$ 202,637 | \$ 138,127 | \$ - |

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Schedule B-WAR

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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, 100 Gallons (2) | Allocation Factor (3) |
|-----------------------------------|---|-----------------------------|
| Residential - Rate A | 9,561 | 0.4685 |
| Commercial - Rate A | 3,689 | 0.1807 |
| Industrial - Rate A | 350 | 0.0171 |
| Other Public Authority - Rate A | 2,119 | 0.1038 |
| Sales for Resale - Rate B | 2,527 | 0.1238 |
| Rate J - Large Users | 2,050 | 0.1004 |
| Private Fire Protection | 29 | 0.0014 |
| Public Fire Protection | 88 | 0.0043 |
| Total | <u>20,413</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 0.5882 | Allocation Factor (4) | Weighted Factor (5)=(4)x 0.4118 | |
| Residential - Rate A | 0.4685 | 0.2755 | 0.5719 | 0.2354 | 0.5109 |
| Commercial - Rate A | 0.1807 | 0.1063 | 0.1765 | 0.0727 | 0.1790 |
| Industrial - Rate A | 0.0171 | 0.0101 | 0.0105 | 0.0043 | 0.0144 |
| Other Public Authority - Rate A | 0.1038 | 0.0611 | 0.1014 | 0.0418 | 0.1029 |
| Sales for Resale - Rate B | 0.1238 | 0.0728 | 0.0907 | 0.0374 | 0.1102 |
| Rate J - Large Users | 0.1004 | 0.0591 | 0.0490 | 0.0202 | 0.0793 |
| Private Fire Protection | 0.0014 | 0.0008 | | | 0.0008 |
| Public Fire Protection | 0.0043 | 0.0025 | | | 0.0025 |
| Total | <u>1.0000</u> | <u>0.5882</u> | <u>1.0000</u> | <u>0.4118</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
WARRENSBURG 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 (1) | Average Daily Consumption, 100 Gallons (2) | Maximum Day Extra Capacity | | |
|-----------------------------------|---|----------------------------|--|-----------------------------|
| | | Factor* (3) | Rate of Flow, 100 Gallons Per Day (4)=(2)x(3) | Allocation Factor (5) |
| Residential - Rate A | 9,561 | 1.0 | 9,561 | 0.5719 |
| Commercial - Rate A | 3,689 | 0.8 | 2,951 | 0.1765 |
| Industrial - Rate A | 350 | 0.5 | 175 | 0.0105 |
| Other Public Authority - Rate | 2,119 | 0.8 | 1,695 | 0.1014 |
| Sales for Resale - Rate B | 2,527 | 0.6 | 1,516 | 0.0907 |
| Rate J - Large Users | 2,050 | 0.4 | 820 | 0.0490 |
| Total | 20,296 | | 16,718 | 1.0000 |

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 1990 through 2014 (see Schedule D).

| | Maximum Day Ratio | Weight |
|-------------------------------|-------------------------|---------------|
| Average Day | 1.00 | 0.5882 |
| Maximum Day Extra Capacity | 0.70 | 0.4118 |
| Total | 1.70 | 1.0000 |

* Ratio of maximum day to average day minus 1.0.

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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.

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| 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 0.5548 | (4) | (5)=(4) X 0.3883 | (6) | (7)=(6) X 0.0569 | (8)=(3)+(5)+(7) |
| Residential - Rate A | 0.4685 | 0.2598 | 0.5719 | 0.2221 | | | 0.4819 |
| Commercial - Rate A | 0.1807 | 0.1003 | 0.1765 | 0.0685 | | | 0.1688 |
| Industrial - Rate A | 0.0171 | 0.0095 | 0.0105 | 0.0041 | | | 0.0136 |
| Other Public Authority - Rate A | 0.1038 | 0.0576 | 0.1014 | 0.0394 | | | 0.0970 |
| Sales for Resale - Rate B | 0.1238 | 0.0687 | 0.0907 | 0.0352 | | | 0.1039 |
| Rate J - Large Users | 0.1004 | 0.0557 | 0.0490 | 0.0190 | | | 0.0747 |
| Private Fire Protection | 0.0014 | 0.0008 | | | 0.2472 | 0.0141 | 0.0149 |
| Public Fire Protection | 0.0043 | 0.0024 | | | 0.7528 | 0.0428 | 0.0452 |
| Total | 1.0000 | 0.5548 | 1.0000 | 0.3883 | 1.0000 | 0.0569 | 1.0000 |

Schedule C-WAR

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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 2014 of 2.341 MGD. The system demand for fire protection is 2,000 Gallons per minute for 2 hours.

| | <u>Ratio</u> | <u>Rate of Flow, (GPD)</u> | <u>Weight</u> |
|-------------------------------|--------------|--------------------------------|---------------|
| Average Day | 1.00 | 2,340,573 | 0.5548 |
| Maximum Day Extra Capacity | <u>0.70</u> | <u>1,638,401</u> | <u>0.3883</u> |
| Subtotal | <u>1.70</u> | 3,978,974 | 0.9431 |
| Fire Protection | | <u>240,000</u> | <u>0.0569</u> |
| Total | | <u>4,218,974</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
WARRENSBURG 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 |
|---------------------------------|----------------------------|-------------------|---------------------|-----------------------------|---------------------|-------------------|---------------------|-------------------|
| | 100 Gallons | Allocation Factor | Weighted Factor | Allocation Factor | Weighted Factor | Allocation Factor | Weighted Factor | |
| (1) | (2) | (3) | (4)=(3) X 0.2680 | (5) | (6)=(5) X 0.4021 | (7) | (8)=(7) X 0.3299 | (9)=(4)+(6)+(8) |
| Residential - Rate A | 398.4 | 0.5345 | 0.1432 | 0.6274 | 0.2522 | | | 0.3954 |
| Commercial - Rate A | 153.7 | 0.2062 | 0.0553 | 0.1937 | 0.0779 | | | 0.1332 |
| Industrial - Rate A | 14.6 | 0.0196 | 0.0053 | 0.0099 | 0.0040 | | | 0.0093 |
| Other Public Authority - Rate A | 88.3 | 0.1185 | 0.0318 | 0.1113 | 0.0448 | | | 0.0766 |
| Sales for Resale - Rate B | 0.0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | | | 0.0000 |
| Rate J - Large Users | 85.4 | 0.1146 | 0.0307 | 0.0577 | 0.0232 | | | 0.0539 |
| Private Fire Protection | 1.2 | 0.0016 | 0.0004 | | | 0.2472 | 0.0816 | 0.0820 |
| Public Fire Protection | 3.7 | 0.0050 | 0.0013 | | | 0.7528 | 0.2483 | 0.2496 |
| Total | 745.3 | 1.0000 | 0.2680 | 1.0000 | 0.4021 | 1.0000 | 0.3299 | 1.0000 |

The maximum hour extra capacity factors in column 5 are determined as follows:

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Schedule C-WAR

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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 2014 of 2.341 MGD. The system demand for fire protection is 2,000 gallons per minute.

| | Ratio | Rate of Flow, (GPM) | Weight |
|--------------------------------|-------------|------------------------|---------------|
| Average Hour | 1.00 | 1,625 | 0.2680 |
| Maximum Hour Extra Capacity | 1.50 | 2,438 | 0.4021 |
| Subtotal | <u>2.50</u> | 4,063 | 0.6701 |
| Fire Protection | | 2,000 | 0.3299 |
| Total | | <u>6,063</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 100 Gallons | Maximum Hour Extra Capacity | | |
|---------------------------------|---|-----------------------------|---------------------------|----------------------|
| | | Factor* | 1,000 Gallons Per Hour | Allocation Factor |
| (1) | (2) | (3) | (4)=(2)x(3) | (5) |
| Residential - Rate A | 398.4 | 3.5 | 1,394.4 | 0.6274 |
| Commercial - Rate A | 153.7 | 2.8 | 430.4 | 0.1937 |
| Industrial - Rate A | 14.6 | 1.5 | 21.9 | 0.0099 |
| Other Public Authority - Rate A | 88.3 | 2.8 | 247.2 | 0.1113 |
| Sales for Resale - Rate B | 0.0 | 2.0 | 0.0 | 0.0000 |
| Rate J - Large Users | 85.4 | 1.5 | 128.1 | 0.0577 |
| Total | <u>740.4</u> | | <u>2,222.0</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
WARRENSBURG 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 |
|-----------------------------|----------------------------|----------------------|---------------------|--------------------------------|---------------------|----------------------|---------------------|----------------------|
| | 100 Gallons | Allocation Factor | Weighted Factor | Allocation Factor | Weighted Factor | Allocation Factor | Weighted Factor | |
| (1) | (2) | (3) | (4)=(3) X 0.3262 | (5) | (6)=(5) X 0.4892 | (7) | (8)=(7) X 0.1846 | (9)=(4)+(6)+(8) |
| Residential - Rate A | 398.4 | 0.4684 | 0.1527 | 0.6274 | 0.3070 | | | 0.4597 |
| Commercial - Rate A | 153.7 | 0.1807 | 0.0589 | 0.1937 | 0.0948 | | | 0.1537 |
| Industrial - Rate A | 14.6 | 0.0172 | 0.0056 | 0.0099 | 0.0048 | | | 0.0104 |
| Other Public Authority - Ra | 88.3 | 0.1038 | 0.0339 | 0.1113 | 0.0544 | | | 0.0883 |
| Sales for Resale - Rate B | 105.3 | 0.1238 | 0.0404 | 0.0000 | 0.0000 | | | 0.0404 |
| Rate J - Large Users | 85.4 | 0.1004 | 0.0328 | 0.0577 | 0.0282 | | | 0.0610 |
| Private Fire Protection | 1.2 | 0.0014 | 0.0005 | | | 0.2472 | 0.0456 | 0.0461 |
| Public Fire Protection | 3.7 | 0.0043 | 0.0014 | | | 0.7528 | 0.1390 | 0.1404 |
| Total | 850.6 | 1.0000 | 0.3262 | 1.0000 | 0.4892 | 1.0000 | 0.1846 | 1.0000 |

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.

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Schedule C-WAR

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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.

$$\text{Fire Protection Weight} = \frac{2,000 \text{ GPM} \times 60 \text{ Min.} \times 2 \text{ Hrs.}}{1,300,000 \text{ Gallons}} = 0.1846$$

$$\text{General Service Weight} : 1.0000 - 0.1846 = 0.8154$$

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 | 40.00 | 0.3262 |
| Extra Capacity Maximum Hour | <u>1.50</u> | <u>60.00</u> | <u>0.4892</u> |
| Total | <u><u>2.50</u></u> | <u><u>100.00</u></u> | <u><u>0.8154</u></u> |

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 6. 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 0.2006 | (4) | (5)=(4)X 0.7994 | (6)=(3)+(5) |
| Residential - Rate A | 0.4819 | 0.0966 | 0.3954 | 0.3161 | 0.4127 |
| Commercial - Rate A | 0.1688 | 0.0339 | 0.1332 | 0.1065 | 0.1404 |
| Industrial - Rate A | 0.0136 | 0.0027 | 0.0093 | 0.0074 | 0.0101 |
| Other Public Authority - Rat | 0.0970 | 0.0195 | 0.0766 | 0.0612 | 0.0807 |
| Sales for Resale - Rate B | 0.1039 | 0.0208 | 0.0000 | 0.0000 | 0.0208 |
| Rate J - Large Users | 0.0747 | 0.0150 | 0.0539 | 0.0431 | 0.0581 |
| Private Fire Protection | 0.0149 | 0.0030 | 0.0820 | 0.0656 | 0.0686 |
| Public Fire Protection | 0.0452 | 0.0091 | 0.2496 | 0.1995 | 0.2086 |
| Total | 1.0000 | 0.2006 | 1.0000 | 0.7994 | 1.0000 |

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 | 116,264 | 0.2006 |
| Distribution Mains | 463,289 | 0.7994 |
| Total | 579,553 | 1.0000 |

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 7. 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 8. 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 - Rate A | 6,643 | 0.7871 |
| Commercial - Rate A | 1,090 | 0.1292 |
| Industrial - Rate A | 61 | 0.0072 |
| Other Public Authority - Rate A | 541 | 0.0641 |
| Sales for Resale - Rate B | 20 | 0.0024 |
| Rate J - Large Users | 43 | 0.0051 |
| Private Fire | <u>41</u> | <u>0.0049</u> |
| Total | <u><u>8,439</u></u> | <u><u>1.0000</u></u> |

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

| Meter Size (1) | 5/8" Dollar Equivalent (2) | Rate A | | | | | | | | Rate B | | Rate J | | Rate F | | Total | |
|-------------------|-------------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|---------------------------|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|-------------------|
| | | Residential | | Commercial | | Industrial | | Other Public Authority | | Sales for Resale | | Large Users | | Private Fire | | Total | |
| | | Number of Meters (3) | Weighting (4)=(2)X(3) | Number of Meters (5) | Weighting (6)=(2)X(5) | Number of Meters (7) | Weighting (8)=(2)X(7) | Number of Meters (9) | Weighting (10)=(2)X(9) | Number of Meters (11) | Weighting (12)=(2)X(11) | Number of Meters (11) | Weighting (12)=(2)X(11) | Number of Meters (13) | Weighting (14)=(2)X(13) | Number of Meters (15) | Weighting (16) |
| 5/8 | 1.0 | 6,583 | 6,583 | 407 | 407 | 0 | 0 | 92 | 92 | 0 | 0 | 0 | 0 | 41 | 41 | 7,123 | 7,123 |
| 3/4 | 2.1 | 4 | 8 | 7 | 15 | 0 | 0 | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 25 |
| 1 | 2.0 | 26 | 52 | 87 | 174 | 5 | 10 | 7 | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 125 | 250 |
| 1-1/2 | 3.5 | 0 | 0 | 27 | 95 | 1 | 4 | 4 | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 32 | 113 |
| 2 | 4.3 | 0 | 0 | 88 | 378 | 6 | 26 | 41 | 176 | 2 | 9 | 1 | 4 | 0 | 0 | 138 | 593 |
| 3 | 7.0 | 0 | 0 | 3 | 21 | 0 | 0 | 6 | 42 | 0 | 0 | 1 | 7 | 0 | 0 | 10 | 70 |
| 4 | 10.5 | 0 | 0 | 0 | 0 | 2 | 21 | 13 | 137 | 1 | 11 | 3 | 32 | 0 | 0 | 19 | 201 |
| 6 | 16.8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 | 64.0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 64 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 64 |
| Total | | 6,613 | 6,643 | 619 | 1,090 | 14 | 61 | 165 | 541 | 3 | 20 | 5 | 43 | 41 | 41 | 7,460 | 8,439 |

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Schedule C-WAR

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 9. 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 - Rate A | 6,663 | 0.7117 |
| Commercial - Rate A | 1,284 | 0.1372 |
| Industrial - Rate A | 65 | 0.0069 |
| Other Public Authority - Rate A | 484 | 0.0517 |
| Sales for Resale - Rate B | 17 | 0.0018 |
| Rate J - Large Users | 31 | 0.0033 |
| Private Fire Protection | 818 | 0.0874 |
| Total | <u>9,362</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

| Service Size | 3/4" Dollar Equivalent | Rate A | | | | | | | | Rate B | | Rate J | | Rate F | | Total | |
|-----------------|------------------------------|-------------|-------------|------------|-------------|------------|-------------|------------------------|--------------|------------------|---------------|-------------|---------------|-------------------------|---------------|-----------|-----------|
| | | Residential | | Commercial | | Industrial | | Other Public Authority | | Sales for Resale | | Large Users | | Private Fire Protection | | Number of | |
| | | Services | Weighting | Services | Weighting | Services | Weighting | Services | Weighting | Services | Weighting | Services | Weighting | Services | Weighting | Services | 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) | (11) | (12)=(2)X(11) | (13) | (14)=(2)X(11) | (15) | (16) |
| 3/4 | 1.00 | 6,587 | 6,587 | 414 | 414 | 0 | 0 | 93 | 93 | 0 | 0 | 0 | 0 | 0 | 0 | 7,094 | 7,094 |
| 1 | 2.94 | 26 | 76 | 87 | 256 | 5 | 15 | 7 | 21 | 0 | 0 | 0 | 0 | 0 | 0 | 125 | 368 |
| 1-1/2 | 4.02 | 0 | 0 | 27 | 109 | 1 | 4 | 4 | 16 | 0 | 0 | 0 | 0 | 0 | 0 | 32 | 129 |
| 2 | 5.55 | 0 | 0 | 88 | 488 | 6 | 33 | 41 | 228 | 2 | 11 | 1 | 6 | 3 | 17 | 141 | 783 |
| 3 | 5.55 | 0 | 0 | 3 | 17 | 0 | 0 | 6 | 33 | 0 | 0 | 1 | 6 | 1 | 6 | 11 | 62 |
| 4 | 6.37 | 0 | 0 | 0 | 0 | 2 | 13 | 13 | 83 | 1 | 6 | 3 | 19 | 19 | 121 | 38 | 242 |
| 6 | 9.92 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 45 | 446 | 45 | 446 |
| 8 | 9.92 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 10 | 0 | 0 | 0 | 0 | 22 | 218 | 23 | 228 |
| 10 | 9.92 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 10 | 1 | 10 |
| 12 | 12.16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 6,613 | 6,663 | 619 | 1,284 | 14 | 65 | 165 | 484 | 3 | 17 | 5 | 31 | 91 | 818 | 7,510 | 9,362 |

MAR-19

Schedule C-WAR

**MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT**

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 10. 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 - Rate A | \$ 73,818 | 0.5248 |
| Commercial - Rate A | 19,306 | 0.1373 |
| Industrial - Rate A | 1,294 | 0.0092 |
| Other Public Authority - Rate A | 10,572 | 0.0752 |
| Sales for Resale - Rate B | 2,129 | 0.0151 |
| Rate J - Large Users | 5,877 | 0.0418 |
| Private Fire Protection | 7,321 | 0.0520 |
| Public Fire Protection | 20,342 | 0.1446 |
| | <u>140,659</u> | <u>1.0000</u> |
| Total | <u>140,659</u> | <u>1.0000</u> |

FACTOR 11. 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 - Rate A | \$ 38,673 | 0.4098 |
| Commercial - Rate A | 12,769 | 0.1353 |
| Industrial - Rate A | 908 | 0.0096 |
| Other Public Authority - Rate A | 7,251 | 0.0768 |
| Sales for Resale - Rate B | 1,827 | 0.0194 |
| Rate J - Large Users | 5,097 | 0.0540 |
| Private Fire Protection | 6,274 | 0.0665 |
| Public Fire Protection | 21,572 | 0.2286 |
| | <u>\$94,370</u> | <u>1.0000</u> |
| Total | <u>\$94,370</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 12. 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 - Rate A | 6,613 | 0.8801 |
| Commercial - Rate A | 619 | 0.0824 |
| Industrial - Rate A | 14 | 0.0019 |
| Other Public Authority - Rate A | 165 | 0.0220 |
| Sales for Resale - Rate B | 3 | 0.0004 |
| Rate J - Large Users | 5 | 0.0007 |
| Private Fire Protection | 94 | 0.0125 |
| Public Fire Protection | 0 | 0.0000 |
| Total | <u>7,513</u> | <u>1.0000</u> |

FACTOR 13. 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 - Rate A | 6,613 | 0.8914 |
| Commercial - Rate A | 619 | 0.0834 |
| Industrial - Rate A | 14 | 0.0019 |
| Other Public Authority - Rate A | 165 | 0.0222 |
| Sales for Resale - Rate B | 3 | 0.0004 |
| Rate J - Large Users | 5 | 0.0007 |
| Total | <u>7,419</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 14. 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 | Operation & Maintenance Expenses | Allocation Factor |
|---------------------------------|--|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | \$438,557 | 0.5826 |
| Commercial - Rate A | 101,600 | 0.1350 |
| Industrial - Rate A | 6,731 | 0.0089 |
| Other Public Authority - Rate A | 52,918 | 0.0703 |
| Sales for Resale - Rate B | 28,550 | 0.0379 |
| Rate J - Large Users | 33,335 | 0.0443 |
| Private Fire Protection | 23,792 | 0.0316 |
| Public Fire Protection | 67,306 | 0.0894 |
| Total | \$752,789 | 1.0000 |

FACTOR 15. 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 | Operation & Maintenance Expenses | Allocation Factor |
|---------------------------------|--|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | \$985,921 | 0.5905 |
| Commercial - Rate A | 223,271 | 0.1337 |
| Industrial - Rate A | 14,688 | 0.0088 |
| Other Public Authority - Rate A | 115,336 | 0.0691 |
| Sales for Resale - Rate B | 62,436 | 0.0374 |
| Rate J - Large Users | 72,530 | 0.0434 |
| Private Fire Protection | 51,387 | 0.0308 |
| Public Fire Protection | 144,003 | 0.0863 |
| Total | \$1,669,573 | 1.0000 |

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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 (1) | Direct Labor Expense (2) | Allocation Factor (3) |
|-----------------------------------|--------------------------------|-----------------------------|
| Residential - Rate A | \$245,794 | 0.5802 |
| Commercial - Rate A | 56,068 | 0.1323 |
| Industrial - Rate A | 3,647 | 0.0086 |
| Other Public Authority - Rate A | 29,131 | 0.0687 |
| Sales for Resale - Rate B | 12,857 | 0.0303 |
| Rate J - Large Users | 17,307 | 0.0408 |
| Private Fire Protection | 15,013 | 0.0354 |
| Public Fire Protection | 43,936 | 0.1037 |
| Total | <u>\$423,754</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 (1) | Original Cost Less Depreciation (2) | Allocation Factor (3) |
|-----------------------------------|--|-----------------------------|
| Residential - Rate A | \$9,314,770 | 0.5098 |
| Commercial - Rate A | 2,632,272 | 0.1441 |
| Industrial - Rate A | 188,388 | 0.0103 |
| Other Public Authority - Rate A | 1,435,010 | 0.0786 |
| Sales for Resale - Rate B | 895,353 | 0.0490 |
| Rate J - Large Users | 917,658 | 0.0502 |
| Private Fire Protection | 622,068 | 0.0341 |
| Public Fire Protection | 2,263,178 | 0.1239 |
| Total | <u>\$18,268,697</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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 | Original Cost Measure of Value | Allocation Factor |
|---------------------------------|--------------------------------------|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | \$7,180,045 | 0.5102 |
| Commercial - Rate A | 2,027,539 | 0.1441 |
| Industrial - Rate A | 145,101 | 0.0103 |
| Other Public Authority - Rate A | 1,105,049 | 0.0785 |
| Sales for Resale - Rate B | 688,838 | 0.0489 |
| Rate J - Large Users | 706,952 | 0.0502 |
| Private Fire Protection | 479,238 | 0.0340 |
| Public Fire Protection | 1,741,995 | 0.1238 |
| Total | <u>\$14,074,757</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 | Total Cost of Service | Allocation Factor |
|---------------------------------|--------------------------|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | \$2,376,273 | 0.5495 |
| Commercial - Rate A | 604,124 | 0.1397 |
| Industrial - Rate A | 41,628 | 0.0096 |
| Other Public Authority - Rate A | 320,862 | 0.0742 |
| Sales for Resale - Rate B | 190,955 | 0.0442 |
| Rate J - Large Users | 202,087 | 0.0467 |
| Private Fire Protection | 139,314 | 0.0322 |
| Public Fire Protection | 449,430 | 0.1039 |
| Total | <u>\$4,324,674</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | | |
|-------------------------------|-----------------------|---------------------------|--------------------|-------------------|-------------------|------------------------------|----------------------------|--------------------|-----------------|----------------|--|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large Users (9) | Private (10) | Public (11) | |
| RATE BASE | | | | | | | | | | | |
| Organization | 17 | \$ 3,091 | \$ 1,576 | \$ 445 | \$ 32 | \$ 243 | \$ 151 | \$ 155 | \$ 105 | \$ 383 | |
| Franchises | 17 | 5,083 | 2,591 | 732 | 52 | 400 | 249 | 255 | 173 | 630 | |
| Land & Ld Rights SS | 2 | 9,981 | 5,099 | 1,787 | 144 | 1,027 | 1,100 | 792 | 8 | 25 | |
| Land & Ld Rights WT | 2 | 511 | 261 | 91 | 7 | 53 | 56 | 41 | 0 | 1 | |
| Land & Ld Rights TD | 6 | 147,080 | 60,700 | 20,650 | 1,486 | 11,869 | 3,059 | 8,545 | 10,090 | 30,681 | |
| Land & Land Rights AG | 15 | 2,222 | 1,312 | 297 | 20 | 154 | 83 | 96 | 68 | 192 | |
| Struct & Imp SS | 2 | 99,641 | 50,907 | 17,836 | 1,435 | 10,253 | 10,980 | 7,902 | 80 | 249 | |
| Struct & Imp P | 3 | 174,717 | 84,196 | 29,492 | 2,376 | 18,948 | 18,153 | 13,051 | 2,603 | 7,897 | |
| Struct & Imp WT | 2 | 711,229 | 363,367 | 127,310 | 10,242 | 73,186 | 78,377 | 56,400 | 569 | 1,778 | |
| Struct & Imp TD | 6 | 266,281 | 109,894 | 37,386 | 2,689 | 21,489 | 5,539 | 15,471 | 18,267 | 55,546 | |
| Struct & Imp AG | 14 | 34,945 | 20,359 | 4,718 | 311 | 2,457 | 1,324 | 1,548 | 1,104 | 3,124 | |
| Struct & Imp Offices | 14 | 162,181 | 94,467 | 21,894 | 1,443 | 11,401 | 6,147 | 7,185 | 5,125 | 14,499 | |
| Struct & Imp Store,Shop,Gar | 14 | 46,865 | 27,304 | 6,327 | 417 | 3,295 | 1,776 | 2,076 | 1,481 | 4,190 | |
| Struct & Imp Misc | 14 | 12,315 | 7,174 | 1,662 | 110 | 866 | 467 | 546 | 389 | 1,101 | |
| Wells & Springs | 2 | 721,251 | 358,487 | 129,104 | 10,386 | 74,217 | 79,482 | 57,195 | 577 | 1,803 | |
| Supply Mains | 2 | 111,419 | 56,924 | 19,944 | 1,604 | 11,465 | 12,278 | 8,836 | 89 | 279 | |
| Power Generation Equip | 3 | 3,791 | 1,827 | 640 | 52 | 368 | 394 | 283 | 56 | 171 | |
| Pump Equip Electric | 3 | 727,495 | 350,580 | 122,801 | 9,894 | 70,567 | 75,587 | 54,344 | 10,840 | 32,883 | |
| Pump Equip Hydraulic | 3 | 68,554 | 33,036 | 11,572 | 932 | 6,650 | 7,123 | 5,121 | 1,021 | 3,099 | |
| Pump Equip Other | 3 | 4,392 | 2,117 | 741 | 60 | 426 | 456 | 328 | 65 | 199 | |
| WT Equip Non-Media | 2 | 1,983,735 | 1,013,490 | 355,089 | 28,566 | 204,126 | 218,608 | 157,310 | 1,587 | 4,959 | |
| Dist Reservoirs & Standpipe | 5 | 395,498 | 181,811 | 60,788 | 4,113 | 34,922 | 15,978 | 24,125 | 18,232 | 55,528 | |
| Elevated Tanks & Standpipes | 5 | 41,045 | 18,869 | 6,309 | 427 | 3,624 | 1,658 | 2,504 | 1,892 | 5,763 | |
| TD Mains Not Classified by | 6 | 2,113,743 | 872,342 | 296,770 | 21,349 | 170,579 | 43,966 | 122,808 | 145,003 | 440,927 | |
| TD Mains 4" & Less | 4 | 102,010 | 40,335 | 13,588 | 949 | 7,814 | 0 | 5,498 | 8,365 | 25,462 | |
| TD Mains 6 to 8" | 4 | 2,107,715 | 833,390 | 280,748 | 19,602 | 161,451 | 0 | 113,606 | 172,833 | 526,086 | |
| TD Mains 10 to 16" | 3 | 2,548,078 | 1,227,919 | 430,116 | 34,654 | 247,164 | 264,745 | 190,341 | 37,966 | 115,173 | |
| TD Mains 18" & Grtr | 3 | 921 | 444 | 155 | 13 | 89 | 96 | 69 | 14 | 42 | |
| Fire Mains | 7 | 83,446 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 83,446 | |
| Services | 9 | 1,599,029 | 1,138,029 | 219,387 | 11,033 | 82,670 | 2,878 | 5,277 | 139,755 | 0 | |
| Meters Bronze Case | 8 | 706,048 | 555,730 | 91,221 | 5,084 | 45,258 | 1,695 | 3,601 | 3,480 | 0 | |
| Meters Plastic Case | 8 | 216,873 | 170,701 | 28,020 | 1,561 | 13,902 | 520 | 1,106 | 1,063 | 0 | |
| Meters Other | 8 | 113,912 | 89,660 | 14,717 | 820 | 7,302 | 273 | 581 | 558 | 0 | |
| Meter Installations | 8 | 973,363 | 766,134 | 125,758 | 7,008 | 62,393 | 2,336 | 4,964 | 4,769 | 0 | |
| Meter Vaults | 8 | 4,724 | 3,718 | 610 | 34 | 303 | 11 | 24 | 23 | 0 | |
| Hydrants | 7 | 758,396 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 758,396 | |
| Other P/E CPS | 14 | 9,994 | 5,822 | 1,349 | 89 | 703 | 379 | 443 | 316 | 893 | |
| Office Furniture & Equip | 14 | 35,476 | 20,668 | 4,789 | 316 | 2,494 | 1,345 | 1,572 | 1,121 | 3,172 | |
| Comp & Periph Equip | 14 | 162,657 | 94,764 | 21,959 | 1,448 | 11,435 | 6,165 | 7,206 | 5,140 | 14,541 | |
| Computer Software | 14 | 76,305 | 44,455 | 10,301 | 679 | 5,364 | 2,892 | 3,380 | 2,411 | 6,822 | |
| Comp Software Mainframe | 14 | 378,046 | 220,250 | 51,036 | 3,365 | 26,577 | 14,328 | 16,747 | 11,946 | 33,797 | |
| Comp Software Mainframe - CIS | 12 | 193,366 | 170,181 | 15,933 | 367 | 4,254 | 77 | 135 | 2,417 | 0 | |
| Comp Software Other | 14 | 511 | 298 | 69 | 5 | 36 | 19 | 23 | 16 | 46 | |
| Other Office Equipment | 14 | 72 | 42 | 10 | 1 | 5 | 3 | 3 | 2 | 6 | |

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Schedule C-WAR

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT
COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account (1) | Factor Ref. (2) | Cost of Service (3) | Rate A | | | | Rate B | Rate J | Fire Protection | |
|---|-----------------------|---------------------------|---------------------|---------------------|-------------------|------------------------------|----------------------------|--------------------|-------------------|---------------------|
| | | | Residential (4) | Commercial (5) | Industrial (6) | Public Authorities (7) | Sales for Resale (8) | Large Users (9) | Private (10) | Public (11) |
| Trans Equip Lt Duty Trks | 14 | 166,940 | 97,260 | 22,537 | 1,486 | 11,736 | 6,327 | 7,395 | 5,275 | 14,924 |
| Trans Equip Hvy Duty Trks | 14 | (1,336) | (778) | (180) | (12) | (94) | (51) | (59) | (42) | (119) |
| Trans Equip Autos | 14 | 10,030 | 5,843 | 1,354 | 89 | 705 | 380 | 444 | 317 | 897 |
| Trans Equip Other | 14 | (34,202) | (19,926) | (4,617) | (304) | (2,404) | (1,296) | (1,515) | (1,081) | (3,058) |
| Tools, Shop, Garage Equip | 14 | 41,638 | 24,258 | 5,621 | 371 | 2,927 | 1,578 | 1,845 | 1,316 | 3,722 |
| Laboratory Equipment | 2 | 19,332 | 9,877 | 3,460 | 278 | 1,989 | 2,130 | 1,533 | 15 | 48 |
| Power Operated Equipment | 14 | 7,780 | 4,532 | 1,050 | 69 | 547 | 295 | 345 | 246 | 696 |
| Comm Equip Non-Telephone | 14 | 3,506 | 2,042 | 473 | 31 | 246 | 133 | 155 | 111 | 313 |
| Remote Control & Instr | 14 | 126,068 | 73,447 | 17,019 | 1,122 | 8,863 | 4,778 | 5,585 | 3,984 | 11,270 |
| Comm Equip Telephone | 14 | (4,365) | (2,543) | (589) | (39) | (307) | (165) | (193) | (138) | (390) |
| Misc Equipment | 14 | 23,472 | 13,675 | 3,169 | 209 | 1,650 | 890 | 1,040 | 742 | 2,098 |
| Other Tangible Property | 17 | 2,719 | 1,386 | 392 | 28 | 214 | 133 | 136 | 93 | 337 |
| Total Utility Plant in Service | | 18,279,590 | 9,320,323 | 2,633,842 | 188,501 | 1,435,866 | 895,887 | 918,205 | 622,440 | 2,264,527 |
| Other Rate Base Items | | | | | | | | | | |
| Add: | | | | | | | | | | |
| Materials and Supplies | 14 | 15,237 | 8,877 | 2,057 | 136 | 1,071 | 577 | 675 | 481 | 1,362 |
| Prepayments | 14 | 31,996 | 18,641 | 4,319 | 285 | 2,249 | 1,213 | 1,417 | 1,011 | 2,860 |
| Pension / OPEB Tracker | 16 | 231,247 | 134,170 | 30,594 | 1,989 | 15,887 | 7,007 | 9,435 | 8,186 | 23,980 |
| Tank Painting Tracker | 5 | 23,390 | 10,752 | 3,595 | 243 | 2,065 | 945 | 1,427 | 1,078 | 3,284 |
| Less: | | | | | | | | | | |
| Deferred Income Taxes | 17 | (4,290,786) | (2,187,443) | (618,302) | (44,195) | (337,256) | (210,249) | (215,397) | (146,316) | (531,628) |
| Pensions | 16 | (215,917) | (125,275) | (28,566) | (1,857) | (14,833) | (6,542) | (8,809) | (7,643) | (22,391) |
| Total Other Rate Base Elements | | (4,204,833) | (2,140,276) | (606,303) | (43,400) | (330,817) | (207,049) | (211,253) | (143,202) | (522,532) |
| Total Original Cost Measure of Value | | \$ 14,074,757 | \$ 7,180,045 | \$ 2,027,539 | \$ 145,101 | \$ 1,105,049 | \$ 688,838 | \$ 706,952 | \$ 479,238 | \$ 1,741,995 |

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Schedule C-WAR

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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.

| Customer Classification | 5/8" Dollar Equivalents | Allocation Factor |
|---------------------------------|----------------------------|----------------------|
| (1) | (2) | (3) |
| Residential - Rate A | 6,643 | 0.7929 |
| Commercial - Rate A | 1,090 | 0.1301 |
| Industrial - Rate A | 61 | 0.0073 |
| Other Public Authority - Rate A | 541 | 0.0646 |
| Sales for Resale - Rate B | 0 | 0.0000 |
| Rate J - Large Users | 43 | 0.0051 |
| Private Fire | 0 | 0.0000 |
| Total | <u>8,378</u> | <u>1.0000</u> |

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE
FOR THE YEARS 1990-2014

| Year | Average Daily Send out (MGD) | Maximum Daily Use | | |
|------|------------------------------------|-------------------|---------------------|--------------------|
| | | MGD | Ratio to Average | Highest Use Day |
| (1) | (2) | (3) | (4) | (5) |
| 1990 | 2.048 | 3.225 | 1.57 | 8/28/1990 |
| 1991 | 2.120 | 3.397 | 1.60 | 8/27/1991 |
| 1992 | 2.225 | 3.348 | 1.50 | 7/1/1992 |
| 1993 | 2.408 | 3.933 | 1.63 | 8/26/1993 |
| 1994 | 2.287 | 3.636 | 1.59 | 6/20/1994 |
| 1995 | 2.318 | 3.631 | 1.57 | 8/30/1995 |
| 1996 | 2.287 | 3.421 | 1.50 | 7/18/1996 |
| 1997 | 2.241 | 3.863 | 1.72 | 7/24/1997 |
| 1998 | 2.393 | 3.792 | 1.58 | 7/21/1998 |
| 1999 | 2.427 | 3.893 | 1.60 | 7/29/1999 |
| 2000 | 2.472 | 4.075 | 1.65 | 8/29/2000 |
| 2001 | 2.403 | 3.647 | 1.52 | 8/21/2001 |
| 2002 | 2.548 | 3.769 | 1.48 | 9/8/2002 |
| 2003 | 2.404 | 4.189 | 1.74 | 8/26/2003 |
| 2004 | 2.262 | 3.162 | 1.40 | 6/8/2004 |
| 2005 | 2.488 | 4.011 | 1.61 | 8/2/2005 |
| 2006 | 2.537 | 4.001 | 1.58 | 8/9/2006 |
| 2007 | 2.540 | 3.833 | 1.51 | 8/7/2007 |
| 2008 | 2.451 | 3.449 | 1.41 | 7/23/2008 |
| 2009 | 2.417 | 3.123 | 1.29 | 6/23/2009 |
| 2010 | 2.423 | 3.451 | 1.42 | 8/10/2010 |
| 2011 | 2.544 | 3.866 | 1.52 | 7/27/2011 |
| 2012 | 2.709 | 4.446 | 1.64 | 7/24/2012 |
| 2013 | 2.370 | 3.781 | 1.60 | 7/19/2013 |
| 2014 | 2.341 | 3.204 | 1.37 | 6/1/2014 |

MISSOURI-AMERICAN WATER COMPANY
WARRENSBURG 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) |
|--------------------------------|--|-----------------|-----------------------------------|-----------------------------|
| <u>PRIVATE FIRE PROTECTION</u> | | | | |
| <u>Fire Lines</u> | | | | |
| 2 -inch | 4.00 | 3 | 12 | |
| 3 -inch | 9.00 | 0 | 0 | |
| 4 -inch | 16.00 | 19 | 304 | |
| 6 -inch | 36.00 | 45 | 1,620 | |
| 8 -inch | 64.00 | 22 | 1,408 | |
| 10 -inch | 100.00 | 1 | 100 | |
| 12 -inch | 144.00 | 0 | 0 | |
| Private Hydrants | 26.50 | 4 | 106 | |
| Total Private Fire Protection | | 94 | 3,550 | 0.2472 |
| <u>PUBLIC FIRE PROTECTION</u> | | | | |
| <u>Hydrant</u> | <u>Nozzle Sizes</u> | | | |
| 5 1/4" Valve | 1- 2-1/2" & 1- 4.5" | 26.50 | 92 | 2,438 |
| 4 1/2" Valve | 1- 2-1/2" & 1- 4.5" | 20.25 | 321 | 6,500 |
| 4 1/2" Valve | 1- 2-1/2" | 6.25 | 300 | 1,875 |
| Total Public Fire Protection | | 713 | 10,813 | 0.7528 |
| Total Fire Protection | | 807 | 14,363 | 1.0000 |

MISSOURI AMERICAN WATER
 WARRENSBURG DISTRICT
 CALCULATION OF THE 5/8-INCH CUSTOMER COSTS PER MONTH
 INCLUDING THE UNRECOVERED PUBLIC FIRE COSTS

| Cost Function | Cost of Service | Number of Units | Unit Cost Per Month |
|-------------------------|-------------------------|-----------------------|---------------------|
| Meters | 456,215 | 8,439 5/8 Equivalents | 4.51 |
| Services | 258,039 | 8,513 3/4 Equivalents | 2.53 |
| Billing/Collecting | <u>533,786</u> | 88,968 Bills | <u>6.00</u> |
| Subtotal | 1,248,041 | | 13.04 |
| Unrecovered Public Fire | <u>445,599</u> | 8,439 5/8 Equivalents | 4.40 |
| Total | <u><u>1,693,639</u></u> | | <u><u>17.44</u></u> |

WAR-30

Schedule F-WAR

SMALL WATER DISTRICTS

MISSOURI-AMERICAN WATER COMPANY
ANNA MEADOWS WATER

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification (1) | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates District Specific Pricing | | Proposed Increase | |
|-----------------------------------|-------------------------------|----------------|-------------------------|----------------|---|----------------|-------------------|----------------------------|
| | Amount (Schedule B) (2) | Percent (3) | Amount (4) | Percent (5) | Amount (6) | Percent (7) | Amount (8) | Percent Increase (9) |
| Rate A | \$ 50,874 | 100.0% | \$ 42,770 | 100.0% | \$ 44,008 | 100.0% | \$ 1,238 | 2.9% |
| Total Sales | 50,874 | <u>100.0%</u> | 42,770 | <u>100.0%</u> | 44,008 | <u>100.0%</u> | 1,238 | 2.9% |
| Other Revenues | | | | | | | - | |
| Total | <u>\$ 50,874</u> | | <u>\$ 42,770</u> | | <u>\$ 44,008</u> | | <u>\$ 1,238</u> | 2.9% |

SMD-1

MISSOURI-AMERICAN WATER COMPANY
 MAPLEWOOD/RIVERSIDE/STONEBRIDGE/SADDLEBROOKE/EMERALD POINTE WATER

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
 FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates District Specific Pricing | | Proposed Increase | |
|----------------------------|------------------------|---------------|-------------------------|---------------|---|---------------|-------------------|---------------------|
| | Amount (Schedule B) | Percent | Amount | Percent | Amount | Percent | Amount | Percent Increase |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Rate A, Rate F | \$ 772,347 | 100.0% | \$ 749,680 | 100.0% | \$ 979,731 | 100.0% | \$ 230,051 | 30.7% |
| Total Sales | 772,347 | <u>100.0%</u> | 749,680 | <u>100.0%</u> | 979,731 | <u>100.0%</u> | 230,051 | 30.7% |
| Other Revenues | 11,782 | | 11,782 | | 11,782 | | - | 0.0% |
| Total | <u>\$ 784,129</u> | | <u>\$ 761,462</u> | | <u>\$ 991,513</u> | | <u>\$ 230,051</u> | 30.2% |

SMD-2

MISSOURI-AMERICAN WATER COMPANY
 OZARK MOUNTAIN/ LAKE TANNEYCOMO

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
 FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates | | Proposed Increase | |
|----------------------------|-------------------|---------------|-------------------------|---------------|---------------------------|---------------|--------------------|---------|
| | Amount | Percent | Amount | Percent | District Specific Pricing | Percent | Amount | Percent |
| | (Schedule B) | (3) | (4) | (5) | Amount | (7) | (8) | (9) |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Rate A | \$ 248,370 | 100.0% | \$ 266,281 | 100.0% | \$ 246,260 | 100.0% | \$ (20,021) | -7.5% |
| Total Sales | 248,370 | <u>100.0%</u> | 266,281 | <u>100.0%</u> | 246,260 | <u>100.0%</u> | (20,021) | -7.5% |
| Other Revenues | 1,786 | | 1,786 | | 1,786 | | - | 0.0% |
| Total | <u>\$ 250,156</u> | | <u>\$ 268,067</u> | | <u>\$ 248,046</u> | | <u>\$ (20,021)</u> | -7.5% |

SMD-3

MISSOURI-AMERICAN WATER COMPANY
RANKIN ACRES/WHITE BRANCH

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates District Specific Pricing | | Proposed Increase | |
|----------------------------|------------------------|---------------|-------------------------|---------------|---|---------------|-------------------|---------------------|
| | Amount (Schedule B) | Percent | Amount | Percent | Amount | Percent | Amount | Percent Increase |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Rate A | \$ 92,954 | 100.0% | \$ 149,223 | 100.0% | \$ 143,663 | 100.0% | \$ (5,560) | -3.7% |
| Total Sales | 92,954 | <u>100.0%</u> | 149,223 | <u>100.0%</u> | 143,663 | <u>100.0%</u> | (5,560) | -3.7% |
| Other Revenues | 695 | | 695 | | 695 | | - | 0.0% |
| Total | <u>\$ 93,649</u> | | <u>\$ 149,918</u> | | <u>\$ 144,358</u> | | <u>\$ (5,560)</u> | -3.7% |

SMD-4

MISSOURI-AMERICAN WATER COMPANY
 SPRING VALLEY/ LAKEWOOD MANOR

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
 FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates District Specific Pricing | | Proposed Increase | |
|----------------------------|------------------------|---------------|-------------------------|---------------|---|---------------|--------------------|---------------------|
| | Amount (Schedule B) | Percent | Amount | Percent | Amount | Percent | Amount | Percent Increase |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Rate A | \$ 88,241 | 100.0% | \$ 87,146 | 100.0% | \$ 70,842 | 100.0% | \$ (16,304) | -18.7% |
| Total Sales | 88,241 | <u>100.0%</u> | 87,146 | <u>100.0%</u> | 70,842 | <u>100.0%</u> | (16,304) | -18.7% |
| Other Revenues | 939 | | 939 | | 939 | | - | 0.0% |
| Total | <u>\$ 89,180</u> | | <u>\$ 88,085</u> | | <u>\$ 71,781</u> | | <u>\$ (16,304)</u> | -18.5% |

SMD-5

MISSOURI-AMERICAN WATER COMPANY
TRI STATES

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification (1) | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates District Specific Pricing | | Proposed Increase | |
|-----------------------------------|-------------------------------|----------------|-------------------------|----------------|---|----------------|-------------------|----------------------------|
| | Amount (Schedule B) (2) | Percent (3) | Amount (4) | Percent (5) | Amount (6) | Percent (7) | Amount (8) | Percent Increase (9) |
| | Rate A | \$ 1,351,806 | 100.0% | \$ 1,027,298 | 100.0% | \$ 1,817,906 | 100.0% | \$ 790,608 |
| Total Sales | 1,351,806 | <u>100.0%</u> | 1,027,298 | <u>100.0%</u> | 1,817,906 | <u>100.0%</u> | 790,608 | 77.0% |
| Other Revenues | 70,460 | | 70,460 | | 70,460 | | - | 0.0% |
| Total | <u>\$ 1,422,266</u> | | <u>\$ 1,097,758</u> | | <u>\$ 1,888,366</u> | | <u>\$ 790,608</u> | 72.0% |

MISSOURI-AMERICAN WATER COMPANY

St. Louis, Missouri

WASTEWATER OPERATIONS

COMPARISON OF COST OF SERVICE WITH REVENUES
UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

Harrisburg, Pennsylvania

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MISSOURI-AMERICAN WATER COMPANY
ALL WASTEWATER DISTRICTS

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates | | Proposed Increase | |
|----------------------------|------------------------|---------------|-------------------------|---------------|--------------------------|---------------|--------------------|---------------------|
| | Amount (Schedule B) | Percent | Amount | Percent | Amount | Percent | Amount | Percent Increase |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Residential | \$ 9,001,560 | 100.0% | \$ 7,250,295 | 100.0% | \$ 9,000,348 | 100.0% | \$1,750,054 | 24.1% |
| Total Sales | 9,001,560 | <u>100.0%</u> | 7,250,295 | <u>100.0%</u> | 9,000,348 | <u>100.0%</u> | 1,750,054 | 24.1% |
| Other Revenues | 73,921 | | 73,921 | | 73,921 | | - | |
| Total | <u>\$ 9,075,481</u> | | <u>\$ 7,324,216</u> | | <u>\$ 9,074,269</u> | | <u>\$1,750,054</u> | 23.9% |

MISSOURI-AMERICAN WATER COMPANY
CEDAR HILL OPERATIONS WASTEWATER

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification (1) | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates | | Proposed Increase | |
|-----------------------------------|-------------------|----------------|-------------------------|----------------|--------------------------|----------------|-------------------|----------------------------|
| | Amount (2) | Percent (3) | Amount (4) | Percent (5) | Amount (6) | Percent (7) | Amount (8) | Percent Increase (9) |
| Residential/Commercial | \$ 854,214 | 100.0% | \$ 749,635 | 100.0% | \$ 778,979 | 100.0% | \$ 29,344 | 3.9% |
| Total Sales | 854,214 | <u>100.0%</u> | 749,635 | <u>100.0%</u> | 778,979 | <u>100.0%</u> | 29,344 | 3.9% |
| Water Subsidy Other Revenues | 173 | | \$173 | | \$173 | | - | 0.0% |
| Total | <u>\$ 854,387</u> | | <u>\$ 749,808</u> | | <u>\$ 779,152</u> | | <u>\$ 29,344</u> | 3.9% |

MISSOURI-AMERICAN WATER COMPANY
WARREN COUNTY/ANNA MEADOWS WASTEWATER

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates | | Proposed Increase | |
|---------------------------------|-------------------|---------------|-------------------------|---------------|--------------------------|---------------|-------------------|------------------|
| | Amount | Percent | Amount | Percent | Amount | Percent | Amount | Percent Increase |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Residential/Commercial | \$ 723,523 | 100.0% | \$ 355,669 | 100.0% | \$ 408,127 | 100.0% | \$ 52,458 | 14.7% |
| Total Sales | 723,523 | <u>100.0%</u> | 355,669 | <u>100.0%</u> | 408,127 | <u>100.0%</u> | 52,458 | 14.7% |
| Water Subsidy Other Revenues | 23 | | 23 | | 23 | | - | 0.0% |
| Total | <u>\$ 723,546</u> | | <u>\$ 355,692</u> | | <u>\$ 408,150</u> | | <u>\$ 52,458</u> | 14.7% |

MISSOURI-AMERICAN WATER COMPANY
PLATTE COUNTY WASTEWATER

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification (1) | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates | | Proposed Increase | |
|-----------------------------------|------------------|----------------|-------------------------|----------------|--------------------------|----------------|-------------------|----------------------------|
| | Amount (2) | Percent (3) | Amount (4) | Percent (5) | Amount (6) | Percent (7) | Amount (8) | Percent Increase (9) |
| Residential | \$ 87,007 | 100.0% | \$ 78,674 | 100.0% | \$ 83,817 | 100.0% | \$ 5,143 | 6.5% |
| Total Sales | 87,007 | <u>100.0%</u> | 78,674 | <u>100.0%</u> | 83,817 | <u>100.0%</u> | 5,143 | 6.5% |
| Other Revenues | <u>5</u> | | <u>\$5</u> | | <u>5</u> | | <u>-</u> | 0.0% |
| Total | <u>\$ 87,012</u> | | <u>\$ 78,679</u> | | <u>\$ 83,822</u> | | <u>\$ 5,143</u> | 6.5% |

MISSOURI-AMERICAN WATER COMPANY
OZARK MEADOW WASTEWATER

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| 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 | \$ 31,024 | 100.0% | \$ 17,898 | 100.0% | \$ 19,082 | 100.0% | \$ 1,184 |
| Total Sales | 31,024 | <u>100.0%</u> | 17,898 | <u>100.0%</u> | 19,082 | <u>100.0%</u> | 1,184 | 6.6% |
| Other Revenues | 21 | | 21 | | 21 | | - | |
| Total | <u>\$ 31,045</u> | | <u>\$ 17,919</u> | | <u>\$ 19,103</u> | | <u>\$ 1,184</u> | 6.6% |

MISSOURI-AMERICAN WATER COMPANY
JEFFERSON CITY SEWER

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates | | Proposed Increase | |
|----------------------------|------------------------|---------------|-------------------------|---------------|--------------------------|---------------|-------------------|---------------------|
| | Amount (Schedule B) | Percent | Amount | Percent | Amount | Percent | Amount | Percent Increase |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Residential/Commercial | \$ 1,369,127 | 100.0% | \$ 1,169,031 | 100.0% | \$ 1,260,564 | 100.0% | \$ 91,533 | 7.8% |
| Total Sales | 1,369,127 | <u>100.0%</u> | 1,169,031 | <u>100.0%</u> | 1,260,564 | <u>100.0%</u> | 91,533 | 7.8% |
| Other Revenues | 964 | | 964 | | 964 | | - | 0.0% |
| Total | <u>\$ 1,370,091</u> | | <u>\$ 1,169,995</u> | | <u>\$ 1,261,528</u> | | <u>\$ 91,533</u> | 7.8% |

MISSOURI-AMERICAN WATER COMPANY
MAPLEWOOD WASTEWATER

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates | | Proposed Increase | |
|---------------------------------|-------------------|---------------|-------------------------|---------------|--------------------------|---------------|-------------------|---------|
| | Amount | Percent | Amount | Percent | Amount | Percent | Amount | Percent |
| | (Schedule B) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Residential/Commercial | \$ 199,933 | 100.0% | \$ 187,711 | 100.0% | \$ 352,480 | 100.0% | \$ 164,769 | 87.8% |
| Total Sales | 199,933 | <u>100.0%</u> | 187,711 | <u>100.0%</u> | 352,480 | <u>100.0%</u> | 164,769 | 87.8% |
| Water Subsidy Other Revenues | 21 | | 21 | | 21 | | - | 0.0% |
| Total | <u>\$ 199,954</u> | | <u>\$ 187,732</u> | | <u>\$ 352,501</u> | | <u>\$ 164,769</u> | 87.8% |

MISSOURI-AMERICAN WATER COMPANY
MERAMEC WASTEWATER

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates | | Proposed Increase | |
|---------------------------------|------------------------|---------------|-------------------------|---------------|--------------------------|---------------|-------------------|---------------------|
| | Amount (Schedule B) | Percent | Amount | Percent | Amount | Percent | Amount | Percent Increase |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Residential/Commercial | \$ 374,934 | 100.0% | \$ 279,121 | 100.0% | \$ 780,071 | 100.0% | \$ 500,950 | 179.5% |
| Total Sales | 374,934 | <u>100.0%</u> | 279,121 | <u>100.0%</u> | 780,071 | <u>100.0%</u> | 500,950 | 179.5% |
| Water Subsidy Other Revenues | 32 | | \$32 | | \$32 | | - | 0.0% |
| Total | <u>\$ 374,966</u> | | <u>\$ 279,153</u> | | <u>\$ 780,103</u> | | <u>\$ 500,950</u> | 179.5% |

MISSOURI-AMERICAN WATER COMPANY
STONEBRIDGE/SADDLEBROOKE/EMERALD POINTE WASTEWATER

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| 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/Commercial | \$ 924,977 | 100.0% | \$ 873,134 | 100.0% | \$ 880,240 | 100.0% | \$ 7,106 | 0.8% |
| Total Sales | 924,977 | <u>100.0%</u> | 873,134 | <u>100.0%</u> | 880,240 | <u>100.0%</u> | 7,106 | 0.8% |
| Water Subsidy Other Revenues | 2,682 | | 2,682 | | 2,682 | | - | 0.0% |
| Total | <u>\$ 927,659</u> | | <u>\$ 875,816</u> | | <u>\$ 882,922</u> | | <u>\$ 7,106</u> | 0.8% |

MISSOURI-AMERICAN WATER COMPANY
ARNOLD WASTEWATER

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED DECEMBER 31, 2014

| Customer Classification | Cost of Service | | Revenues, Present Rates | | Revenues, Proposed Rates | | Proposed Increase | |
|---------------------------------|------------------------|---------------|-------------------------|---------------|--------------------------|---------------|-------------------|---------------------|
| | Amount (Schedule B) | Percent | Amount | Percent | Amount | Percent | Amount | Percent Increase |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Residential/Commercial | \$ 4,436,821 | 100.0% | \$ 3,539,422 | 100.0% | \$ 4,436,988 | 100.0% | \$ 897,566 | 25.4% |
| Total Sales | 4,436,821 | <u>100.0%</u> | 3,539,422 | <u>100.0%</u> | 4,436,988 | <u>100.0%</u> | 897,566 | 25.4% |
| Water Subsidy Other Revenues | <u>70,000</u> | | <u>\$70,000</u> | | <u>\$70,000</u> | | <u>-</u> | 0.0% |
| Total | <u>\$ 4,506,821</u> | | <u>\$ 3,609,422</u> | | <u>\$ 4,506,988</u> | | <u>\$ 897,566</u> | 24.9% |