

Paradise Valley Water
 Test Year Ended December 31, 2016
 Projected Income Statements - Present & Proposed Rates

Exhibit
 Schedule F-1
 Page 1
 Witness: Murrey

Line No.	Test Year Actual Results (b)	At Present Rates Year Ended (a) 12/31/2017	At Proposed Rates Year Ended (a) 12/31/2017	
1	Operating Revenues	\$ 10,192,118	\$ 10,116,972	\$ 9,941,016
2				
3	Operation & Maintenance Expense	\$ 3,819,363	\$ 3,987,845	\$ 2,742,732
4	Depreciation & Amortization	1,720,883	2,420,364	2,420,364
5	Other Taxes	310,173	465,503	463,675
6	Income Taxes	689,434	1,376,387	1,310,192
7	Total Expense	\$ 6,539,853	\$ 8,250,099	\$ 6,936,963
8	Operating Income	\$ 3,652,265	\$ 1,866,872	\$ 3,004,053
9				
10	Other Income Net	\$ 102,281	\$ 102,281	\$ 102,281
11				
12	Long-Term Interest	\$ 531,991	\$ 883,074	\$ 883,074
13				
14	Other Income and Deductions	\$ -	\$ -	\$ -
15	Net Income	\$ 3,017,993	\$ 881,517	\$ 2,018,697
16				
17				
18	Earnings Per Average Share	\$ 63.15 (c)	\$ 18.44 (c)	\$ 42.24 (c)
19				
20	Return on Common Equity	16.37% (c)	5.16% (d)	11.13% (d)
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22				
23	Purchased Power Expenses Not Included		1,239,229	
24	Purchased Water Expenses Not Included		5,109	
25	Total Expense		1,244,338	
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42	Supporting Schedules:	Recap Schedules:		
43	(a) C-1	A-2		
44	(b) E-2			
45	(c) A-2			
46	(d) D-1			
47				
48	Workpapers & Supporting Documents:			
49				
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Line No.	Test Year Actual Results (a)	At Present Rates Year Ended 12/31/2017	At Proposed Rates Year Ended 12/31/2017	
1	Source of Funds			
2	From Operations			
3	Net Income	\$ 3,017,993	\$ 881,517 (b)	\$ 2,018,697 (b)
4	Depreciation and Amortization	1,720,883	2,420,364 (b)	2,420,364 (b)
5	Def. Investment Tax Credits	-	- (a)	- (a)
6	Deferred income Taxes	348,963	348,963 (a)	348,963 (a)
7	Amort. of Regulatory Expense	-	- (a)	- (a)
8	Total From Operations	<u>\$ 5,087,838</u>	<u>\$ 3,650,844</u>	<u>\$ 4,788,024</u> Sum Lines [3-7]
9	From Financing			
10	Advances in Aid of Construction	\$ (292,329)	\$ (292,329) (a)	\$ (292,329) (a)
11	Contributions in Aid of Construction	(122,240)	(122,240) (a)	(122,240) (a)
12	Issuance of Long-Term Debt	(966)	(966) (a)	(966) (a)
13	Increase / (Decrease) in Net Amounts Due to Parent and Affiliates	(4,421,286)	(4,421,286) (a)	(4,421,286) (a)
14	Total From Financing	<u>\$ (4,836,821)</u>	<u>\$ (4,836,821)</u>	<u>\$ (4,836,821)</u> Sum Lines [10-14]
15				
16				
17	Total Funds Provided	<u>\$ 251,018</u>	<u>\$ (1,185,976)</u>	<u>\$ (48,796)</u> Line [8] + Line [15]
18	Application of Funds			
19	Construction Expenditures	\$ 2,049,318	\$ 2,533,007 (e)	\$ 2,533,007 (e)
20	Rate Case Expenses	-	55,041 (a)	55,041 (a)
21	Dividends Paid	304,342	304,342 (a)	304,342 (a)
22	Other Deferred Debits and Credits	36,985	36,985 (a)	36,985 (a)
23	Total Funds Applied	<u>\$ 2,390,645</u>	<u>\$ 2,929,375</u>	<u>\$ 2,929,375</u> Sum Lines [19-22]
24				
25	Details of Financing			
26	Changes in Short-Term Debt	\$ - (c)	\$ -	\$ -
27	Changes in Long-Term Debt	\$ (966) (c)	\$ (966) (d)	\$ (966) (d)
28	Changes in Preferred Stock	\$ - (c)	\$ -	\$ -
29	Changes in Common Equity	\$ 4,034,318 (c)	\$ 881,517 (c)	\$ 2,018,697 (c)
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43	Supporting Schedules:	Recap Schedules:		
44	(a) E-3	A-5		
45	(b) F-1			
46	(c) E-1			
47	(d) D-2			
48	(e) F-3			
49	Workpapers & Supporting Documents:			
50	\2016 Paradise Valley Water.xlsm			

Paradise Valley Water
 Test Year Ended December 31, 2016
 Projected Construction Requirements

Exhibit
 Schedule F-3
 Page 1
 Witness: Murrey

Line No.	Business Unit	Actual Test Year 12/31/2016	Projected Thru 12/31/2017	Projected Thru 12/31/2018	Projected Thru 12/31/2019	
1	Property Classification					
2						
3	Projected Capital Expenditures	\$ 2,049,318	\$ 2,533,007	\$ 3,688,508	\$ 6,013,499	(a)
4						
5						
6						
7	Total Plant	<u>\$ 2,049,318</u>	<u>\$ 2,533,007</u>	<u>\$ 3,688,508</u>	<u>\$ 6,013,499</u>	Sum Line [3-6]

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Recap Schedules:
 F-2

43 Supporting Schedules
 44 (a) A-4
 45
 46
 47 Workpapers and Supporting Documents
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 49
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Line

No.

- 1 Customer growth:
- 2
- 3 -Revenues annualized for customer growth during test year. See Schedule C-2.
- 4 -Sales normalized for effects of weather. See Schedules C-2
- 5
- 6 Growth or decline in consumption and customer demand:
- 7
- 8 -Expenses have been adjusted to reflect annualization of customer growth / loss
- 9 per residential customer. See Schedule C-2.
- 10
- 11
- 12 Changes in expenses:
- 13
- 14 -See Schedule C-2 and testimonies of Ms. Sarah M. Clor, Ms. Sandra L. Murrey and Mr. Jon P. Boizelle.
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- 17 Construction requirements, including production reserves and changes in plant capacity:
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- 19 -Construction requirements reflect the Company's 2017 - 2019 business plan.
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- 21
- 22 Capital structure changes:
- 23
- 24 See Schedule D-1 and the testimony of Ms. Sheryl L. Hubbard.
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- 27 Financing costs, interest rates:
- 28
- 29 See Schedule D-2, page 2 and the testimony of Ms. Sheryl L. Hubbard.
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- 43 Supporting Schedules Recap Schedules:
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- 47 Workpapers and Supporting Documents
- 48
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