

Line No.		Original Cost Rate Base [A]	RCND [B]	Fair Value Rate Base [C]	
1	Original Cost Rate Base	\$ 34,461,499	\$ 54,656,683	\$ 44,559,091	Average ([A] + [B])
2					
3	Adjusted Operating Income	\$ 2,143,306	\$ 2,143,306	\$ 2,143,306	(b)
4					
5	Current Rate of Return	6.22%	3.92%	4.81%	Line [3] / Line [1]
6					
7	Required Operating Income	\$ 2,637,898	\$ 2,637,898	\$ 2,637,898	Line [1] * Line [11]
8					
9	Weighted Average Cost of Capital	7.33%	7.33%	7.33%	(d)
10	Fair Value Adjustment	0.32%	-2.50%	-1.41%	(d)
11	Required Rate of Return	7.65%	4.83%	5.92%	Sum Line [9-10]
12					
13	Operating Income Deficiency	\$ 494,592	\$ 494,592	\$ 494,592	Line [7] - Line [3]
14					
15	Gross Revenue Conversion Factor	1.64	1.64	1.64	(c)
16					
17	Increase in Gross Revenue Requirement	\$ 811,131	\$ 811,131	\$ 811,131	Line [13] * Line [15]
18					
19					
20	Customer	Annualized	Proposed	Dollar	Percent
21	<u>Classification</u>	<u>Rates (e)</u>	<u>Rates (e)</u>	<u>Increase</u>	<u>Increase</u>
22		[A]	[B]	[C] = [B] - [A]	[D] = [C] / [A]
23	Residential	\$ 8,689,205	\$ 9,182,365	\$ 493,161	5.68%
24	Commercial	785,259	857,066	71,807	9.14%
25	Commercial Large	122,838	136,640	13,802	11.24%
26	OPA	-	-	-	0.00%
27	Private Fire	-	-	-	0.00%
28	Irrigation	1,104,536	1,299,335	194,798	17.64%
29	Industrial	875	806	(69)	-7.90%
30	Hydrant	118,602	138,569	19,967	16.83%
31	Other				
32	Total Water Revenues	\$ 10,821,315	\$ 11,614,781	\$ 793,466	7.33%
33					
34	Other Revenues	101,229	118,895	\$ 17,666	17.45%
35					
36	Total Revenues	\$ 10,922,544	\$ 11,733,676	\$ 811,132	7.43%
37					
38		Sch C-2 [AP]	Sch C-2 [AR]		
39	Check From Sch C-2	\$ 10,922,544	\$ 11,733,675		
40		\$ 0	\$ (0)	Line [39] - Line [36]	
41					
42					
43	Supporting Schedules				
44	(a) B-1				
45	(b) C-1				
46	(c) C-3				
47	(d) D-1				
48	(e) H-1				
49					
50	\\2016 Chaparral City Water .xlsx				

Chaparral City Water
 Test Year Ended December 31, 2016
 Summary of Results of Operations

Exhibit
 Schedule A-2
 Page 1
 Witness: Hubbard

Line No.	Description	Prior Years Ended		Test Year		Projected Year		
		12/31/2014	12/31/2015	Actual 12/31/2016	Adjusted 12/31/2016	Present Rates 12/31/2017	Proposed Rates 12/31/2017	
1	Gross Revenues	(b) \$ 9,605,454	\$ 10,815,799	(b) (b) \$ 10,943,225	\$ 10,922,544	(a) (e) \$ 10,922,544	\$ 11,733,675	(e)
2								
3	Revenue Deductions and							
4	Operating Expenses	(b) \$ 9,145,040	\$ 11,169,011	(b) (b) \$ 11,283,136	\$ 10,462,646	(a) (e) \$ 10,462,646	\$ 9,095,860	(e)
5								
6	Operating Income	\$ 460,414	\$ (353,212)	\$ (339,911)	\$ 459,898	\$ 459,898	\$ 2,637,815	Line [1] - Line [4]
7								
8	Other Income and							
9	Deductions	(b) \$ (8,374)	\$ (53,303)	(b) (b) \$ (102,483)	\$ (102,483)	(a) (e) \$ (102,483)	\$ (102,483)	(e)
10								
11	Interest Expense	(b) \$ 1,217,303	\$ 1,199,322	(b) (b) \$ 1,185,906	\$ 768,491	(a) (e) \$ 768,491	\$ 768,491	(e)
12								
13	Net Income	\$ (748,515)	\$ (1,499,231)	\$ (1,423,334)	\$ (206,110)	\$ (206,110)	\$ 1,971,807	Line [6] - [9] - [11]
14								
15	Earned Per Average							
16	Common Share	\$ (18)	\$ (36)	\$ (34)	\$ (5)	\$ (5)	\$ 47	
17								
18	Dividends Per							
19	Common Share	\$ 23.88	\$ 20.82	\$ 9.49	\$ 9.49	\$ 9.49	\$ 9.49	
20								
21	Payout Ratio	-132.72%	-57.75%	-27.73%	-191.49%	-191.49%	20.02%	
22								
23	Return on Average							
24	Invested Capital	(d) -2.36%	-4.67% (d)	(d) -4.49%	-0.91% (d)	(d) -0.91%	5.51% (d)	
25								
26	Return on Year End Capital	(d) -2.29%	-4.65% (d)	(d) -4.42%	-0.89% (d)	(d) -0.90%	5.42% (d)	
27								
28	Return on Average							
29	Common Equity	(c) -5.17%	-10.16% (c)	(c) -9.53%	-1.93% (c)	(c) -1.93%	11.67% (c)	
30								
31	Return on Year End							
32	Common Equity	(c) -5.01%	-10.05% (c)	(c) -9.20%	-1.86% (c)	(c) -1.86%	11.27% (c)	
33								
34	Times Bond Interest Earned							
35	Before Income Taxes	1.88	1.50	1.93	4.03	4.03	5.07	
36								
37	Times Total Interest and							
38	Preferred Dividends Earned							
39	After Income Taxes	0.21	(0.15)	(0.15)	0.48	0.48	2.36	
40								
41								
42								
43								
44	Supporting Schedules							
45	(a) C-1 (d) D-1							
46	(b) E-2 (e) F-1							
47	(c) E-4							
48								
49	Workpapers and Supporting Documents							
50	\2016 Chaparral City Water .xlsm							

Line No.	Description	Prior Years Ended		Test Year	Projected Year	
		12/31/2014	12/31/2015	12/31/2016	12/31/2017	
1	Short-Term Debt	\$ 8,560,000	\$ 8,560,000	\$ 8,560,000	(b) \$ -	
2	Long-Term Debt	(c) \$ 235,850,144	\$ 235,021,858	(c) \$ 234,897,306	(b) \$ 242,820,000	
3						
4	Total Debt	\$ 244,410,144	\$ 243,581,858	\$ 243,457,306	\$ 242,820,000	Line [1] + Line [2]
5						
6						
7	Preferred Stock	\$ -	\$ -	\$ -	\$ -	
8						
9	Common Equity	(c) \$ 205,334,783	\$ 209,807,571	(c) \$ 225,225,834	(a) \$ 225,225,834	
10						
11						
12	Total Capital & Debt	<u>\$ 449,744,927</u>	<u>\$ 453,389,429</u>	<u>\$ 468,683,140</u>	<u>\$ 468,045,834</u>	Line [4] + Line [9]
13						
14						
15	Capitalization Ratios:					
16	Short-Term Debt	1.90%	1.89%	1.83%	0.00%	Line [1] / Line [12]
17	Long-Term Debt	<u>52.44%</u>	<u>51.84%</u>	<u>50.12%</u>	<u>51.88%</u>	Line [2] / Line [12]
18						
19	Total Debt	54.34%	53.72%	51.94%	51.88%	Line [16] + Line [17]
20						
21						
22	Preferred Stock	0.00%	0.00%	0.00%	0.00%	Line [7] / Line [12]
23						
24	Common Equity	<u>45.66%</u>	<u>46.28%</u>	<u>48.06%</u>	<u>48.12%</u>	Line [9] / Line [12]
25						
26						
27	Total Capital	100.00%	100.00%	100.00%	100.00%	Line [19] + Line [24]
28						
29	Weighted Cost of					
30	Short-Term Debt	(a) 0.01%	0.01% (a)	0.01% (a)	0.00%	
31						
32	Weighted Cost of					
33	Long-Term Debt	(a) 2.16%	2.16% (a)	2.16% (a)	2.16%	
34						
35	Weighted Cost of					
36	Senior Capital	(a) 2.16%	2.16% (a)	2.16% (a)	2.16%	
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42						
43	Supporting Schedules					
44	(a) D-1					
45	(b) D-2					
46	(c) E-1					
47						
48	Workpapers and Supporting Documents					
49						
50	\2016 Chaparral City Water .xlsm					

Chaparral City Water
 Test Year Ended December 31, 2016
 Construction Expenditures and Gross Utility Plant in Service

Exhibit
 Schedule A-4
 Page 1
 Witness: Hubbard

Line No.			Construction Expenditures		Net Plant Placed in Service		Gross Utility Plant in Service
			[A]		[B]		[C]
2	Prior Year Ended	12/31/2014	(a) \$ 2,721,347		\$ 3,202,291	(a) \$	73,932,763
4	Prior Year Ended	12/31/2015	(a) \$ 2,983,378	[C] Line [4] - [C] Line [2]	\$ 3,525,660	(a) \$	77,458,424
6	Test Year Ended	12/31/2016	(a) \$ 3,878,278	[C] Line [6] - [C] Line[4]	\$ 2,301,039	(a) \$	79,759,463
8	Projected Year Ended	12/31/2017	(b) \$ 4,586,781	[C] Line [8] - [C] Line[6]	\$ 3,965,016	[C] Line [6] + [B] Line [8]	\$ 83,724,479
10	Projected Year Ended	12/31/2018	(b) \$ 2,269,210	[C] Line [10] - [C] Line [8]	\$ 2,232,761	[C] Line [8] + [B] Line [10]	\$ 85,957,240
12	Projected Year Ended	12/31/2019	(b) \$ 2,341,074	[C] Line [12] - [C] Line [10]	\$ 2,303,471	[C] Line [10] + [B] Line [12]	\$ 88,260,711
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40							
41	Supporting Schedules						
42	(a) E-1						
43	(b) \2016-2025 Capital Budget.xlsx						
44							
45	Workpapers and Supporting Documents						
46	\2016-2025 Capital Budget.xlsx						
47							
48							
49							
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Line No.	Prior Year Ended (a) 12/31/2014	Prior Year Ended (a) 12/31/2015	Test Year Ended (a) 12/31/2016	Projected Year		
				Present Rates (b) 12/31/2017	Proposed Rates (b) 12/31/2017	
5	Source of Funds					
6	From Operations					
7	\$ (748,515)	\$ (1,499,231)	\$ (1,423,334)	\$ 1,477,298	\$ 1,971,807	
8	2,077,594	1,555,301	1,643,891	2,569,137	2,569,137	
9	-	-	-	-	-	
10	938,730	2,002,318	2,420,605	2,420,605	2,420,605	
11	-	-	-	-	-	
12	<u>\$ 2,267,808</u>	<u>\$ 2,058,388</u>	<u>\$ 2,641,161</u>	<u>\$ 6,467,040</u>	<u>\$ 6,961,549</u>	Sum Lines [7-11]
13	From Financing					
14	(177,460)	(499)	39,238	39,238	39,238	
15	(341,111)	(516,862)	(502,546)	(502,546)	(502,546)	
16	(392,135)	264,835	(424,780)	(424,780)	(424,780)	
17	(Decrease) / Increase in Net Amounts					
18	(226,624)	2,437,249	(132,582)	(132,582)	(132,582)	
19	<u>\$ (1,137,330)</u>	<u>\$ 2,184,723</u>	<u>\$ (1,020,670)</u>	<u>\$ (1,020,670)</u>	<u>\$ (1,020,670)</u>	Sum Lines [14-18]
20						
21	<u>\$ 1,130,478</u>	<u>\$ 4,243,111</u>	<u>\$ 1,620,491</u>	<u>\$ 5,446,370</u>	<u>\$ 5,940,879</u>	Line [12] + Line [19]
22						
23	Application of Funds					
24	2,721,347	2,983,378	3,878,278	4,586,781	4,586,781	
25	-	-	-	102,463	102,463	
26	1,426,043	1,242,915	566,556	566,556	566,556	
27	34,674	(148,461)	8,932	8,932	8,932	
28	<u>\$ 4,182,064</u>	<u>\$ 4,077,831</u>	<u>\$ 4,453,765</u>	<u>\$ 5,264,732</u>	<u>\$ 5,264,732</u>	Sum Lines [24-27]
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41						
42						
43	Supporting Schedules					
44	(a) E-3					
45	(b) F-2					
46						
47	Workpapers and Supporting Documents					
48						
49						
50	\\2016 Chaparral City Water .xlsm					