

Line No.	Original Cost Rate Base	RCND	Fair Value Rate Base	
	[A]	[B]	[C]	
1	\$ 1,142,316	\$ 1,673,682	\$ 1,407,999	Average ([A] + [B])
2				
3	\$ 149,964	\$ 149,964	\$ 149,964	(b)
4				
5	13.13%	8.96%	10.65%	Line [3] / Line [1]
6				
7	\$ 65,050	\$ 65,050	\$ 65,050	Line [1] * Line [11]
8				
9	5.45%	5.45%	5.45%	(d)
10	0.24%	-1.56%	-0.83%	(d)
11	5.69%	3.89%	4.62%	Sum Line [9-10]
12				
13	\$ (84,915)	\$ (84,915)	\$ (84,915)	Line [7] - Line [3]
14				
15	1.66	1.66	1.66	(c)
16				
17	\$ (140,959)	\$ (140,959)	\$ (140,959)	Line [13] * Line [15]
18				
19				
20	Customer	Annualized	Proposed	Dollar
21	<u>Classification</u>	<u>Rates (e)</u>	<u>Rates (e)</u>	<u>Increase</u>
22		[A]	[B]	[C] = [B] - [A]
23	Residential	\$ 565,215	\$ 475,056	\$ (90,159)
24	Commercial	233,293	180,467	(52,826)
25	Commercial Large	-	-	-
26	OPA	-	-	-
27	Private Fire	-	-	-
28	Irrigation	-	-	-
29				
30				
31				
32	Total Water Revenues	\$ 798,508	\$ 655,523	\$ (142,985)
33				
34	Other Revenues	\$ 37,810	\$ 39,836	\$ 2,026
35				
36	Total Revenues	\$ 836,318	\$ 695,359	\$ (140,958)
37				
38		Sch C-2 [AP]	Sch C-2 [AR]	
39	Check From Sch C-2	\$ 836,318	\$ 695,359	
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 Tubac Water.xlsm			

**Tubac 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		
		<u>12/31/2014</u>	<u>12/31/2015</u>	<u>Actual 12/31/2016</u>	<u>Adjusted 12/31/2016</u>	<u>Present Rates 12/31/2017</u>	<u>Proposed Rates 12/31/2017</u>	
1	Gross Revenues	(b) \$ 593,479	\$ 597,079 (b)	(b) \$ 700,105	\$ 836,318 (a)	(e) \$ 836,318	\$ 695,359 (e)	
2								
3	Revenue Deductions and							
4	Operating Expenses	(b) \$ 701,691	\$ 728,270 (b)	(b) \$ 722,253	\$ 715,945 (a)	(e) \$ 715,945	\$ 630,506 (e)	
5								
6	Operating Income	\$ (108,212)	\$ (131,191)	\$ (22,148)	\$ 120,373	\$ 120,373	\$ 64,853	Line [1] - Line [4]
7								
8	Other Income and							
9	Deductions	(b) \$ -	\$ 147,420 (b)	(b) \$ (67)	\$ (67) (a)	(e) \$ (67)	\$ (67) (e)	
10								
11	Interest Expense	(b) \$ 58,860	\$ 58,766 (b)	(b) \$ 59,137	\$ 11,309 (a)	(e) \$ 11,309	\$ 11,309 (e)	
12								
13	Net Income	<u>\$ (167,072)</u>	<u>\$ (337,378)</u>	<u>\$ (81,219)</u>	<u>\$ 109,131</u>	<u>\$ 109,131</u>	<u>\$ 53,611</u>	Line [6] - [9] - [11]
14								
15	Earned Per Average							
16	Common Share	\$ (121)	\$ (245)	\$ (59)	\$ 79	\$ 79	\$ 39	
17								
18	Dividends Per							
19	Common Share	\$ 721.55	\$ 628.89	\$ 286.66	\$ 286.66	\$ 286.66	\$ 286.66	
20								
21	Payout Ratio	-594.61%	-256.64%	-485.95%	361.66%	361.66%	736.19%	
22								
23	Return on Average							
24	Invested Capital	(d) -15.75%	-17.26% (d)	(d) -7.23%	9.71% (d)	(d) 9.71%	4.77% (d)	
25								
26	Return on Year End Capital	(d) -15.24%	-17.19% (d)	(d) -7.12%	9.55% (d)	(d) 21.60%	4.69% (d)	
27								
28	Return on Average							
29	Common Equity	(c) -34.49%	-37.55% (c)	(c) -15.33%	20.57% (c)	(c) 20.57%	10.10% (c)	
30								
31	Return on Year End							
32	Common Equity	(c) -33.38%	-37.15% (c)	(c) -14.81%	15.29% (c)	(c) 34.54%	11.69% (c)	
33								
34	Times Bond Interest Earned							
35	Before Income Taxes	0.92	1.20	0.92	20.84	20.84	8.67	
36								
37	Times Total Interest and							
38	Preferred Dividends Earned							
39	After Income Taxes	(0.10)	(0.30)	(0.05)	0.30	0.30	0.16	
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 Tubac 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%	
37						
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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 Tubac Water.xlsm					

**Tubac 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]
1							
2	Prior Year Ended	12/31/2014	(a) \$ 29,237		\$ 120,437		(a) \$ 6,693,838
3							
4	Prior Year Ended	12/31/2015	(a) \$ (43,340)	[C] Line [4] - [C] Line [2]	\$ (213,949)		(a) \$ 6,479,888
5							
6	Test Year Ended	12/31/2016	(a) \$ 62,752	[C] Line [6] - [C] Line[4]	\$ 118,957		(a) \$ 6,598,845
7							
8	Projected Year Ended	12/31/2017	(b) \$ 342,998	[C] Line [8] - [C] Line[6]	\$ 350,216	[C] Line [6] + [B] Line [8]	\$ 6,949,061
9							
10	Projected Year Ended	12/31/2018	(b) \$ 299,256	[C] Line [10] - [C] Line [8]	\$ 1,092,426	[C] Line [8] + [B] Line [10]	\$ 8,041,486
11							
12	Projected Year Ended	12/31/2019	(b) \$ 153,761	[C] Line [12] - [C] Line [10]	\$ 561,300	[C] Line [10] + [B] Line [12]	\$ 8,602,787
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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							
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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	<u>Source of Funds</u>				
6	From Operations				
7	\$ (167,072)	\$ (337,378)	\$ (81,219)	\$ 138,723	\$ 53,611
8	263,195	260,687	224,786	182,413	182,413
9	-	-	-	-	-
10	5,252	31,435	43,257	43,257	43,257
11	-	-	-	-	-
12	<u>\$ 101,375</u>	<u>\$ (45,256)</u>	<u>\$ 186,824</u>	<u>\$ 364,392</u>	<u>\$ 279,280</u>
					Sum Lines [7-11]
13	From Financing				
14	(16,729)	(675,733)	(547,949)	(547,949)	(547,949)
15	8,756	666,132	526,935	526,935	526,935
16	(111)	29,704	(120)	(120)	(120)
17	(Decrease) / Increase in Net Amounts				
18	(201,879)	(158,307)	(279,463)	(279,463)	(279,463)
19	<u>\$ (209,963)</u>	<u>\$ (138,204)</u>	<u>\$ (300,597)</u>	<u>\$ (300,597)</u>	<u>\$ (300,597)</u>
					Sum Lines [14-18]
20					
21	<u>\$ (108,589)</u>	<u>\$ (183,460)</u>	<u>\$ (113,773)</u>	<u>\$ 63,795</u>	<u>\$ (21,317)</u>
					Line [12] + Line [19]
22					
23	<u>Application of Funds</u>				
24	29,237	(43,340)	62,752	342,998	342,998
25	-	-	-	6,118	6,118
26	85,155	74,220	33,831	33,831	33,831
27	(1,853)	(7,704)	(2,680)	(2,680)	(2,680)
28	<u>\$ 112,540</u>	<u>\$ 23,175</u>	<u>\$ 93,903</u>	<u>\$ 380,267</u>	<u>\$ 380,267</u>
					Sum Lines [24-27]
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42					
43	Supporting Schedules				
44	(a) E-3				
45	(b) F-2				
46					
47	Workpapers and Supporting Documents				
48					
49					
50	\2016 Tubac Water.xlsm				