

Anthem Water

D Schedules

Rejoinder

Line No.	Description	End of Test Year				End of Adjusted Year			
		[A]	[B]	[C]	[D] = [B] * [C]	[E]	[F]	[G]	[H] = [F] * [G]
		Dollar Amount (a)	Percent Total	Cost Rate (a)	Weighted Cost	Dollar Amount	Percent Total	Cost Rate (a)	Weighted Cost
1	Long-Term Debt	\$ 234,260,000	49.98%	4.30%	2.15%	\$ 242,820,000	51.88%	4.30%	2.23%
2	WIFA Loan *	\$ 637,306	0.14%	3.94%		\$ -	0.00%	0.00%	0.00%
3	Short-Term Debt	\$ 8,560,000	1.83%	0.63%	0.01%	\$ -	0.00%	0.00%	0.00%
4	Stockholder's Equity	\$ 225,225,834	48.06%	10.10%	4.85%	\$ 225,225,834	48.12%	10.60%	5.10%
5	Totals	\$ 468,683,140	100.00%		7.01%	\$ 468,045,834	100.00%		7.33%
6		Sum Line [1-4]							

12 \* The WIFA Loan was obtained for the sole purpose of constructing an Arsenic Treatment Plant for the District of TUBAC. It is applicable only in that District's capital  
 13 structure.

43 Supporting Schedules: Recap Schedules:  
 44 D-2 Rejoinder A-1 Rejoinder

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		End of Test Year							
		[A]	[B]	[C]	[D] = [B] * [C]	[L]	[M]	[N] = [L]*[M]	
Line		Dollar	Percent	Cost	Weighted				
No.	Description	Amount	Total	Rate (a)	Cost				
1	Long-Term Debt	\$ 27,941,757	51.88%	4.30%	2.23%				
2	WIFA Loan	\$ -	0.00%	3.94%	0.00%				
3	Short-Term Debt	\$ -	0.00%	0.63%	0.00%				
4	Stockholder's Equity	\$ 25,917,163	48.12%	10.10%	4.86%				
5	Totals	\$ 53,858,919	100.00%		7.09%				
6		Sum Line [1-4]							
7	<b>Capital Structure for FVRB</b>								
8		[I]	[J]	[K]	[L]	[M]	[N] = [L]*[M]		
9	Description	OCRB	OCRB	Amt Financing	FVRB	Cost	Fair Value		
10		Weight	Cost	OCRB	Weight		WACC		
11	Long-Term Debt	51.88%	\$ 53,858,919	[I]*[J] \$ 27,941,757	[K11]/[K18] 40.43%	4.30%	1.74%		
12	WIFA Loan	0.00%	\$ 53,858,919	[I]*[J] \$ -	[K12]/[K18] 0.00%	3.94%	0.00%		
13	Short-Term Debt	0.00%	\$ 53,858,919	[I]*[J] \$ -	[K13]/[K18] 0.00%	0.63%	0.00%		
14	Stockholder's Equity	48.12%	\$ 53,858,919	[I]*[J] \$ 25,917,163	[K14]/[K18] 37.50%	10.10%	3.79%		
15		100.00%		\$ 53,858,919					
16									
17	Fair Value Increment			\$ 15,260,934	[K17]/[K18] 22.08%	1.10%	0.24%		
18	Fair Value Rate Base			\$ 69,119,853		100.00%	5.77%		
19									
20									
21	Fair Value Rate Base			Sch A1 Rejoinder \$ 69,119,853					
22	Less Original Cost Rate Base			Sch A1 Rejoinder \$ 53,858,919					
23	Difference			Line [21]-[22] \$ 15,260,934					
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46	Supporting Schedules:		Recap Schedules:						
47	(a) D-2 Rejoinder		A-1 Rejoinder						
48	(b) B-1 Rejoinder								
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Line No.	End of Test Year			End of Adjusted Year		
	[A] Amount <u>Outstanding</u>	[B] Annual <u>Cost</u>	[C] = [B] / [A] Interest <u>Rate</u>	[D] Amount <u>Outstanding</u>	[E] Annual <u>Cost</u>	[F] = [D] / [E] Interest <u>Rate</u>
1	<u>Long-Term Debt</u>					
2	(b) \$ 133,000,000	\$ 5,004,790	3.74%	(b) \$ 133,000,000	\$ 5,004,790	3.74%
3	(b) \$ 98,000,000	\$ 4,922,540	5.00%	(b) \$ 98,000,000	4,922,540	5.00%
4	(b) \$ 3,260,000	\$ 152,681	4.57%	(b) \$ 3,260,000	152,681	4.57%
5	(b) \$ 8,560,000	\$ 368,330	4.30%	(b) \$ 8,560,000	368,330	4.30%
6	<u>\$ 234,260,000</u>	<u>\$ 10,080,011</u>	<u>4.30%</u>	<u>\$ 242,820,000</u>	<u>\$ 10,448,341</u>	<u>4.30%</u>
7						
8	(b) \$ 637,306	\$ 25,097	3.94%	(b) \$ -	-	0.00%
9						
10	<u>Common Equity</u>					
11	(a) \$ 5,126,020			(a) \$ 5,126,020		
12	(a) 203,889,486			(a) 203,889,486		
13	(a) <u>16,210,327</u>			(a) <u>16,210,327</u>		
14	\$ 225,225,834		10.10%	\$ 225,225,834		10.10%
15						
16	(a) <u>(1,530,620)</u>			<u>-</u>		
17	<u>223,695,213</u>			<u>225,225,834</u>		
18						
19						
20	<u>Other</u>					
21	(b) \$ 8,560,000	\$ 54,050	0.63%	(b) \$ -	\$ -	0.00%
22						
23						
24	<u>\$ 467,152,520</u>	<u>\$ 10,159,158</u>	<u>2.17%</u>	<u>\$ 468,045,834</u>	<u>\$ 10,448,341</u>	<u>2.23%</u>
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46	Supporting Schedules:		Recap Schedules:			
47	(a) E-1 Rejoinder		D-1 Rejoinder			
48	(b) D-2 Rejoinder					
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EPCOR WATER ARIZONA COMBINED  
At December 31, 2016  
COST OF REPLACEMENT DEBT

Exhibit  
Schedule D-2 Rejoinder  
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Witness: Hubbard

Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Principal Amount	Net Discount, Premium and Expense	Effective Net Principal	Issue Date	Maturity Date	Interest Rate	Annualized Cost	Weighted Cost
10 Yr. EPCOR Water USA Note	\$ 133,000,000	\$ 305,900	\$ 132,694,100	2/1/2012	12/15/2021	3.74%	\$ 5,004,790	3.77%
30 Yr. EPCOR Water USA Note	98,000,000	225,400	97,774,600	2/1/2012	12/15/2041	5.00%	4,922,540	5.03%
8 Yr. EPCOR Water USA Note	3,260,000	38,616	3,221,384			4.57%	152,681	4.74%
Short Term Debt from EPCOR Utilities Inc. <sup>1</sup>	\$ 8,560,000	\$ -	\$ 8,560,000	12/15/2016	1/14/2017	0.63%	\$ 54,050	0.63%
<b>Subtotal-Other</b>	<b>\$ 8,560,000</b>		<b>\$ 8,560,000</b>				<b>\$ 54,050</b>	<b>0.63%</b>
WIFA Tubac note (at 12/31/16)	\$ 637,306	\$ -	\$ 637,306		11/1/2029	3.94%	\$ 25,097	3.94%

EPCOR Water Arizona Inc.  
At December 31, 2016

Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Principal Amount	Net Discount, Premium and Expense	Effective Net Principal	Issue Date	Maturity Date	Interest Rate	Annualized Cost	Weighted Cost
10 Yr. EPCOR Water USA Note	\$ 133,000,000	\$ 152,950	\$ 132,847,050	2/1/2012	12/15/2021	3.74%	\$ 4,989,495	3.76%
30 Yr. EPCOR Water USA Note	98,000,000	\$ 112,700	97,887,300	2/1/2012	12/15/2041	5.00%	4,903,757	5.01%
<b>Subtotal Long-Term Debt</b>	<b>\$ 231,000,000</b>	<b>\$ 265,650</b>	<b>\$ 230,734,350</b>				<b>\$ 9,893,252</b>	<b>4.29%</b>
Short Term Debt from EPCOR Utilities Inc. <sup>1</sup>	\$ 8,560,000	\$ -	\$ 8,560,000	12/15/2015	1/15/2016	0.63%	\$ 54,050	0.63%
<b>Subtotal-Other</b>	<b>\$ 8,560,000</b>		<b>\$ 8,560,000</b>				<b>\$ 54,050</b>	<b>0.63%</b>
WIFA Tubac note (at 12/31/16)	\$ 637,306	\$ -	\$ 637,306		11/1/2029	3.94%	\$ 27,326	
<b>Total Debt</b>	<b>\$240,197,306</b>							

Source: 7/9/12 Suppl Compliance Filing-in Docket No. W-01303A-11-0101

CHAPARRAL CITY WATER COMPANY  
At December 31, 2016  
COST OF REPLACEMENT DEBT

Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Principal Amount	Net Discount, Premium and Expense	Effective Net Principal	Issue Date	Maturity Date	Interest Rate	Annualized Cost	Weighted Cost
8 Yr. EPCOR Water USA Note	\$ 3,260,000	\$ 38,616	\$ 3,221,384	12/1/2014	12/1/2022	4.565%	\$ 150,106	4.66%
<b>Subtotal Long-Term Debt</b>	<b>\$ 3,260,000</b>	<b>\$ 38,616</b>	<b>\$ 3,221,384</b>				<b>\$ 150,106</b>	<b>4.66%</b>

<sup>1</sup>Long-term Debt Pending ACC Approval.