

Chaparral City 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 of Total	Cost Rate (a)	Weighted Cost	Dollar Amount	Percent of 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]							

10 \* 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  
 11 capital structure.  
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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]
		Dollar	Percent	Cost	Weighted
Line	Description	Amount	Total	Rate (a)	Cost
1	Long-Term Debt	\$ 18,340,594	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	\$ 17,011,678	48.12%	10.10%	4.86%
5	Totals	\$ 35,352,272	100.00%		7.09%
6		Sum Line [1-4]			

		[I]	[J]	[K]	[L]	[M]	[N] = [L]*[M]
Description		OCRB	OCRB	Amt Financing	FVRB	Cost	Fair Value
		Weight	Cost	OCRB	Weight		WACC
11	Long-Term Debt	51.88%	\$ 35,352,272	[I]*[J] \$ 18,340,594	[K11]/[K18] 40.35%	4.30%	1.74%
12	WIFA Loan	0.00%	\$ 35,352,272	[I]*[J] \$ -	[K12]/[K18] 0.00%	3.94%	0.00%
13	Short-Term Debt	0.00%	\$ 35,352,272	[I]*[J] \$ -	[K13]/[K18] 0.00%	0.63%	0.00%
14	Stockholder's Equity	48.12%	\$ 35,352,272	[I]*[J] \$ 17,011,678	[K14]/[K18] 37.43%	10.10%	3.78%
15		100.00%		\$ 35,352,272			
17	Fair Value Increment			\$ 10,097,692	[K17]/[K18] 22.22%	1.10%	0.24%
18	Fair Value Rate Base			\$ 45,449,965	100.00%		5.76%
21	Fair Value Rate Base			Sch A1 Rejoinder \$ 45,449,965			
22	Less Original Cost Rate Base			Sch A1 Rejoinder \$ 35,352,272			
23	Difference			Line [21]-[22] \$ 10,097,692			

46 Supporting Schedules: Recap Schedules:  
 47 (a) D-2 Rejoinder A-1 Rejoinder  
 48 (b) B-1 Rejoinder  
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 50 \2016 Chaparral City Water Rejoinder.xlsm

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) 10 Yr. EPCOR Water USA Note			(b) 8,560,000	368,330	4.30%	
6	Totals	<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	WIFA Tubac note (at 12/31/16)	(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) 16,210,327			(a) 16,210,327			
14	Total Common Equity Excl OCI	<u>\$ 225,225,834</u>	Sum Line [11-13] Col	<u>\$ 225,225,834</u>	Sum Line [11-13] Col [D]	10.10%	
15							
16	Other Comprehensive Income (OCI)	(a) (1,530,620)			-		
17	Total Common Equity	<u>\$ 223,695,213</u>		<u>\$ 225,225,834</u>			
18							
19							
20	<u>Other</u>						
21	Short Term Debt	(b) \$ 8,560,000	\$ 54,050	0.63%	(b) \$ -	\$ -	0.00%
22							
23							
24	Totals	<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>

46 Supporting Schedules:  
 47 (a) E-1 Rejoinder  
 48 (b) D-2 Rejoinder  
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Recap Schedules:  
 D-1 Rejoinder

EPCOR WATER ARIZONA COMBINED  
At December 31, 2016  
COST OF REPLACEMENT DEBT

Exhibit  
Schedule D-2 Rejoinder  
Page 2 of 2  
Witness: Hubbard

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Description	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

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Description	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

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Description	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.