

Line No.	Description	End of Test Year				End of Adjusted Year			
		[A] Dollar Amount (a)	[B] Percent of Total	[C] Cost Rate (a)	[D] = [B] * [C] Weighted Cost	[E] Dollar Amount	[F] Percent of Total	[G] Cost Rate (a)	[H] = [F] * [G] 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	<u>\$ 468,683,140</u>	<u>100.00%</u>		<u>7.01%</u>	<u>\$ 468,045,834</u>	<u>100.00%</u>		<u>7.33%</u>
6		Sum Line [1-4]							

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* 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 structure.

Supporting Schedules: Recap Schedules:
 D-2 Rebuttal A-1 Rebuttal

\2016 Mohave Water Rebuttal.xlsm

		End of Test Year						
		[A]	[B]	[C]	[D] = [B] * [C]			
		Dollar	Percent	Cost	Weighted			
Line	Description	Amount	of Total	Rate (a)	Cost			
1	Long-Term Debt	\$ 14,314,951	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	\$ 13,277,723	48.12%	10.10%	4.86%			
5	Totals	<u>\$ 27,592,674</u>	<u>100.00%</u>		<u>7.09%</u>			
6		Sum Line [1-4]						
7	Capital Structure for FVRB							
8		[I]	[J]	[K] = [I] * [J]	[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%	\$ 27,592,674	\$ 14,314,951	[K11]/[K18]	42.26%	4.30%	1.82%
12	WIFA Loan	0.00%	\$ 27,592,674	\$ -	[K12]/[K18]	0.00%	3.94%	0.00%
13	Short-Term Debt	0.00%	\$ 27,592,674	\$ -	[K13]/[K18]	0.00%	0.63%	0.00%
14	Stockholder's Equity	48.12%	\$ 27,592,674	\$ 13,277,723	[K14]/[K18]	39.20%	10.10%	3.96%
15		100.00%		\$ 27,592,674				
16								
17	Fair Value Increment			\$ 6,282,938	[K17]/[K18]	18.55%	1.10%	0.20%
18	Fair Value Rate base			\$ 33,875,612		100.00%		5.98%
19								
20								
21	Fair Value Rate Base			Sch A1 Rebuttal \$ 33,875,612				
22	Less Original Cost Rate Base			Sch A1 Rebuttal \$ 27,592,674				
23	Difference			Line [21]-[22] \$ 6,282,938				
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46	Supporting Schedules:		Recap Schedules:					
47	(a) D-2 Rebuttal		A-1 Rebuttal					
48	(b) B-1 Rebuttal							
49								
50	\\2016 Mohave Water Rebuttal.xlsm							

Line No.	End of Test Year			End of Adjusted Year		
	[A]	[B]	[C] = [B] / [A]	[D]	[E]	[F] = [D] / [E]
	Amount <u>Outstanding</u>	Annual <u>Cost</u>	Interest <u>Rate</u>	Amount <u>Outstanding</u>	Annual <u>Cost</u>	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	0	(b) 3,260,000	152,681	4.57%
5	(b) -	-	-	(b) 8,560,000	368,330	4.30%
6	<u>Totals</u>			<u>Totals</u>		
	\$ 234,260,000	\$ 10,080,011	4.30%	\$ 242,820,000	\$ 10,448,341	4.30%
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) 16,210,327			(a) 16,210,327		
14	<u>Total Common Equity Excl OCI</u>		10.10%	<u>Total Common Equity Excl OCI</u>		10.10%
	\$ 225,225,834			\$ 225,225,834		
15						
16	(a) (1,530,620)			-		
17	<u>Total Common Equity</u>			<u>Total Common Equity</u>		
	\$ 223,695,213			\$ 225,225,834		
18						
19						
20	<u>Other</u>					
21	(b) \$ 8,560,000	\$ 54,050	0.63%	(b) \$ -	\$ -	0.00%
22						
23						
24	<u>Totals</u>			<u>Totals</u>		
	\$ 467,152,520	\$ 10,159,158	2.17%	\$ 468,045,834	\$ 10,448,341	2.23%

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

Recap Schedules:
 D-1 Rebuttal

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

Exhibit
Schedule D-2 Rebuttal
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.	\$ 8,560,000	\$ -	\$ 8,560,000	12/15/2016	1/14/2017	0.63%	\$ 54,050	0.63%
Subtotal-Other	\$ 8,560,000		\$ 8,560,000				\$ 54,050	0.63%
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%
Subtotal Long-Term Debt	\$ 231,000,000	\$ 265,650	\$ 230,734,350				\$ 9,893,252	4.29%
Short Term Debt from EPCOR Utilities Inc.	\$ 8,560,000	\$ -	\$ 8,560,000	12/15/2015	1/15/2016	0.63%	\$ 54,050	0.63%
Subtotal-Other	\$ 8,560,000		\$ 8,560,000				\$ 54,050	0.63%
WIFA Tubac note (at 12/31/16)	\$ 637,306	\$ -	\$ 637,306		11/1/2029	3.94%	\$ 27,326	
Total Debt	\$240,197,306							

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%
Subtotal Long-Term Debt	\$ 3,260,000	\$ 38,616	\$ 3,221,384				\$ 150,106	4.66%