

Paradise Valley Water

D Schedules

Rejoinder

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	\$ 468,683,140	100.00%		7.01%	\$ 468,045,834	100.00%		7.33%
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 Rejoinder A-1 Rejoinder

\2016 Paradise Valley Water Rejoinder.xlsm

Capital Structure for OCRB		End of Test Year						
		[A]	[B]	[C]	[D] = [B] * [C]			
Line	Description	Dollar Amount	Percent of Total	Cost Rate (a)	Weighted Cost			
1	Long-Term Debt	\$ 20,663,512	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	\$ 19,166,283	48.12%	10.10%	4.86%			
5	Totals	\$ 39,829,795	100.00%		7.09%			
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%	\$ 39,829,795	\$ 20,663,512	[K11]/[K18] 42.00%	4.30%	1.81%	
12	WIFA Loan	0.00%	\$ 39,829,795	\$ -	[K12]/[K18] 0.00%	3.94%	0.00%	
13	Short-Term Debt	0.00%	\$ 39,829,795	\$ -	[K13]/[K18] 0.00%	0.63%	0.00%	
14	Stockholder's Equity	48.12%	\$ 39,829,795	\$ 19,166,283	[K14]/[K18] 38.96%	10.10%	3.93%	
15		100.00%		\$ 39,829,795				
16								
17	Fair Value Increment			\$ 9,370,724	[K17]/[K18] 19.05%	1.10%	0.21%	
18	Fair Value Rate Base			\$ 49,200,520	100.00%		5.95%	
19								
20								
21	Fair Value Rate Base		Sch A1 Rejoinder	\$ 49,200,520				
22	Less Original Cost Rate Base		Sch A1 Rejoinder	\$ 39,829,795				
23	Difference		Line [21]-[22]	\$ 9,370,724				
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46	Supporting Schedules:		Recap Schedules:					
47	(a) D-2 Rejoinder		A-1 Rejoinder					
48	(b) B-1 Rejoinder							
49								
50	\2016 Paradise Valley Water Rejoinder.xlsm							

Line No.	End of Test Year			End of Adjusted Year			
	(A) Amount Outstanding	(B) Annual Cost	(C) = (B) / (A) Interest Rate	(D) Amount Outstanding	(E) Annual Cost	(F) = (D) / (E) Interest Rate	
1	Long-Term Debt						
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			(b) \$ 8,560,000		4.30%	
6	Totals	\$ 234,260,000	\$ 10,080,011	4.30%	\$ 242,820,000	\$ 10,080,011	4.15%
7							
8	WIFA Tubac note (at 12/31/16)	(b) \$ 637,306	\$ 25,097	3.94%	(b) \$ -	-	0.00%
9							
10	Common Equity						
11	Common Stock	(a) \$ 5,126,020			(a) \$ 5,126,020		
12	Paid in Capital	(a) 203,889,486			(a) 203,889,486		
13	Retained Earnings	(a) 16,210,327			(a) 16,210,327		
14	Total Common Equity Excl OCI	\$ 225,225,834		10.10%	\$ 225,225,834		
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	Other						
21	Short Term Debt	(b) \$ 8,560,000	\$ 54,050	0.63%	(b) \$ -	\$ -	0.00%
22							
23							
24	Totals	\$ 467,152,520	\$ 10,159,158	2.17%	\$ 468,045,834	\$ 10,080,011	2.15%

46 Supporting Schedules:
 47 (a) E-1 Rejoinder
 48 (b) D-2 Rejoinder
 49
 50 \2016 Paradise Valley Water Rejoinder.xlsxm

Recap Schedules:
 D-1 Rejoinder

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

Exhibit
Schedule D-2
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. ¹	\$ 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. ¹	\$ 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%

¹Long-term Debt Pending ACC Approval.