

Sun City West 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]							

\* 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.

43 Supporting Schedules: Recap Schedules:  
 44 D-2 Rejoinder A-1 Rejoinder  
 45 2016 Annual Report  
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**Capital Structure for OCRB**

Line No.	Description	End of Test Year			
		[A] Dollar Amount	[B] Percent of Total	[C] Cost Rate (a)	[D] = [B] * [C] Weighted Cost
1	Long-Term Debt	\$ 17,085,529	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	\$ 15,847,552	48.12%	10.10%	4.86%
5	Totals	\$ 32,933,082	100.00%		7.09%
6		Sum Line [1-4]			

**Capital Structure for FVRB**

Line No.	Description	[I] OCRB Weight	[J] OCRB Cost	[K] = [I] * [J] Amt Financing OCRB	[L] FVRB Weight	[M] Cost	[N] = [L] * [M] Fair Value WACC
11	Long-Term Debt	51.88%	\$ 32,933,082	\$ 17,085,529	[K11]/[K18] 40.22%	4.30%	1.73%
12	WIFA Loan	0.00%	\$ 32,933,082	\$ -	[K12]/[K18] 0.00%	3.94%	0.00%
13	Short-Term Debt	0.00%	\$ 32,933,082	\$ -	[K13]/[K18] 0.00%	0.63%	0.00%
14	Stockholder's Equity	48.12%	\$ 32,933,082	\$ 15,847,552	[K14]/[K18] 37.31%	10.10%	3.77%
15		100.00%		\$ 32,933,082			
17	Fair Value Increment			\$ 9,543,536	[K17]/[K18] 22.47%	1.10%	0.25%
18	Fair Value Rate Base			\$ 42,476,618	100.00%		5.75%
21	Fair Value Rate Base			Sch A1 Rejoinder \$ 42,476,618			
22	Less Original Cost Rate Base			Sch A1 Rejoinder \$ 32,933,082			
23	Difference			Line [21]-[22] \$ 9,543,536			

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)			(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	(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	\$ 225,225,834	Sum Line [10-12] Co	10.10%	\$ 225,225,834	Sum Line [10-12] Co	10.10%
15							
16	(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	(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%
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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%
<hr/>								
<b>Subtotal-Other</b>	<b>\$ 8,560,000</b>		<b>\$ 8,560,000</b>				<b>\$ 54,050</b>	<b>0.63%</b>
<hr/>								
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%
<hr/>								
<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>
<hr/>								
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%
<hr/>								
<b>Subtotal-Other</b>	<b>\$ 8,560,000</b>		<b>\$ 8,560,000</b>				<b>\$ 54,050</b>	<b>0.63%</b>
<hr/>								
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%
<hr/>								
<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.