

Sun 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 capital
 11 structure.
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43 Supporting Schedules: Recap Schedules:
 44 D-2 Rejoinder A-1 Rejoinder
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Capital Structure for OCRB

		End of Test Year			
		[A]	[B]	[C]	[D] = [B] * [C]
Line		Dollar	Percent	Cost	Weighted
No.	Description	Amount	Total	Rate (a)	Cost
1	Long-Term Debt	\$ 21,748,158	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	\$ 20,172,338	48.12%	10.10%	4.86%
5	Totals	\$ 41,920,496	100.00%		7.09%
6		Sum Line [1-4]			

Capital Structure for FVRB

		[I]	[J]	[K] = [I] * [J]	[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%	\$ 41,920,496	\$ 21,748,158	[K11]/[K18] 44.18%	4.30%	1.90%
12	WIFA Loan	0.00%	\$ 41,920,496	\$ -	[K12]/[K18] 0.00%	3.94%	0.00%
13	Short-Term Debt	0.00%	\$ 41,920,496	\$ -	[K13]/[K18] 0.00%	0.63%	0.00%
14	Stockholder's Equity	48.12%	\$ 41,920,496	\$ 20,172,338	[K14]/[K18] 40.98%	10.10%	4.14%
15		100.00%		\$ 41,920,496			
17	Fair Value Increment			\$ 7,301,925	[K17]/[K18] 14.83%	1.10%	0.16%
18	Fair Value Rate Base			\$ 49,222,422	100.00%		6.20%
21	Fair Value Rate Base			Sch A1 Rejoinder \$ 49,222,422			
22	Less Original Cost Rate Base			Sch A1 Rejoinder \$ 41,920,496			
23	Difference			Line [21]-[22] \$ 7,301,925			

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

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	<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	\$ 234,260,000	\$ 10,080,011	4.30%	\$ 242,820,000	\$ 10,448,341	4.30%
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8	(b) WIFA Tubac note (at 12/31/16)	\$ 637,306	\$ 25,097	3.94%	(b) \$ -	\$ -	0.00%
9							
10	<u>Common Equity</u>						
11	(a) Common Stock	\$ 5,126,020		(a) \$ 5,126,020			
12	(a) Paid in Capital	203,889,486		(a) 203,889,486			
13	(a) Retained Earnings	16,210,327		(a) 16,210,327			
14	Total Common Equity Excl OCI	\$ 225,225,834	10.10%	\$ 225,225,834		10.10%	
15							
16	(a) Other Comprehensive Income (OCI)	(1,530,620)		-			
17	Total Common Equity	\$ 223,695,213		\$ 225,225,834			
18							
19							
20	<u>Other</u>						
21	(b) Short Term Debt	\$ 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	\$ 10,448,341	2.23%
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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
Page 2 of 2
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. 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

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%
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

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

¹Long-term Debt Pending ACC Approval.