

Anthem Water

Test Year Ended December 31, 2016
 Comparative Balance Sheets
 Total EPCOR Water Arizona, Inc.

Exhibit
 Schedule E-1
 Page 1 of 2
 Witness: Murrey

| Line No. | Test Year Ended 12/31/2016 | Prior Year Ended 12/31/2015 | Prior Year Ended 12/31/2014 | |
|----------|---|--------------------------------|--------------------------------|----------------------------|
| 1 | ASSETS | | | |
| 2 | \$ 1,103,886,281 | \$ 1,043,843,915 | \$ 995,394,992 | |
| 3 | 25,630,021 | 29,743,562 | 26,912,754 | |
| 4 | 19,300,673 | 20,300,784 | 21,300,894 | |
| 5 | (374,699,561) | (345,798,928) | (326,379,168) | |
| 6 | <u>\$ 774,117,414</u> | <u>\$ 748,089,333</u> | <u>\$ 717,229,472</u> | Sum Line [2-5] |
| 7 | | | | |
| 8 | CURRENT ASSETS | | | |
| 9 | \$ (174,304) | \$ (44,806) | \$ 99,583 | |
| 10 | 12,977,724 | 11,848,578 | 11,714,533 | |
| 11 | (126,406) | (137,226) | (167,552) | |
| 12 | 1,785,945 | 1,339,581 | 1,497,528 | |
| 13 | 1,285,213 | 1,329,735 | 847,213 | |
| 14 | - | 159,751 | (0) | |
| 15 | 65,003,990 | 59,358,987 | 42,803,199 | |
| 16 | <u>\$ 80,752,162</u> | <u>\$ 73,854,599</u> | <u>\$ 56,794,503</u> | Sum Line [9-15] |
| 17 | | | | |
| 18 | NON-CURRENT ASSETS | | | |
| 19 | \$ - | \$ - | \$ - | |
| 20 | 32,835,914 | 33,537,857 | 29,211,744 | |
| 21 | 649,685 | 449,804 | 4,014,226 | |
| 22 | - | - | - | |
| 23 | - | - | - | |
| 24 | <u>\$ 33,485,599</u> | <u>\$ 33,987,661</u> | <u>\$ 33,225,971</u> | Sum Line [19-23] |
| 25 | | | | |
| 26 | <u>\$ 888,355,175</u> | <u>\$ 855,931,593</u> | <u>\$ 807,249,946</u> | Line 6 + Line 16+ Line 24 |
| 27 | | | | |
| 28 | LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| 29 | | | | |
| 30 | <u>\$ 223,695,213</u> | <u>\$ 208,244,027</u> | <u>\$ 203,342,912</u> | |
| 31 | | | | |
| 32 | <u>\$ 252,536,371</u> | <u>\$ 252,995,597</u> | <u>\$ 244,186,989</u> | |
| 33 | | | | |
| 34 | CURRENT LIABILITIES | | | |
| 35 | \$ 14,174,177 | \$ 12,226,237 | \$ 11,960,982 | |
| 36 | - | - | - | |
| 37 | - | - | - | |
| 38 | (2,170,017) | - | - | |
| 39 | 97,315 | 59,760 | 49,865 | |
| 40 | <u>\$ 12,101,475</u> | <u>\$ 12,285,997</u> | <u>\$ 12,010,847</u> | Sum Line [35-39] |
| 41 | | | | |
| 42 | NON-CURRENT LIABILITIES | | | |
| 43 | \$ 174,329,142 | \$ 174,901,668 | \$ 171,734,251 | |
| 44 | 35,529,981 | 20,667,348 | 9,623,461 | |
| 45 | 84,784 | 81,247 | 77,711 | |
| 46 | 5,808,130 | 5,280,214 | 3,468,873 | |
| 47 | 9,656,878 | 8,693,147 | 9,211,194 | |
| 48 | 2,471,095 | 2,631,944 | 460,415 | |
| 49 | <u>\$ 227,880,010</u> | <u>\$ 212,255,569</u> | <u>\$ 194,575,904</u> | Sum Line [43-48] |
| 50 | | | | |
| 51 | \$ 172,142,105 | \$ 170,150,404 | \$ 153,133,294 | |
| 52 | | | | |
| 53 | <u>\$ 888,355,175</u> | <u>\$ 855,931,593</u> | <u>\$ 807,249,946</u> | Line 30 + 32+ 40 + 49 + 51 |
| 54 | | | | |
| 55 | Supporting Schedules: | Recap Schedules: | | |
| 56 | E-5 | A-1, B-1 | | |
| 57 | TB16, TB15, TB14 | | | |
| 58 | \2016 Anthem Water.xlsx | | | |

Anthem Water

Test Year Ended December 31, 2016

Comparative Balance Sheets

Total District

Exhibit
Schedule E-1
Page 2 of 2
Witness: Murrey

| Line No. | Test Year Ended 12/31/2016 | Prior Year Ended 12/31/2015 | Prior Year Ended 12/31/2014 | |
|----------|---|-----------------------------|-----------------------------|----------------------------|
| 1 | ASSETS | | | |
| 2 | \$ 91,700,528 | \$ 90,309,427 | \$ 88,864,674 | |
| 3 | 410,471 | (325,500) | 905,682 | |
| 4 | 914,877 | 962,283 | 1,009,690 | |
| 5 | (29,863,581) | (27,740,858) | (25,634,961) | |
| 6 | <u>\$ 63,162,295</u> | <u>\$ 63,205,352</u> | <u>\$ 65,145,085</u> | Sum Line [2-5] |
| 7 | | | | |
| 8 | CURRENT ASSETS | | | |
| 9 | \$ (45,260) | \$ (16,653) | \$ (875) | |
| 10 | 680,148 | 660,400 | 662,569 | |
| 11 | (5,666) | (6,179) | (7,617) | |
| 12 | 14,649 | 6,239 | 9,843 | |
| 13 | 135,534 | 86,786 | 17,871 | |
| 14 | - | 7,572 | (0) | |
| 15 | 9,906,631 | 11,188,977 | 12,304,189 | |
| 16 | <u>\$ 10,686,036</u> | <u>\$ 11,927,142</u> | <u>\$ 12,985,980</u> | Sum Line [9-15] |
| 17 | | | | |
| 18 | NON-CURRENT ASSETS | | | |
| 19 | \$ - | \$ - | \$ - | |
| 20 | 3,563,443 | 3,744,243 | 3,947,285 | |
| 21 | (168,958) | (168,958) | - | |
| 22 | - | - | - | |
| 23 | - | - | - | |
| 24 | <u>\$ 3,394,485</u> | <u>\$ 3,575,285</u> | <u>\$ 3,947,285</u> | Sum Line [19-23] |
| 25 | | | | |
| 26 | <u>\$ 77,242,816</u> | <u>\$ 78,707,779</u> | <u>\$ 82,078,350</u> | Line 6 + Line 16+ Line 24 |
| 27 | | | | |
| 28 | LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| 29 | | | | |
| 30 | <u>\$ 20,580,204</u> | <u>\$ 18,023,865</u> | <u>\$ 15,817,740</u> | |
| 31 | | | | |
| 32 | <u>\$ 11,823,952</u> | <u>\$ 11,825,712</u> | <u>\$ 11,389,113</u> | |
| 33 | | | | |
| 34 | CURRENT LIABILITIES | | | |
| 35 | \$ 716,639 | \$ 657,356 | \$ 471,311 | |
| 36 | - | - | - | |
| 37 | 26,610,110 | 30,876,021 | 34,716,301 | |
| 38 | 9,222 | - | - | |
| 39 | 6,500 | 4,800 | 1,600 | |
| 40 | <u>\$ 27,342,471</u> | <u>\$ 31,538,177</u> | <u>\$ 35,189,212</u> | Sum Line [35-39] |
| 41 | | | | |
| 42 | NON-CURRENT LIABILITIES | | | |
| 43 | \$ 6,620,583 | \$ 7,264,975 | \$ 9,620,073 | |
| 44 | 1,658,259 | 1,022,454 | 560,416 | |
| 45 | - | - | - | |
| 46 | 544 | 942 | 2,342,882 | |
| 47 | 457,748 | 412,066 | 436,622 | |
| 48 | 211,465 | 226,608 | 122,088 | |
| 49 | <u>\$ 8,948,599</u> | <u>\$ 8,927,046</u> | <u>\$ 13,082,082</u> | Sum Line [43-48] |
| 50 | | | | |
| 51 | \$ 8,547,590 | \$ 8,392,979 | \$ 6,600,204 | |
| 52 | | | | |
| 53 | <u>\$ 77,242,816</u> | <u>\$ 78,707,779</u> | <u>\$ 82,078,350</u> | Line 30 + 32+ 40 + 49 + 51 |
| 54 | | | | |
| 55 | Supporting Schedules: | Recap Schedules: | | |
| 56 | E-5 | A-1, B-1 | | |
| 57 | TB16, TB15, TB14 | | | |
| 58 | \2016 Anthem Water.xlsm | | | |

District without Allocations

Witness: Murrey

| Line No. | Test Year Ended 12/31/2016 | Prior Year Ended 12/31/2015 | Prior Year Ended 12/31/2014 | |
|----------|--------------------------------------|-----------------------------|-----------------------------|----------------------------|
| 1 | ASSETS | | | |
| 2 | \$ 91,406,294 | \$ 90,058,124 | \$ 88,593,908 | |
| 3 | 398,781 | (322,028) | 753,420 | |
| 4 | - | - | - | |
| 5 | (29,757,173) | (27,652,092) | (25,249,955) | |
| 6 | <u>\$ 62,047,902</u> | <u>\$ 62,084,004</u> | <u>\$ 64,097,373</u> | Sum Line [2-5] |
| 7 | | | | |
| 8 | CURRENT ASSETS | | | |
| 9 | \$ - | \$ - | \$ - | |
| 10 | 400,227 | 429,035 | 432,486 | |
| 11 | - | - | - | |
| 12 | 4,164 | 4,002 | 3,701 | |
| 13 | 135,534 | 86,786 | 17,871 | |
| 14 | - | - | - | |
| 15 | - | - | - | |
| 16 | <u>\$ 539,924</u> | <u>\$ 519,823</u> | <u>\$ 454,058</u> | Sum Line [9-15] |
| 17 | | | | |
| 18 | NON-CURRENT ASSETS | | | |
| 19 | \$ - | \$ - | \$ - | |
| 20 | 3,283,306 | 3,483,310 | 3,683,314 | |
| 21 | - | - | - | |
| 22 | - | - | - | |
| 23 | - | - | - | |
| 24 | <u>\$ 3,283,306</u> | <u>\$ 3,483,310</u> | <u>\$ 3,683,314</u> | Sum Line [19-23] |
| 25 | | | | |
| 26 | <u>\$ 65,871,132</u> | <u>\$ 66,087,137</u> | <u>\$ 68,234,745</u> | Line 6 + Line 16+ Line 24 |
| 27 | | | | |
| 28 | LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| 29 | | | | |
| 30 | \$ 23,471,066 | \$ 18,810,972 | \$ 14,399,372 | |
| 31 | | | | |
| 32 | \$ - | \$ - | \$ - | |
| 33 | | | | |
| 34 | CURRENT LIABILITIES | | | |
| 35 | \$ 684,212 | \$ 611,262 | \$ 431,425 | |
| 36 | - | - | - | |
| 37 | 26,610,110 | 30,876,021 | 34,716,301 | |
| 38 | (169,468) | - | - | |
| 39 | 6,500 | 4,800 | 1,600 | |
| 40 | <u>\$ 27,131,355</u> | <u>\$ 31,492,083</u> | <u>\$ 35,149,326</u> | Sum Line [35-39] |
| 41 | | | | |
| 42 | NON-CURRENT LIABILITIES | | | |
| 43 | \$ 6,604,599 | \$ 7,265,334 | \$ 9,620,105 | |
| 44 | - | - | - | |
| 45 | - | - | - | |
| 46 | - | - | 2,341,522 | |
| 47 | - | - | - | |
| 48 | 116,521 | 125,770 | 124,217 | |
| 49 | <u>\$ 6,721,120</u> | <u>\$ 7,391,103</u> | <u>\$ 12,085,844</u> | Sum Line [43-48] |
| 50 | | | | |
| 51 | \$ 8,547,590 | \$ 8,392,979 | \$ 6,600,204 | |
| 52 | | | | |
| 53 | <u>\$ 65,871,132</u> | <u>\$ 66,087,137</u> | <u>\$ 68,234,745</u> | Line 30 + 32+ 40 + 49 + 51 |

Anthem Water
 Test Year Ended December 31, 2016
 Comparative Balance Sheets
 BU to be Allocated
 7A
 Allocating Factor:
 4.7401%

Exhibit
 Schedule E-1b
 Page 1
 Witness: Murrey

| Line No. | 7A Corporate Allocated to Anthem Water | | | 7A Corporate Total | | | |
|----------|---|-----------------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|---------------------------|
| | Test Year Ended 12/31/2016 | Prior Year Ended 12/31/2015 | Prior Year Ended 12/31/2014 | Test Year Ended 12/31/2016 | Prior Year Ended 12/31/2015 | Prior Year Ended 12/31/2014 | |
| 1 | ASSETS | | | | | | |
| 2 | \$ 294,234 | \$ 251,304 | \$ 270,766 | \$ 6,207,292 | \$ 5,301,619 | \$ 5,712,215 | |
| 3 | 11,691 | (3,472) | 152,262 | 246,630 | (73,253) | 3,212,197 | |
| 4 | 914,877 | 962,283 | 1,009,690 | 19,300,673 | 20,300,784 | 21,300,894 | |
| 5 | (106,408) | (88,766) | (385,006) | (2,244,829) | (1,872,650) | (8,122,271) | |
| 6 | <u>\$ 1,114,393</u> | <u>\$ 1,121,348</u> | <u>\$ 1,047,712</u> | <u>\$ 23,509,767</u> | <u>\$ 23,656,500</u> | <u>\$ 22,103,034</u> | Sum Line [2-5] |
| 7 | | | | | | | |
| 8 | CURRENT ASSETS | | | | | | |
| 9 | \$ (45,260) | \$ (16,653) | \$ (875) | \$ (954,819) | \$ (351,328) | \$ (18,462) | |
| 10 | 279,921 | 231,365 | 230,083 | 5,905,352 | 4,880,990 | 4,853,945 | |
| 11 | (5,666) | (6,179) | (7,617) | (119,537) | (130,365) | (160,692) | |
| 12 | 10,486 | 2,237 | 6,142 | 221,210 | 47,191 | 129,570 | |
| 13 | - | - | - | - | - | - | |
| 14 | - | 7,572 | (0) | - | 159,751 | (0) | |
| 15 | 9,906,631 | 11,188,977 | 12,304,189 | 208,995,004 | 236,047,979 | 259,575,012 | |
| 16 | <u>\$ 10,146,112</u> | <u>\$ 11,407,319</u> | <u>\$ 12,531,921</u> | <u>\$ 214,047,211</u> | <u>\$ 240,654,218</u> | <u>\$ 264,379,373</u> | Sum Line [9-15] |
| 17 | | | | | | | |
| 18 | NON-CURRENT ASSETS | | | | | | |
| 19 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 20 | 280,137 | 260,933 | 263,971 | 5,909,897 | 5,504,766 | 5,568,857 | |
| 21 | (168,958) | (168,958) | - | (3,564,423) | (3,564,423) | - | |
| 22 | - | - | - | - | - | - | |
| 23 | - | - | - | - | - | - | |
| 24 | <u>\$ 111,179</u> | <u>\$ 91,975</u> | <u>\$ 263,971</u> | <u>\$ 2,345,475</u> | <u>\$ 1,940,344</u> | <u>\$ 5,568,857</u> | Sum Line [19-23] |
| 25 | | | | | | | |
| 26 | <u>\$ 11,371,684</u> | <u>\$ 12,620,642</u> | <u>\$ 13,843,605</u> | <u>\$ 239,902,452</u> | <u>\$ 266,251,062</u> | <u>\$ 292,051,265</u> | Line 6 + Line 16+ Line 24 |
| 27 | | | | | | | |
| 28 | LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | | |
| 29 | | | | | | | |
| 30 | \$ (2,890,863) | \$ (787,106) | \$ 1,418,368 | \$ (60,987,019) | \$ (16,605,169) | \$ 29,922,560 | |
| 31 | | | | | | | |
| 32 | <u>\$ 11,823,952</u> | <u>\$ 11,825,712</u> | <u>\$ 11,389,113</u> | <u>\$ 249,443,708</u> | <u>\$ 249,480,843</u> | <u>\$ 240,270,144</u> | |
| 33 | | | | | | | |
| 34 | CURRENT LIABILITIES | | | | | | |
| 35 | \$ 32,427 | \$ 46,094 | \$ 39,886 | \$ 684,096 | \$ 972,420 | \$ 841,456 | |
| 36 | - | - | - | - | - | - | |
| 37 | - | - | - | - | - | - | |
| 38 | 178,689 | - | - | 3,769,709 | - | - | |
| 39 | - | - | - | - | - | - | |
| 40 | <u>\$ 211,116</u> | <u>\$ 46,094</u> | <u>\$ 39,886</u> | <u>\$ 4,453,805</u> | <u>\$ 972,420</u> | <u>\$ 841,456</u> | Sum Line [35-39] |
| 41 | | | | | | | |
| 42 | NON-CURRENT LIABILITIES | | | | | | |
| 43 | \$ 15,984 | \$ (359) | \$ (32) | \$ 337,204 | \$ (7,565) | \$ (670) | |
| 44 | 1,658,259 | 1,022,454 | 560,416 | 34,983,418 | 21,570,166 | 11,822,813 | |
| 45 | - | - | - | - | - | - | |
| 46 | 544 | 942 | 1,360 | 11,468 | 19,880 | 28,683 | |
| 47 | 457,748 | 412,066 | 436,622 | 9,656,878 | 8,693,147 | 9,211,194 | |
| 48 | 94,944 | 100,839 | (2,129) | 2,002,989 | 2,127,340 | (44,916) | |
| 49 | <u>\$ 2,227,479</u> | <u>\$ 1,535,942</u> | <u>\$ 996,238</u> | <u>\$ 46,991,957</u> | <u>\$ 32,402,968</u> | <u>\$ 21,017,105</u> | Sum Line [43-48] |
| 50 | | | | | | | |
| 51 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 52 | | | | | | | |
| 53 | <u>\$ 11,371,684</u> | <u>\$ 12,620,642</u> | <u>\$ 13,843,605</u> | <u>\$ 239,902,452</u> | <u>\$ 266,251,062</u> | <u>\$ 292,051,265</u> | Line 30 + 32+ 40 + 49 + |
| 54 | | | | | | | |
| 55 | | | | | | | |
| 56 | | | | | | | |
| 57 | | | | | | | |
| 58 | \\2016 Anthem Water.xlsm | | | | | | |

| Line No. | | Test Year Ended (a) 12/31/2016 | Prior Year Ended (a) 12/31/2015 | Prior Year Ended (a) 12/31/2014 | |
|----------|-------------------------------------|--------------------------------|---------------------------------|---------------------------------|------------------------------|
| 1 | Operating Revenues | \$ 10,655,033 | \$ 10,289,064 | \$ 10,648,157 | |
| 2 | | | | | |
| 3 | Operation & Maintenance Expense | \$ 4,065,885 | \$ 3,891,992 | \$ 3,861,217 | |
| 4 | Depreciation & Amortization | 2,568,534 | 2,564,533 | 2,585,667 | |
| 5 | Other Taxes | 604,051 | 571,812 | 523,672 | |
| 6 | Income Taxes | 894,077 | 633,059 | 68,581 | |
| 7 | Total Operating Expense | <u>\$ 8,132,547</u> | <u>\$ 7,661,396</u> | <u>\$ 7,039,137</u> | Sum Line [3-6] |
| 8 | Operating Income | \$ 2,522,486 | \$ 2,627,668 | \$ 3,609,020 | Line [1] - Line [7] |
| 9 | | | | | |
| 10 | Other Income - Net | \$ (12,130) | \$ 371 | \$ 10,443 | |
| 11 | | | | | |
| 12 | Long-Term Interest | 689,901 | 685,572 | 686,662 | |
| 13 | | | | | |
| 14 | AFUDC | - | - | - | |
| 15 | | | | | |
| 16 | Net Income | <u>\$ 1,844,716</u> | <u>\$ 1,941,725</u> | <u>\$ 2,911,916</u> | Line [8] - Sum Lines [10-14] |
| 17 | | | | | |
| 18 | Preferred Dividends | \$ - | \$ - | \$ - | |
| 19 | | | | | |
| 20 | Earnings Available for Common Stock | \$ 1,844,716 | \$ 1,941,725 | \$ 2,911,916 | Line [16] -Line [18] |
| 21 | | | | | |
| 22 | Earnings Per Share of Average | | | | |
| 23 | Common Stock Outstanding | \$ 28.41 (b) | \$ 29.90 (b) | \$ 44.85 (b) | |
| 24 | | | | | |
| 25 | | | | | |
| 26 | | | | | |
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| 41 | | | | | |
| 42 | | | | | |
| 43 | | | | | |
| 44 | | | | | |
| 45 | Supporting Schedules: | Recap Schedules: | | | |
| 46 | (a) E-6 | | | | |
| 47 | (b) A-2 | | | | |
| 48 | | | | | |
| 49 | | | | | |
| 50 | \\2016 Anthem Water.xlsm | | | | |

Anthem Water

Test Year Ended December 31, 2016

Comparative Statement of Changes in Financial Position

Exhibit
Schedule E-3
Page 1
Witness: Murrey

| Line No. | Test Year Ended <u>12/31/2016</u> | Prior Year Ended <u>12/31/2015</u> | Prior Year Ended <u>12/31/2014</u> | |
|----------|--------------------------------------|---------------------------------------|---------------------------------------|----------------------|
| 1 | Source of Funds | | | |
| 2 | From Operations | | | |
| 3 | \$ 1,844,716 | \$ 1,941,725 | \$ 2,911,916 | (c) |
| 4 | 2,568,534 | 2,564,533 | 2,585,667 | (c) |
| 5 | - | - | - | |
| 6 | 635,805 | 462,037 | 77,190 | (b) |
| 7 | - | - | - | |
| 8 | <u>\$ 5,049,055</u> | <u>\$ 4,968,295</u> | <u>\$ 5,574,772</u> | Sum Lines [3-7] |
| 9 | From Financing | | | |
| 10 | \$ (644,392) | \$ (2,355,098) | \$ (2,724,792) | (b) |
| 11 | 154,612 | 1,792,775 | 2,224,548 | (b) |
| 12 | (1,760) | 436,599 | (1,627) | (b) |
| 13 | (Decrease) / Increase in Net Amounts | | | |
| 14 | <u>(4,265,911)</u> | <u>(3,840,280)</u> | <u>(5,575,761)</u> | (b) |
| 15 | <u>\$ (4,757,451)</u> | <u>\$ (3,966,004)</u> | <u>\$ (6,077,632)</u> | Sum Lines [10-14] |
| 16 | | | | |
| 17 | <u>\$ 291,604</u> | <u>\$ 1,002,291</u> | <u>\$ (502,860)</u> | Line [8] + Line [15] |
| 18 | | | | |
| 19 | Application of Funds | | | |
| 20 | \$ 1,391,101 | \$ 1,444,753 | \$ 352,699 | (a) |
| 21 | - | - | - | |
| 22 | 394,679 | 865,851 | 993,423 | (d) |
| 23 | <u>15,143</u> | <u>(104,521)</u> | <u>(32,030)</u> | |
| 24 | <u>\$ 1,800,923</u> | <u>\$ 2,206,083</u> | <u>\$ 1,314,092</u> | Sum Lines [20-23] |
| 25 | | | | |
| 26 | | | | |
| 27 | | | | |
| 28 | | | | |
| 29 | | | | |
| 30 | 4 Factor | 6.8860% | | |
| 31 | | | | |
| 32 | Business Unit | 7K | | |
| 33 | | | | |
| 34 | | | | |
| 35 | | | | |
| 36 | | | | |
| 37 | | | | |
| 38 | | | | |
| 39 | | | | |
| 40 | | | | |
| 41 | | | | |
| 42 | Supporting Schedules: | Recap Schedules: | | |
| 43 | (a) A-4 | A-5 | | |
| 44 | (b) E-1 | | | |
| 45 | (c) E-2 | | | |
| 46 | (d) E-4 | | | |
| 47 | | | | |
| 48 | Workpapers & Supporting Documents | | | |
| 49 | | | | |
| 50 | \2016 Anthem Water.xlsm | | | |

Anthem Water

Test Year Ended December 31, 2016

Statement of Changes in Stockholders Equity

Total Company

Exhibit
Schedule E-4
Page 1
Witness: Hubbard

| Line No. | | Shares <u>Outstanding</u> [A] | Common <u>Stock</u> [B] | Additional <u>Paid-In-Capital</u> [C] | Retained <u>Earnings (a)</u> [D] | <u>Total</u> [E] = [A] + [B] + [C] + [D] | |
|----------|---|-------------------------------------|-------------------------------|---|--|---|-------------------|
| 1 | Balance December 31, 2013 | (a) 564,890 | \$ 5,126,020 | \$ 188,930,412 | \$ 1,705,973 | \$ 195,762,406 | |
| 2 | | | | | | | |
| 3 | Net Income | | | | 25,200,154 | 25,200,154 | |
| 4 | | | | | | | |
| 5 | Dividends Paid | | | | (14,426,797) | (14,426,797) | |
| 6 | | | | | | | |
| 7 | Other/Reclass | | | | (3,192,850) | (3,192,850) | |
| 8 | | | | | | | |
| 9 | Balance December 31, 2014 | 564,890 | \$ 5,126,020 | \$ 188,930,412 | \$ 9,286,480 | \$ 203,342,913 | Sum Lines [1-7] |
| 10 | | | | | | | |
| 11 | Net Income | | | | 17,046,938 | 17,046,938 | |
| 12 | | | | | | | |
| 13 | Dividends Paid | | | | (12,574,150) | (12,574,150) | |
| 14 | | | | | | | |
| 15 | Other/Reclass | | | 14,959,074 | (14,530,748) | 428,326 | |
| 16 | | | | | | | |
| 17 | Balance December 31, 2015 | 564,890 | \$ 5,126,020 | \$ 203,889,486 | \$ (771,479) | \$ 208,244,027 | Sum Lines [9-15] |
| 18 | | | | | | | |
| 19 | Net Income | | | | 21,147,791 | 21,147,791 | |
| 20 | | | | | | | |
| 21 | Dividends Paid | | | | (5,731,652) | (5,731,652) | |
| 22 | | | | | | | |
| 23 | Other/Reclass | | | | 35,048 | 35,048 | |
| 24 | | | | | | | |
| 25 | Balance December 31, 2016 | 564,890 | \$ 5,126,020 | \$ 203,889,486 | \$ 14,679,708 | \$ 223,695,214 | Sum Lines [17-23] |
| 26 | | | | | | | |
| 27 | | | | | | \$ 223,695,213 | Sch D-2 Line [16] |
| 28 | | | | | | \$ 1 | Rounding |
| 29 | | | | | | | |
| 30 | | | | | | | |
| 31 | | | | | | | |
| 32 | | | | | | | |
| 33 | | | | | | | |
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| 38 | | | | | | | |
| 39 | | | | | | | |
| 40 | | | | | | | |
| 41 | | | | | | | |
| 42 | | | | | | | |
| 43 | Supporting Schedules: | | | Recap Schedules: | | | |
| 44 | D-2 | | | D-1 | | | |
| 45 | | | | | | | |
| 46 | Workpapers & Supporting Documents | | | | | | |
| 47 | (a) \#69 & 70 - Common Equity Reconciliation.xlsx | | | | | | |
| 48 | | | | | | | |
| 49 | | | | | | | |
| 50 | \2016 Anthem Water.xlsm | | | | | | |

Anthem Water

Test Year Ended December 31, 2016

Detail of Plant in Service

Exhibit

Schedule E-5

Page 1 of 8

Witness: Clor

| 7K | | Business Unit | | [A] | [B] | [C] = [A] + [B] |
|------|--------|---------------|--|------------------------------|---|--------------------------------|
| Line | No. | NARUC Acct. | Description | Plant Balance at 1/1/2016 | Plant Additions, Reclassifications or Retirements | Plant Balance at 12/31/2016 |
| 1 | 301000 | | Organization | \$ - | \$ - | \$ - |
| 2 | 302000 | | Franchises | 4,719,240 | - | 4,719,240 |
| 3 | 303200 | | Land & Land Rights Supply | 6,014,990 | - | 6,014,990 |
| 4 | 303300 | | Land & Land Rights Pumping | 20,000 | - | 20,000 |
| 5 | 303400 | | Land & Land Rights Treatment | - | - | - |
| 6 | 303500 | | Land & Land Rights T&D | - | - | - |
| 7 | 303600 | | Land & Land Rights General | - | - | - |
| 8 | 304100 | | Structures & Improvements Supply | 5,572,855 | (154,498) | 5,418,357 |
| 9 | 304200 | | Structures & Improvements Pumping | 3,069,528 | - | 3,069,528 |
| 10 | 304300 | | Structures & Improvements Treatment | 1,132,801 | 9,880 | 1,142,681 |
| 11 | 304400 | | Structures & Improvements Trans & Dist | 112,667 | - | 112,667 |
| 12 | 304500 | | Structures & Improvements General | - | - | - |
| 13 | 304600 | | Structures & Improvements Offices | 123,581 | 37,912 | 161,493 |
| 14 | 304620 | | Structures & Improvements Leasehold | - | - | - |
| 15 | 304700 | | Structures & Improvements Store,Shop,Gge | - | - | - |
| 16 | 304800 | | Structures & Improvements Miscellaneous | - | - | - |
| 17 | 305000 | | Collect & Impounding | 314,414 | - | 314,414 |
| 18 | 306000 | | Lake, River & Other Intakes | 405,221 | - | 405,221 |
| 19 | 307000 | | Wells & Springs | 92,902 | 676 | 93,578 |
| 20 | 308000 | | Infiltration Galleries | 245,768 | - | 245,768 |
| 21 | 309000 | | Supply Mains | - | - | - |
| 22 | 310000 | | Power Production Equipment | 42,743 | - | 42,743 |
| 23 | 310100 | | Power Production Equipment | - | - | - |
| 24 | 311000 | | Pumping Equipment Steam | 7,216 | - | 7,216 |
| 25 | 311200 | | Pumping Equipment Electric | 12,385,839 | 17,047 | 12,402,886 |
| 26 | 311300 | | Pumping Equipment Diesel | - | - | - |
| 27 | 311400 | | Pumping Equipment Hydraulic | 390,211 | - | 390,211 |
| 28 | 311500 | | Pumping Equipment Other | 40,104 | - | 40,104 |
| 29 | 311530 | | Pumping Equipment Water Treatment | 79,407 | 1,496 | 80,903 |
| 30 | 320100 | | Water Treatment Equipment Non-Media | 12,495,854 | 4,199 | 12,500,053 |
| 31 | 320200 | | Water Treatment Equipment Filter Media | 829,246 | 1,052,981 | 1,882,227 |
| 32 | 330000 | | Distribution Reservoirs & Standpipes | 5,138,953 | 10,320 | 5,149,273 |
| 33 | 330100 | | Elevated Tank & Standpipes | - | - | - |
| 34 | 330200 | | Ground Level Tanks | - | - | - |
| 35 | 330300 | | Below Ground Tanks | - | - | - |
| 36 | 330400 | | Clearwell | - | - | - |
| 37 | 331001 | | TD Mains Not Classified by Size | 3,266,675 | 3,001 | 3,269,676 |
| 38 | 331100 | | TD Mains 4in & Less | 15,571,925 | (20,637) | 15,551,288 |
| 39 | 331200 | | TD Mains 6in to 8in | 8,316,084 | - | 8,316,084 |
| 40 | 331300 | | TD Mains 10in to 16in | 4,871,084 | - | 4,871,084 |
| 41 | 331400 | | TD Mains 18in & Grtr | 2,124 | 8,166 | 10,290 |
| 42 | | | | | | |
| 43 | | | | | | |
| 44 | | | | | | |
| 45 | | | (continued) | | | |
| 46 | | | | | Recap Schedules: | |
| 47 | | | Workpapers & Supporting Documents: | | A-4 | |
| 48 | | | \UPIS Anthem Water.xlsx | | B-2 | |
| 49 | | | | | E-1 | |
| 50 | | | \2016 Anthem Water.xlsm | | | |

Anthem Water

Test Year Ended December 31, 2016

Detail of Plant in Service

Exhibit

Schedule E-5

Page 2 of 8

Witness: Clor

| Line | | | [A] | [B] | [C] = [A] + [B] |
|------|---------------------------------|--|------------------------------|---|--------------------------------|
| No. | NARUC Acct. | Description | Plant Balance at 1/1/2016 | Plant Additions, Reclassifications or Retirements | Plant Balance at 12/31/2016 |
| 1 | <u>Anthem Water (continued)</u> | | | | |
| 2 | 332000 | Fire Mains | \$ - | \$ - | \$ - |
| 3 | 333000 | Services | 2,271,299 | 18,991 | 2,290,290 |
| 4 | 334100 | Meters | 1,334,244 | 191,938 | 1,526,182 |
| 5 | 334200 | Meter Installations | 388,896 | - | 388,896 |
| 6 | 334300 | Meter Vaults | 14,599 | - | 14,599 |
| 7 | 335000 | Hydrants | 2,166,083 | (3,328) | 2,162,755 |
| 8 | 336000 | Backflow Prevention Devices | - | - | - |
| 9 | 339100 | Other P/E-Intangible | - | - | - |
| 10 | 339200 | Other P/E-Supply | - | - | - |
| 11 | 339500 | Other P/E-TD | - | - | - |
| 12 | 339600 | Other P/E-CPS | - | - | - |
| 13 | 340100 | Office Furniture & Equipment | 154,541 | 4,727 | 159,268 |
| 14 | 340200 | Computer & Periphel Equipment | 23,282 | 8,314 | 31,596 |
| 15 | 340300 | Computer Software | 4,150 | 21,537 | 25,687 |
| 16 | 340500 | Other Office Equipment | - | - | - |
| 17 | 341100 | Transportation Equip Light Duty Trucks | 20,515 | 54,613 | 75,128 |
| 18 | 341200 | Transportation Equip Heavy Duty Trucks | 60,218 | - | 60,218 |
| 19 | 341400 | Transportation Equipment Other | 28,280 | - | 28,280 |
| 20 | 342000 | Stores Equipment | - | - | - |
| 21 | 343000 | Tools,Shop,Garage Equipment | 79,508 | 856 | 80,364 |
| 22 | 344000 | Laboratory Equipment | 136,132 | 3,291 | 139,423 |
| 23 | 345000 | Power Operated Equipment | 18,135 | - | 18,135 |
| 24 | 346100 | Communication Equipment Non-Telephone | 137,719 | - | 137,719 |
| 25 | 346190 | Remote Control & Instrument | 6,610 | - | 6,610 |
| 26 | 346200 | Communication Equipment Telephone | 22,846 | - | 22,846 |
| 27 | 346300 | Communication Equipment Other | 12,649 | 82,171 | 94,820 |
| 28 | 347000 | Miscellaneous Equipment | 60,893 | 1,096 | 61,989 |
| 29 | 348000 | Other Tangible Plant | - | - | - |
| 30 | | | | | |
| 31 | | | | | |
| 32 | | | | | |
| 33 | | | | | |
| 34 | | | | | |
| 35 | | | | | |
| 36 | | | | | |
| 37 | | | | | |
| 38 | | | | | |
| 39 | | | | | |
| 40 | | Total Plant in Service - Anthem Water | <u>\$ 92,202,032</u> | <u>\$ 1,354,750</u> | <u>\$ 93,556,782</u> |
| 41 | | From Schedule E-1a | \$ 90,058,124 | | \$ 91,406,294 |
| 42 | | Variance | \$ 2,143,909 | | \$ 2,150,488 |
| 43 | | | | | |
| 44 | | | | | |
| 45 | | | | | |
| 46 | | (continued) | | | |
| 47 | | | | | |
| 48 | | Workpapers & Supporting Documents: | | Recap Schedules: | |
| 49 | | \UPIS Anthem Water.xlsx | | A-4 | |
| 50 | | \2016 Anthem Water.xlsm | | B-2 | |
| | | | | E-1 | |

Sum Lines [1-42] pg1+
 Lines [2-29] pg2
 Sche1a
 Line [40] - Line [41]

Anthem Water

Test Year Ended December 31, 2016

Detail of Plant in Service

Exhibit

Schedule E-5

Page 3 of 8

Witness: Clor

| Line | | | [A] | [B] | [C] = [A] + [B] | |
|------|------------------------------------|---|------------------------------|---|--------------------------------|------------------------|
| No. | NARUC Acct. | Description | Plant Balance at 1/1/2016 | Plant Additions, Reclassifications or Retirements | Plant Balance at 12/31/2016 | |
| 1 | <u>Corporate Plant</u> | | | | | |
| 2 | 304500 | Structures & Improvements General | \$ 192,857 | \$ 21,390 | \$ 214,247 | |
| 3 | 304620 | Structures & Improvements Leasehold | 18,317 | 22,873 | 41,191 | |
| 4 | 334100 | Meters | 11,777 | - | 11,777 | |
| 5 | 339600 | Other P/E-CPS | 364,887 | - | 364,887 | |
| 6 | 340100 | Office Furniture & Equipment | 1,267,925 | 16,441 | 1,284,366 | |
| 7 | 340200 | Computer & Periphel Equipment | 1,404,587 | 72,980 | 1,477,567 | |
| 8 | 340300 | Computer Software | 193,904 | 26,615 | 220,520 | |
| 9 | 340330 | Computer Software Other | 6,370 | (6,370) | - | |
| 10 | 341100 | Transportation Equip Light Duty Trucks | - | 244,306 | 244,306 | |
| 11 | 341200 | Transportation Equip Heavy Duty Trucks | - | 167,951 | 167,951 | |
| 12 | 341400 | Transportation Equipment Other | - | 26,903 | 26,903 | |
| 13 | 344000 | Laboratory Equipment | 17,277 | - | 17,277 | |
| 14 | 346100 | Communication Equipment Non-Telephone | 186,080 | - | 186,080 | |
| 15 | 346190 | Remote Control & Instrument | 122,024 | (46,089) | 75,935 | |
| 16 | 346200 | Communication Equipment Telephone | 68,942 | - | 68,942 | |
| 17 | 346300 | Communication Equipment Other | 154,411 | 28,818 | 183,229 | |
| 18 | 347000 | Miscellaneous Equipment | 1,292,262 | (622,372) | 669,890 | |
| 19 | 391000 | WW Trans Equipment | - | 952,226 | 952,226 | |
| 20 | | | | | | |
| 21 | | Total Corporate Plant | | | \$ 6,207,292 | Sum Lines [2- 19] |
| 22 | | | | | | |
| 23 | | GMC Factor % Allocated to Anthem Water | | | 4.7401% | |
| 24 | | | | | | |
| 25 | | Anthem Water Allocation of 7A | | | \$ 294,234 | Lines [21] * Line [23] |
| 26 | | From Schedule E-1b | | | \$ 294,234 | Sche1b |
| 27 | | Variance | | | \$ - | Lines [25] - Line [26] |
| 28 | | | | | | |
| 29 | | | | | | |
| 30 | | | | | | |
| 31 | | | | | | |
| 32 | | | | | | |
| 33 | <u>Summarization of Plant</u> | | | | | |
| 34 | | Anthem Water Direct Plant | | | \$ 93,556,782 | Line [40], pg 2 |
| 35 | | Corporate Plant Allocated | | | 294,234 | Line [25], pg 3 |
| 36 | | | | | | |
| 37 | | Total Anthem Water Plant | | | \$ 93,851,016 | Sum Lines [34-35] |
| 38 | | From Schedule E-1 | | | 91,700,528 | Sche1 |
| 39 | | Variance | | | \$ 2,150,488 | Line [37] - Line [38] |
| 40 | | Rollforward Adjustment (line [5] below) | | | \$ 2,150,488 | Line [7], pg 4 |
| 41 | | | | | | |
| 42 | | | | | | |
| 43 | | | | | | |
| 44 | | | | | | |
| 45 | | | | | | |
| 46 | | | | | | |
| 47 | Workpapers & Supporting Documents: | | | Recap Schedules: | | |
| 48 | \UPIS Anthem Water.xlsx | | | A-4 | | |
| 49 | \UPIS Corporate Arizona.xlsx | | | B-2 | | |
| 50 | \2016 Anthem Water.xlsm | | | E-1 | | |

Line
No.

| | | [A] | [B] | [C] = [A] - [B] | |
|-------------|----------------------------------|---------------|----------------|-----------------|-----------------|
| Adj Number | Reconciliation of Plant Balances | Rollforward | General Ledger | Difference | |
| ADJ SMC-RB1 | District Direct | \$ 93,556,782 | \$ 91,406,294 | \$ 2,150,488 | |
| ADJ SMC-RB2 | 7A Corporate | 294,234 | 294,234 | - | |
| | | - | - | - | |
| | Total Expected Variance | \$ 93,851,016 | \$ 91,700,528 | \$ 2,150,488 | Sum Lines [4-5] |
| | Sche1 | \$ 93,851,016 | \$ 91,700,528 | \$ 2,150,488 | |

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 12
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 14
 15
 16
 17
 18
 19

| GMC Alloc Facto 7A Corporate | | Rollforward | General Ledger | Difference | |
|------------------------------|---|--------------|----------------|------------|-----------------------|
| 12.8871% | Sun City Water | \$ 799,937 | \$ 799,937 | \$ - | |
| 11.8255% | Sun City Wastewater | 734,042 | 734,042 | - | |
| 8.1316% | Sun City West Water | 504,752 | 504,752 | - | |
| 7.9444% | Sun City West Wastewater | 493,135 | 493,135 | - | |
| 23.1862% | Agua Fria Water | 1,439,237 | 1,439,237 | - | |
| 4.2897% | Agua Fria Wastewater | 266,274 | 266,274 | - | |
| 4.7401% | Anthem Water | 294,234 | 294,234 | - | |
| 4.6793% | Anthem Wastewater | 290,460 | 290,460 | - | |
| 8.5011% | Mohave Water | 527,691 | 527,691 | - | |
| 0.8406% | Mohave Wastewater | 52,178 | 52,178 | - | |
| 2.6016% | Paradise Valley Water | 161,490 | 161,490 | - | |
| 1.0685% | North Mohave Water | 66,322 | 66,322 | - | |
| 0.3225% | Tubac Water | 20,018 | 20,018 | - | |
| 0.9331% | Havasu Water | 57,921 | 57,921 | - | |
| 0.7941% | Willow Valley Water | 49,291 | 49,291 | - | |
| 0.0137% | Luke 303 Wastewater | 853 | 853 | - | |
| 7.2408% | Chaparral City Water | 449,456 | 449,456 | - | |
| 100.00% | TOTAL | \$ 6,207,292 | \$ 6,207,292 | \$ - | Sum Line [21-37] |
| | Summary of Plant Balance and Accum Dep By NARUC | \$ 6,207,292 | \$ 6,207,292 | \$ - | |
| | Diff | \$ - | \$ - | \$ - | Line [38] - Line [39] |

41
 42
 43
 44
 45
 46
 47
 48
 49
 50

Workpapers & Supporting Documents:
 \UPIS Anthem Water.xlsx
 \2016 Anthem Water.xlsm

Recap Schedules:
 A-4
 B-2
 E-1

Anthem Water

Test Year Ended December 31, 2016

Detail of Plant in Service

Exhibit

Schedule E-5

Page 5 of 8

Witness: Clor

Line
No.

| 1 | Adj Number | Reconciliation to B-2 Final Balance | General Ledger | ADJ | FINAL |
|----|--------------|---|----------------------|---------------------|----------------------|
| 2 | ADJ SMC-RB1 | Test Year Plant and Accumulated Depreciation Bal | \$ 91,406,294 | \$ 2,150,488 | \$ 93,556,782 |
| 3 | ADJ SMC-RB2 | Corporate Plant and Accumulated Depreciation Ba | 294,234 | - | 294,234 |
| 4 | ADJ SMC-RB3 | 6U Plant and Accumulated Depreciation Balances | - | 180,019 | 180,019 |
| 5 | ADJ SMC-RB4 | Test Year CWIP and Post Test Year Plant Additions | - | 2,697,154 | 2,697,154 |
| 6 | ADJ SMC-RB5 | Remove Wastewater Vector Trucks | - | (45,137) | (45,137) |
| 7 | ADJ SMC-RB6 | AIAC Refunds Paid Post Test Year | - | - | - |
| 8 | ADJ SMC-RB7 | Remove Plant Acquisition Adjustment | - | - | - |
| 9 | ADJ SMC-RB8 | Removal of CIAC not in Plant in Service | - | - | - |
| 10 | ADJ SMC-RB9 | Intentionally Left Blank | - | - | - |
| 11 | ADJ SMC-RB10 | Clear Regulatory Assets and Liabilities | - | - | - |
| 12 | ADJ SMC-RB11 | Intentionally Left Blank | - | - | - |
| 13 | ADJ SMC-RB12 | Corporate Regulatory Asset Y2K & Depreciation Stu | - | - | - |
| 14 | ADJ SMC-RB13 | Intentionally Left Blank | - | - | - |
| 15 | ADJ SMC-RB14 | Intentionally Left Blank | - | - | - |
| 16 | ADJ SMC-RB15 | Anthem - Phoenix Interconnect Regulatory Asset | - | - | - |
| 17 | ADJ SMC-RB16 | Intentionally Left Blank | - | - | - |
| 18 | ADJ SMC-RB17 | Intentionally Left Blank | - | - | - |
| 19 | ADJ SMC-RB18 | Intentionally Left Blank | - | - | - |
| 20 | ADJ SMC-RB19 | Intentionally Left Blank | - | - | - |
| 21 | ADJ SMC-RB20 | Retirements on Test Year Plant | - | (3,277) | (3,277) |
| 22 | ADJ SMC-RB21 | Capital Lease Vehicles | - | 160,450 | 160,450 |
| 23 | ADJ SMC-RB22 | Intentionally Left Blank | - | - | - |
| 24 | | | | | |
| 25 | | | | | |
| 26 | | | | | |
| 27 | | | | | |
| 28 | | | | | |
| 29 | | | - | - | - |
| 30 | | Total | \$ 91,700,528 | \$ 5,139,697 | \$ 96,840,225 |
| 31 | | PER B-2 | \$ 91,700,528 | \$ 5,139,697 | \$ 96,840,225 |
| 32 | | Difference | \$ - | \$ - | \$ - |

Sum Line [2-29]

Line [31] - Line [30]

47 Workpapers:

48 \Summary of Plant Balances and Accum Depr by NARUC.xlsx

49

50 Sche1 \2016 Anthem Water.xlsm

Anthem Water

Test Year Ended December 31, 2016

Detail of Plant in Service

Exhibit

Schedule E-5

Page 6 of 8

Witness: Clor

Line

No.

1
2 [A] [B] [C] = [A] - [B]
ADJ SMC-RB3 ADJ SMC-RB3

| Alloc Factor | Test Year Plant -6U | Plant | Accum Dep | Total |
|----------------|--------------------------|---------------------|---------------------|---------------------|
| 100.00% | 6U (USA) | | | |
| 21.116% | Agua Fria Water | \$ 880,558 | \$ 370,813 | \$ 509,745 |
| 4.317% | Anthem Water | 180,019 | 75,808 | 104,211 |
| 6.594% | Chaparral City Water | 274,987 | 115,800 | 159,187 |
| 0.850% | Havasu Water | 35,438 | 14,923 | 20,514 |
| 7.742% | Mohave Water | 322,853 | 135,957 | 186,896 |
| 0.973% | North Mohave Water | 40,578 | 17,088 | 23,490 |
| 2.369% | Paradise Valley Water | 98,804 | 41,607 | 57,196 |
| 11.737% | Sun City Water | 489,420 | 206,100 | 283,319 |
| 7.406% | Sun City West Water | 308,819 | 130,047 | 178,772 |
| 0.294% | Tubac Water | 12,248 | 5,158 | 7,090 |
| 0.723% | Willow Valley Water | 30,157 | 12,699 | 17,458 |
| 3.907% | Agua Fria Wastewater | 162,912 | 68,604 | 94,308 |
| 4.262% | Anthem Wastewater | 177,710 | 74,836 | 102,874 |
| 0.766% | Mohave Wastewater | 31,924 | 13,444 | 18,480 |
| 10.770% | Sun City Wastewater | 449,103 | 189,123 | 259,981 |
| 7.235% | Sun City West Wastewater | 301,711 | 127,054 | 174,657 |
| 0.013% | Luke 303 Wastewater | 522 | 220 | 302 |
| 7.626% | Clovis | 318,014 | 133,920 | 184,095 |
| 0.931% | Edgewood | 38,831 | 16,352 | 22,479 |
| 0.370% | Thunder Mountain | 15,420 | 6,493 | 8,926 |
| 100.00% | TOTAL | \$ 4,170,026 | \$ 1,756,047 | \$ 2,413,980 |

Sum Line [5-24]

29 [A] [B] [C] = [A] - [B]
30 ADJ SMC-RB4

| Alloc Factor | Post Test Year Plant - District & Corporate & 6U | Plant | Accum Dep | Total |
|--------------|--|----------------------|---------------------|----------------------|
| Direct | Agua Fria Water | \$ 17,672,810 | \$ 926,739.22 | \$ 16,746,071 |
| Direct | Anthem Water | 2,286,682 | 79,065 | 2,207,618 |
| Direct | Chaparral City Water | 3,946,301 | 137,928 | 3,808,372 |
| Direct | Havasu Water | 418,619 | 20,067 | 398,552 |
| Direct | Mohave Water | 2,855,766 | 87,516 | 2,768,249 |
| Direct | North Mohave Water | 650,350 | 18,509 | 631,841 |
| Direct | Paradise Valley Water | 1,936,891 | 54,845 | 1,882,046 |
| Direct | Sun City Water | 6,719,581 | 236,879 | 6,482,701 |
| Direct | Sun City West Water | 2,043,536 | 80,765 | 1,962,771 |
| Direct | Tubac Water | 279,164 | 6,052 | 273,112 |
| Direct | Willow Valley Water | 291,410 | 6,058 | 285,352 |
| | TOTAL | \$ 39,101,111 | \$ 1,654,425 | \$ 37,446,686 |

Sum Line [32-42]

45 Workpapers:

46 \Summary of Plant Balances and Accum Depr by NARUC.xlsx

47

48 Sche1 \2016 Anthem Water.xlsm

49

50

Anthem Water

Test Year Ended December 31, 2016

Detail of Plant in Service

Exhibit

Schedule E-5

Page 8 of 8

Witness: Clor

Line [A] [B] [C] = [A] + [B]
 No.

ADJ SMC-RB21 ADJ SMC-RB21

| Alloc Factor | Capital Lease Vehicles | Plant | Accum Dep | Total |
|---------------|------------------------|---------------------|-------------------|---------------------|
| Direct | | | | |
| | Agua Fria Water | \$ 1,013,564 | \$ 298,787 | \$ 714,777 |
| | Anthem Water | 160,450 | 54,903 | 105,547 |
| | Chaparral City Water | 323,690 | 124,005 | 199,685 |
| | Havasu Water | 91,833 | 35,132 | 56,701 |
| | Mohave Water | 262,728 | 106,207 | 156,521 |
| | North Mohave Water | 48,088 | 17,151 | 30,937 |
| | Paradise Valley Water | 235,814 | 99,710 | 136,105 |
| | Sun City Water | 563,661 | 110,591 | 453,070 |
| | Sun City West Water | 312,867 | 59,533 | 253,334 |
| | Tubac Water | 61,875 | 9,345 | 52,530 |
| | Willow Valley Water | 105,509 | 15,142 | 90,366 |
| TOTAL | | \$ 3,180,079 | \$ 930,505 | \$ 2,249,574 |

Sum Line [3-22]

48 Workpapers:

49 \Summary of Plant Balances and Accum Depr by NARUC.xlsx

4-factor

50 Schb2

\2016 Anthem Water.xlsm

| Line No. | | Test Year Ended 12/31/2016 | Prior Year Ended 12/31/2015 | Prior Year Ended 12/31/2014 | |
|--------------------------------------|--|----------------------------|-----------------------------|-----------------------------|-----------------------|
| Revenues | | | | | |
| 1 | Water Revenues | \$ 10,017,990 | \$ 9,703,586 | \$ 10,038,686 | |
| 2 | Wastewater Revenues | - | - | - | |
| 3 | Other Revenues | 637,043 | 585,477 | 609,471 | |
| 4 | | | | | |
| 5 | Total Revenues | <u>\$ 10,655,033</u> | <u>\$ 10,289,064</u> | <u>\$ 10,648,157</u> | Sum Lines [1-3] |
| Operating Expenses | | | | | |
| 7 | Labor | \$ 1,014,882 | \$ 1,099,398 | \$ 1,039,559 | |
| 8 | Purchased Water | 591,528 | 649,366 | 635,572 | |
| 9 | Fuel & Power | 694,583 | 728,566 | 775,769 | |
| 10 | Chemicals | 77,299 | 85,356 | 71,360 | |
| 11 | Waste Disposal & Other Utilities | 3,672 | 2,790 | 2,509 | |
| 12 | Intercompany Support Services | | | | |
| 13 | Corporate Allocation | 313,267 | 272,163 | 288,282 | |
| 14 | Outside Services | 188,436 | 121,786 | 193,018 | |
| 15 | Group Insurance & Other Employee Benefits | 455,337 | 286,791 | 248,280 | |
| 16 | Pensions | - | - | - | |
| 17 | Regulatory Expense | 3,188 | 3,352 | 3,333 | |
| 18 | Insurance Other Than Group | 91,124 | 107,581 | 105,138 | |
| 19 | Customer Accounting | 297,390 | 304,124 | 274,396 | |
| 20 | Rents | 36,682 | 23,006 | 22,254 | |
| 21 | General Office Expense | 156,085 | 121,362 | 136,938 | |
| 22 | Miscellaneous | (81,050) | (112,870) | (125,558) | |
| 23 | Maintenance Expense | 223,460 | 199,222 | 190,367 | |
| 24 | Depreciation & Amortization | 2,568,534 | 2,564,533 | 2,585,667 | |
| 25 | General Taxes-Property | 494,510 | 473,363 | 428,053 | |
| 26 | General Taxes-Other | 109,541 | 98,449 | 95,619 | |
| 27 | Income Taxes | 894,077 | 633,059 | 68,581 | |
| 28 | | | | | |
| 29 | Total Operating Expenses | <u>\$ 8,132,547</u> | <u>\$ 7,661,396</u> | <u>\$ 7,039,137</u> | Sum Lines [7-27] |
| 30 | Utility Operating Income | <u>\$ 2,522,486</u> | <u>\$ 2,627,668</u> | <u>\$ 3,609,020</u> | Line [5] - Line [29] |
| Other Income & Deductions | | | | | |
| 32 | Other Income & Deductions | \$ (12,130) | \$ 371 | \$ 10,443 | |
| 33 | Interest Expense | 689,901 | 685,572 | 686,662 | |
| 34 | Other Expense | - | - | - | |
| 35 | Gain/Loss Sale of Fixed Assets | - | - | (163) | |
| 36 | Total Other Income & Deductions | <u>\$ 677,770</u> | <u>\$ 685,943</u> | <u>\$ 696,942</u> | Sum Lines [32-35] |
| 37 | Net Profit / (Loss) | <u>\$ 1,844,716</u> | <u>\$ 1,941,725</u> | <u>\$ 2,912,078</u> | Line [30] - Line [36] |

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 45 Supporting Schedules:

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| Line No. | | Test Year Ended 12/31/2016 | Prior Year Ended 12/31/2015 | Prior Year Ended 12/31/2014 | |
|-----------------|--|----------------------------|-----------------------------|-----------------------------|-----------------------|
| Revenues | | | | | |
| 1 | Water Revenues | \$ 10,017,990 | \$ 9,703,586 | \$ 10,038,686 | |
| 2 | Wastewater Revenues | - | - | - | |
| 3 | Other Revenues | 637,043 | 585,314 | 609,471 | |
| 4 | | | | | |
| 5 | Total Revenues | <u>\$ 10,655,033</u> | <u>\$ 10,288,900</u> | <u>\$ 10,648,157</u> | Sum Lines [1-3] |
| 6 | Operating Expenses | | | | |
| 7 | Labor | \$ 723,007 | \$ 614,757 | \$ 607,036 | |
| 8 | Purchased Water | 591,528 | 649,272 | 635,572 | |
| 9 | Fuel & Power | 691,671 | 725,090 | 770,896 | |
| 10 | Chemicals | 77,290 | 85,330 | 71,302 | |
| 11 | Waste Disposal & Other Utilities | 3,242 | 2,453 | 2,208 | |
| 12 | Intercompany Support Services | | | | |
| 13 | Corporate Allocation | - | - | - | |
| 14 | Outside Services | 111,717 | 68,657 | 131,904 | |
| 15 | Group Insurance & Other Employee Benefits | 328,472 | 241,686 | 216,445 | |
| 16 | Pensions | - | - | - | |
| 17 | Regulatory Expense | - | - | - | |
| 18 | Insurance Other Than Group | 81,725 | 92,663 | 95,940 | |
| 19 | Customer Accounting | 265,435 | 285,737 | 259,161 | |
| 20 | Rents | 2 | 722 | 412 | |
| 21 | General Office Expense | 61,378 | 50,835 | 62,312 | |
| 22 | Miscellaneous | (91,231) | (121,889) | (131,562) | |
| 23 | Maintenance Expense | 162,500 | 143,886 | 130,963 | |
| 24 | Depreciation & Amortization | 2,460,223 | 2,527,275 | 2,464,969 | |
| 25 | General Taxes-Property | 493,166 | 473,272 | 428,053 | |
| 26 | General Taxes-Other | 46,162 | 37,559 | 36,013 | |
| 27 | Income Taxes | - | - | - | |
| 28 | | | | | |
| 29 | Total Operating Expenses | <u>\$ 6,006,287</u> | <u>\$ 5,877,305</u> | <u>\$ 5,781,625</u> | Sum Lines [7-27] |
| 30 | Utility Operating Income | <u>\$ 4,648,746</u> | <u>\$ 4,411,595</u> | <u>\$ 4,866,532</u> | Line [5] - Line [29] |
| 31 | Other Income & Deductions | | | | |
| 32 | Other Income & Deductions | \$ (11,349) | \$ (5) | \$ 10,443 | |
| 33 | Interest Expense | - | - | - | |
| 34 | Other Expense | - | - | - | |
| 35 | Gain/Loss Sale of Fixed Assets | - | - | - | |
| 36 | Total Other Income & Deductions | <u>\$ (11,349)</u> | <u>\$ (5)</u> | <u>\$ 10,443</u> | Sum Lines [32-35] |
| 37 | Net Profit / (Loss) | <u>\$ 4,660,095</u> | <u>\$ 4,411,600</u> | <u>\$ 4,856,090</u> | Line [30] - Line [36] |
| 38 | | | | | |
| 39 | | \$ (4,660,095) | \$ (4,411,600) | \$ (4,856,090) | |
| 40 | | \$ - | \$ (0) | \$ - | |
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| 45 | Supporting Schedules: | | | | |
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Anthem Water

Test Year Ended December 31, 2016

Comparative Departmental Statements of Operating Income Allocations

Allocating Factor 6.8860%

BU to be Allocated 7A

Exhibit
Schedule E-6b
Page 1
Witness: Murrey

| Line No. | | Test Year Ended 12/31/2016 | Prior Year Ended 12/31/2015 | Prior Year Ended 12/31/2014 | |
|--------------------------------------|--|------------------------------|------------------------------|------------------------------|-----------------------|
| Revenues | | | | | |
| 1 | Water Revenues | \$ - | \$ - | \$ - | |
| 2 | Wastewater Revenues | - | - | - | |
| 3 | Other Revenues | - | 164 | - | |
| 4 | | | | | |
| 5 | Total Revenues | <u>\$ -</u> | <u>\$ 164</u> | <u>\$ -</u> | Sum Lines [1-3] |
| Operating Expenses | | | | | |
| 7 | Labor | \$ 291,876 | \$ 484,641 | \$ 432,523 | |
| 8 | Purchased Water | - | 94 | - | |
| 9 | Fuel & Power | 2,912 | 3,476 | 4,873 | |
| 10 | Chemicals | 9 | 25 | 58 | |
| 11 | Waste Disposal & Other Utilities | 430 | 337 | 301 | |
| 12 | Intercompany Support Services | | | | |
| 13 | Corporate Allocation | 313,267 | 272,163 | 288,282 | |
| 14 | Outside Services | 76,719 | 53,130 | 61,114 | |
| 15 | Group Insurance & Other Employee Benefits | 126,865 | 45,105 | 31,835 | |
| 16 | Pensions | - | - | - | |
| 17 | Regulatory Expense | 3,188 | 3,352 | 3,333 | |
| 18 | Insurance Other Than Group | 9,399 | 14,918 | 9,198 | |
| 19 | Customer Accounting | 31,955 | 18,387 | 15,235 | |
| 20 | Rents | 36,680 | 22,284 | 21,842 | |
| 21 | General Office Expense | 94,707 | 70,527 | 74,626 | |
| 22 | Miscellaneous | 10,181 | 9,019 | 6,004 | |
| 23 | Maintenance Expense | 60,960 | 55,335 | 59,404 | |
| 24 | Depreciation & Amortization | 108,311 | 37,258 | 120,698 | |
| 25 | General Taxes-Property | 1,344 | 90 | - | |
| 26 | General Taxes-Other | 63,379 | 60,890 | 59,606 | |
| 27 | Income Taxes | 894,077 | 633,059 | 68,581 | |
| 28 | | | | | |
| 29 | Total Operating Expenses | <u>\$ 2,126,260</u> | <u>\$ 1,784,091</u> | <u>\$ 1,257,512</u> | Sum Lines [7-27] |
| 30 | Utility Operating Income | <u>\$ (2,126,260)</u> | <u>\$ (1,783,927)</u> | <u>\$ (1,257,512)</u> | Line [5] - Line [29] |
| Other Income & Deductions | | | | | |
| 32 | Other Income & Deductions | \$ (782) | \$ 376 | \$ - | |
| 33 | Interest Expense | 689,901 | 685,572 | 686,662 | |
| 34 | Other Expense | - | - | - | |
| 35 | Gain/Loss Sale of Fixed Assets | - | - | (163) | |
| 36 | Total Other Income & Deductions | <u>\$ 689,119</u> | <u>\$ 685,948</u> | <u>\$ 686,499</u> | Sum Lines [32-35] |
| 37 | Net Profit / (Loss) | <u><u>\$ (2,815,379)</u></u> | <u><u>\$ (2,469,875)</u></u> | <u><u>\$ (1,944,012)</u></u> | Line [30] - Line [36] |

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45 Supporting Schedules:

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| 7K | Business Unit | | | | |
|----------|---|----------------------------|-----------------------------|-----------------------------|-------------------------------|
| Line No. | | Test Year Ended 12/31/2016 | Prior Year Ended 12/31/2015 | Prior Year Ended 12/31/2014 | |
| 1 | WATER STATISTICS: | | | | |
| 2 | | | | | |
| 3 | Total Gallons Sold (Kgal) | | | | |
| 4 | Residential | 842,636 | 806,749 | 830,510 | |
| 5 | Commercial | 185,545 | 172,364 | 190,721 | |
| 6 | Fire | - | - | - | |
| 7 | Miscellaneous | - | - | - | |
| 8 | OPA | - | - | - | |
| 9 | Effluent | 584,939 | - | - | |
| 10 | Wheeling | 304,357 | | | |
| 11 | | | | | |
| 12 | Total Gallons Sold (Kgal) | 1,917,477 | 979,113 | 1,021,231 | Sum Lines [4-9] |
| 13 | | | | | |
| 14 | | | | | |
| 15 | | | | | |
| 16 | Average No. Customers | 8,958 | 8,917 | 8,852 | Sum Lines [17-22] |
| 17 | Residential | 8,708 | 8,662 | 8,595 | |
| 18 | Commercial | 250 | 255 | 257 | |
| 19 | Fire | - | - | - | |
| 20 | Miscellaneous | - | - | - | |
| 21 | OPA | - | - | - | |
| 22 | Resale | - | - | - | |
| 23 | | | | | |
| 24 | | | | | |
| 25 | | | | | |
| 26 | Annual Gallons Per Average Customer (Kgal) | | | | |
| 27 | Residential | 96.76 | 93.14 | 96.63 | Line [4] / Line [17] |
| 28 | | | | | |
| 29 | Average Annual Revenue Per Residential Customer | | | | |
| 30 | Residential (a) | \$ 912 | \$ 895 | \$ 923 | Residential Revenue/Line [17] |
| 31 | | | | | |
| 32 | Pumping Cost Per Kgal Sold (a) | \$ 79.76 | \$ 84.11 | \$ 90.26 | Fuel and Power Exp/Line [17] |
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| 43 | Supporting Schedules: | Recap Schedules: | | | |
| 44 | (a) E-6 | | | | |
| 45 | | | | | |
| 46 | Workpapers & Supporting Documents: | | | | |
| 47 | Customer Count tab | | | | |
| 48 | Sales tab | | | | |
| 49 | | | | | |
| 50 | \2016 Anthem Water.xlsm | | | | |

| Line No. | Description | Test Year Ended (a) 12/31/2016 | Prior Year Ended (a) 12/31/2015 | Prior Year Ended (a) 12/31/2014 | |
|----------|------------------------------------|--------------------------------|---------------------------------|---------------------------------|-----------------|
| 1 | Description | | | | |
| 2 | | | | | |
| 3 | Taxes Other Than Income | \$ 109,541 | \$ 98,449 | \$ 95,619 | |
| 4 | Property Taxes | 494,510 | 473,363 | 428,053 | |
| 5 | Income Tax | 894,077 | 633,059 | 68,581 | |
| 6 | | | | | |
| 7 | Total Taxes to Operations | <u>\$ 1,498,128</u> | <u>\$ 1,204,871</u> | <u>\$ 592,253</u> | Sum Lines [3-6] |
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| 43 | Supporting Schedules: | Recap Schedules: | | | |
| 44 | (a) E-6 | | | | |
| 45 | | | | | |
| 46 | Workpapers & Supporting Documents: | | | | |
| 47 | | | | | |
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| 50 | \2016 Anthem Water.xlsm | | | | |

Line

No.

- 1 Anthem Water is a separate operating district within EPCOR Water Arizona Inc.
- 2
- 3 Projected capital expenditures reflect the Company's 2017 - 2022 business plan.
- 4
- 5 Electronic workpapers are indicated at the bottom of each page.
- 6
- 7 The Company has prepared a Reconstructed Cost New Depreciated (RCND) study and proposes that its
- 8 fair value rate base equal the average of its original cost rate base and its RCND rate base in this case.
- 9
- 10 Test year book results include corporate allocations.
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- 43 Supporting Schedules: Recap Schedules:
- 44
- 45
- 46 Workpapers & Supporting Documents:
- 47
- 48
- 49
- 50 \2016 Anthem Water.xlsm