

Agua Fria Water

Test Year Ended December 31, 2016

Projected Income Statements - Present & Proposed Rates

Exhibit
Schedule F-1
Page 1
Witness: Murrey

Line No.	Test Year Actual Results (b)	At Present Rates Year Ended (a) 12/31/2017	At Proposed Rates Year Ended (a) 12/31/2017	
1	Operating Revenues	\$ 42,194,902	\$ 44,705,121	\$ 39,783,284
2				
3	*Operation & Maintenance Expense	\$ 15,267,341	\$ 16,417,547	\$ 11,286,626
4	Depreciation & Amortization	7,651,126	12,522,969	12,522,969
5	Other Taxes	1,858,631	2,365,990	2,300,903
6	Income Taxes	3,459,555	5,992,348	4,146,176
7	Total Expense	\$ 28,236,653	\$ 37,298,853	\$ 30,256,674
8	Operating Income	\$ 13,958,249	\$ 7,406,267	\$ 9,526,611
9				
10	Other Income Net	\$ (429,504)	\$ (429,504)	\$ (429,504)
11				
12	Long-Term Interest	\$ 2,669,511	\$ 2,814,660	\$ 2,814,660
13				
14	Other Income and Deductions	\$ -	\$ -	\$ -
15	Net Income	\$ 11,718,242	\$ 5,021,111	\$ 7,141,455
16				
17				
18	Earnings Per Average Share	\$ 76.92 (c)	\$ 32.96 (c)	\$ 46.88 (c)
19				
20	Return on Common Equity	18.59% (c)	7.56% (d)	11.05% (d)
21				
22				
23	Purchased Power Expenses Not Included		2,499,387	
24	Purchased Water Expenses Not Included		2,609,593	
25	Total Expense		5,108,980	
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37	* Purchased Power and Water Expenses have been removed from the projected test year and are being proposed as surcharges to customer bills. To			
38	calculate total operating expenses, they have been added back to this calculation.			
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41				
42	Supporting Schedules:	Recap Schedules:		
43	(a) C-1	A-2		
44	(b) E-2			
45	(c) A-2			
46	(d) D-1			
47				
48	Workpapers & Supporting Documents:			
49				
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Sum Lines [3-6]

Line [1] - Line [7]

Line [8] - Sum Lines [10-14]

Agua Fria Water

Test Year Ended December 31, 2016

Projected Statements of Changes in Financial Position

Exhibit
Schedule F-2
Page 1
Witness: Murrey

Line No.	Test Year Actual Results (a)	At Present Rates Year Ended 12/31/2017	At Proposed Rates Year Ended 12/31/2017	
1	Source of Funds			
2	From Operations			
3	\$ 11,718,242	\$ 5,021,111 (b)	\$ 7,141,455 (b)	
4	7,651,126	12,522,969 (b)	12,522,969 (b)	
5	-	- (a)	- (a)	
6	3,110,028	3,110,028 (a)	3,110,028 (a)	
7	-	- (a)	- (a)	
8	<u>\$ 22,479,396</u>	<u>\$ 20,654,109</u>	<u>\$ 22,774,452</u>	Sum Lines [3-7]
9	From Financing			
10	\$ (2,297,478)	\$ (2,297,478) (a)	\$ (2,297,478) (a)	
11	4,493,225	4,493,225 (a)	4,493,225 (a)	
12	(8,610)	(8,610) (a)	(8,610) (a)	
13	Increase / (Decrease) in Net Amounts			
14	<u>(21,926,910)</u>	<u>(21,926,910) (a)</u>	<u>(21,926,910) (a)</u>	
15	<u>\$ (19,739,773)</u>	<u>\$ (19,739,773)</u>	<u>\$ (19,739,773)</u>	Sum Lines [10-14]
16				
17	<u>\$ 2,739,623</u>	<u>\$ 914,335</u>	<u>\$ 3,034,679</u>	Line [8] + Line [15]
18	Application of Funds			
19	\$ 6,380,484	\$ 29,525,671 (e)	\$ 29,525,671 (e)	
20	-	276,193 (a)	276,193 (a)	
21	1,527,177	1,527,177 (a)	1,527,177 (a)	
22	24,706	24,706 (a)	24,706 (a)	
23	<u>\$ 7,932,367</u>	<u>\$ 31,353,747</u>	<u>\$ 31,353,747</u>	Sum Lines [19-22]
24				
25	Details of Financing			
26	\$ - (c)	\$ -	\$ -	
27	\$ (8,610) (c)	\$ (8,610) (d)	\$ (8,610) (d)	
28	\$ - (c)	\$ -	\$ -	
29	\$ 12,321,629 (c)	\$ 5,021,111 (c)	\$ 7,141,455 (c)	
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43	Supporting Schedules:	Recap Schedules:		
44	(a) E-3	A-5		
45	(b) F-1			
46	(c) E-1			
47	(d) D-2			
48	(e) F-3			
49	Workpapers & Supporting Documents:			
50	\2016 Agua Fria Water.xlsm			

Line No.	Business Unit	Actual Test Year <u>12/31/2016</u>	Projected Thru <u>12/31/2017</u>	Projected Thru <u>12/31/2018</u>	Projected Thru <u>12/31/2019</u>	
1	Property Classification					
2						
3	Projected Capital Expenditures	\$ 6,380,484	\$ 29,525,671	\$ 27,833,594	\$ 17,069,668	(a)
4						
5						
6						
7	Total Plant	<u>\$ 6,380,484</u>	<u>\$ 29,525,671</u>	<u>\$ 27,833,594</u>	<u>\$ 17,069,668</u>	Sum Line [3-6]
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43	Supporting Schedules					Recap Schedules:
44	(a) A-4					F-2
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47	Workpapers and Supporting Documents					
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50	\2016 Agua Fria Water.xlsm					

Agua Fria Water

Test Year Ended December 31, 2016

Assumptions Used in Rate Filing

Exhibit
Schedule F-4
Page 1
Witness: Murrey

Line

No.

- 1 Customer growth:
- 2
- 3 -Revenues annualized for customer growth during test year. See Schedule C-2.
- 4 -Sales normalized for effects of weather. See Schedules C-2
- 5
- 6 Growth or decline in consumption and customer demand:
- 7
- 8 -Expenses have been adjusted to reflect annualization of customer growth / loss
- 9 per residential customer. See Schedule C-2.
- 10
- 11
- 12 Changes in expenses:
- 13
- 14 -See Schedule C-2 and testimonies of Ms. Sarah M. Clor, Ms. Sandra L. Murrey and Mr. Jon P. Boizelle.
- 15
- 16
- 17 Construction requirements, including production reserves and changes in plant capacity:
- 18
- 19 -Construction requirements reflect the Company's 2017 - 2019 business plan.
- 20
- 21
- 22 Capital structure changes:
- 23
- 24 See Schedule D-1 and the testimony of Ms. Sheryl L. Hubbard.
- 25
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- 27 Financing costs, interest rates:
- 28
- 29 See Schedule D-2, page 2 and the testimony of Ms. Sheryl L. Hubbard.
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- 43 Supporting Schedules Recap Schedules:
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- 47 Workpapers and Supporting Documents
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- 50 \2016 Agua Fria Water.xlsm