

**Anthem 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	\$ 10,655,033	\$ 10,730,199	\$ 13,214,651	
2					
3	Operation & Maintenance Expense	\$ 4,065,885	\$ 4,438,592	\$ 3,162,779	
4	Depreciation & Amortization	2,568,534	3,415,311	3,415,311	
5	Other Taxes	604,051	682,796	720,598	
6	Income Taxes	894,077	870,573	1,800,895	
7	Total Expense	\$ 8,132,547	\$ 9,407,273	\$ 9,099,583	Sum Lines [3-6]
8	Operating Income	\$ 2,522,486	\$ 1,322,927	\$ 4,115,068	Line [1] - Line [7]
9					
10	Other Income Net	\$ (12,130)	\$ (12,130)	\$ (12,130)	
11					
12	Long-Term Interest	\$ 689,901	\$ 1,199,729	\$ 1,199,729	
13					
14	Other Income and Deductions	\$ -	\$ -	\$ -	
15	Net Income	\$ 1,844,716	\$ 135,328	\$ 2,927,470	Line [8] - Sum Lines [10-14]
16					
17					
18	Earnings Per Average Share	\$ 28.41 (c)	\$ 2.08 (c)	\$ 45.09 (c)	
19					
20	Return on Common Equity	7.08% (c)	0.48% (d)	11.26% (d)	
21					
22					
23	Purchased Power Expenses Not Included		694,583		
24	Purchased Water Expenses Not Included		591,528		
25	Total Expense		1,286,111		
26					
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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 calculate total operating expenses, they have been added back to this calculation.				
38					
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40					
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					
50	\2016 Anthem Water.xlsm				

**Anthem 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	\$ 1,844,716	\$ 135,328 (b)	\$ 2,927,470 (b)
4	2,568,534	3,415,311 (b)	3,415,311 (b)
5	-	- (a)	- (a)
6	635,805	635,805 (a)	635,805 (a)
7	-	- (a)	- (a)
8	<u>\$ 5,049,055</u>	<u>\$ 4,186,444</u>	<u>\$ 6,978,586</u> Sum Lines [3-7]
9	From Financing		
10	\$ (644,392)	\$ (644,392) (a)	\$ (644,392) (a)
11	154,612	154,612 (a)	154,612 (a)
12	(1,760)	(1,760) (a)	(1,760) (a)
13	Increase / (Decrease) in Net Amounts		
14	(4,265,911)	(4,265,911) (a)	(4,265,911) (a)
15	<u>\$ (4,757,451)</u>	<u>\$ (4,757,451)</u>	<u>\$ (4,757,451)</u> Sum Lines [10-14]
16			
17	<u>\$ 291,604</u>	<u>\$ (571,007)</u>	<u>\$ 2,221,134</u> Line [8] + Line [15]
18	Application of Funds		
19	\$ 1,391,101	\$ 2,697,154 (e)	\$ 2,697,154 (e)
20	-	71,379 (a)	71,379 (a)
21	394,679	394,679 (a)	394,679 (a)
22	15,143	15,143 (a)	15,143 (a)
23	<u>\$ 1,800,923</u>	<u>\$ 3,178,355</u>	<u>\$ 3,178,355</u> Sum Lines [19-22]
24			
25	Details of Financing		
26	\$ - (c)	\$ -	\$ -
27	\$ (1,760) (c)	\$ (1,760) (d)	\$ (1,760) (d)
28	\$ - (c)	\$ -	\$ -
29	\$ 2,556,338 (c)	\$ 135,328 (c)	\$ 2,927,470 (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 Anthem 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	\$ 1,391,101	\$ 2,697,154	\$ 1,127,438	\$ 1,652,706	(a)
4						
5						
6						
7	Total Plant	<u>\$ 1,391,101</u>	<u>\$ 2,697,154</u>	<u>\$ 1,127,438</u>	<u>\$ 1,652,706</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					
48						
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**Anthem 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
- 26
- 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
- 48
- 49
- 50 \2016 Anthem Water.xlsm