

Willow Valley 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 | \$ 628,822 | \$ 942,505 | \$ 1,126,314 | |
| 2 | | | | | |
| 3 | Operation & Maintenance Expense | \$ 423,965 | \$ 545,167 | \$ 529,271 | |
| 4 | Depreciation & Amortization | 110,959 | 278,635 | 278,635 | |
| 5 | Other Taxes | 30,496 | 59,314 | 61,937 | |
| 6 | Income Taxes | 92,238 | 9,194 | 77,837 | |
| 7 | Total Expense | \$ 657,659 | \$ 892,310 | \$ 947,680 | Sum Lines [3-6] |
| 8 | Operating Income | \$ (28,836) | \$ 50,195 | \$ 178,633 | Line [1] - Line [7] |
| 9 | | | | | |
| 10 | Other Income Net | \$ (81) | \$ (81) | \$ (81) | |
| 11 | | | | | |
| 12 | Long-Term Interest | \$ 71,174 | \$ 52,628 | \$ 52,628 | |
| 13 | | | | | |
| 14 | Other Income and Deductions | \$ - | \$ - | \$ - | |
| 15 | Net Income | \$ (99,930) | \$ (2,352) | \$ 126,086 | Line [8] - Sum Lines [10-14] |
| 16 | | | | | |
| 17 | | | | | |
| 18 | Earnings Per Average Share | \$ (35.08) (c) | \$ (0.83) (c) | \$ 44.27 (c) | |
| 19 | | | | | |
| 20 | Return on Common Equity | -8.81% (c) | -0.21% (d) | 11.10% (d) | |
| 21 | | | | | |
| 22 | | | | | |
| 23 | Purchased Power Expenses Not Included | | 17,316 | | |
| 24 | Purchased Water Expenses Not Included | | - | | |
| 25 | Total Expense | | 17,316 | | |
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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: | | | | |
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Willow Valley 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 | Net Income | \$ (99,930) | \$ (2,352) (b) | \$ 126,086 (b) |
| 4 | Depreciation and Amortization | 110,959 | 278,635 (b) | 278,635 (b) |
| 5 | Def. Investment Tax Credits | - | - (a) | - (a) |
| 6 | Deferred income Taxes | 277,794 | 277,794 (a) | 277,794 (a) |
| 7 | Amort. of Regulatory Expense | - | - (a) | - (a) |
| 8 | Total From Operations | <u>\$ 288,824</u> | <u>\$ 554,077</u> | <u>\$ 682,516</u> Sum Lines [3-7] |
| 9 | From Financing | | | |
| 10 | Advances in Aid of Construction | \$ 64,721 | \$ 64,721 (a) | \$ 64,721 (a) |
| 11 | Contributions in Aid of Construction | 392,076 | 392,076 (a) | 392,076 (a) |
| 12 | Issuance of Long-Term Debt | 1,980,769 | 1,980,769 (a) | 1,980,769 (a) |
| 13 | Increase / (Decrease) in Net Amounts Due to Parent and Affiliates | 2,191,528 | 2,191,528 (a) | 2,191,528 (a) |
| 14 | Total From Financing | <u>\$ 4,629,094</u> | <u>\$ 4,629,094</u> | <u>\$ 4,629,094</u> Sum Lines [10-14] |
| 15 | | | | |
| 16 | | | | |
| 17 | Total Funds Provided | <u>\$ 4,917,918</u> | <u>\$ 5,183,171</u> | <u>\$ 5,311,610</u> Line [8] + Line [15] |
| 18 | Application of Funds | | | |
| 19 | Construction Expenditures | \$ 150,755 | \$ 297,541 (e) | \$ 297,541 (e) |
| 20 | Rate Case Expenses | - | 7,364 (a) | 7,364 (a) |
| 21 | Dividends Paid | 40,717 | 40,717 (a) | 40,717 (a) |
| 22 | Other Deferred Debits and Credits | (23,372) | (23,372) (a) | (23,372) (a) |
| 23 | Total Funds Applied | <u>\$ 168,100</u> | <u>\$ 322,251</u> | <u>\$ 322,251</u> Sum Lines [19-22] |
| 24 | | | | |
| 25 | Details of Financing | | | |
| 26 | Changes in Short-Term Debt | \$ - (c) | \$ - | \$ - |
| 27 | Changes in Long-Term Debt | \$ 1,980,769 (c) | \$ 1,980,769 (d) | \$ 1,980,769 (d) |
| 28 | Changes in Preferred Stock | \$ - (c) | \$ - | \$ - |
| 29 | Changes in Common Equity | \$ (293,762) (c) | \$ (2,352) (c) | \$ 126,086 (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: | | | |
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| 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 | \$ 150,755 | \$ 297,541 | \$ 256,186 | \$ 223,109 | (a) |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | Total Plant | <u>\$ 150,755</u> | <u>\$ 297,541</u> | <u>\$ 256,186</u> | <u>\$ 223,109</u> | Sum Line [3-6] |
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| 43 | Supporting Schedules | | | | | Recap Schedules: |
| 44 | (a) A-4 | | | | | F-2 |
| 45 | | | | | | |
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| 47 | Workpapers and Supporting Documents | | | | | |
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Line

No.

1 Customer growth:

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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.

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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.

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16

17 Construction requirements, including production reserves and changes in plant capacity:

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19 -Construction requirements reflect the Company's 2017 - 2019 business plan.

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21

22 Capital structure changes:

23

24 See Schedule D-1 and the testimony of Ms. Sheryl L. Hubbard.

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26

27 Financing costs, interest rates:

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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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