

Paradise Valley Water

B Schedules

Rebuttal

Line No.	Original Cost Rate Base (a) [A]	RCND Rate Base (b) [B]	
1			
2	\$ 81,413,808	\$ 150,995,401	
3	-	-	
4	<u>\$ 81,413,808</u>	<u>\$ 150,995,401</u>	Line [2] + Line [3]
5			
6	Less:		
7	<u>31,120,706</u>	<u>77,022,189</u>	
8			
9	\$ 50,293,102	\$ 73,973,212	Line [4] - Line [7]
10			
11	Less:		
12			
13	\$ 1,566,649	\$ 2,304,294	
14			
15	8,333,345	12,257,035	
16			
17			
18	15,300	22,504	
19	543,417	799,280	
20	-	-	
21	1,321,225	1,943,314	
22			
23	Plus:		
24	1,290,940	1,898,769	
25	(c) 24,765	24,765	
26	0	0	
27			
28	<u>\$ 39,828,870</u>	<u>\$ 58,570,319</u>	Line [9] - Lines [12-21] + Line [24-26]
29			
30			
31		\$ 49,199,595	(Sum[A] Line [28] + [B] Line [28]) 2
32		\$ 9,370,724	[B] Line [31] - [A] Line [28]
33		1.4705	[B] Line [28] / [A] Line [28]
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43	Supporting Schedules		Recap Schedules:
44	(a) B-2 Rebuttal		A-1 Rebuttal
45	(b) B-3 Rebuttal		
46	(c) B-5 Rebuttal		
47			
48	Workpapers and Supporting Documents		
49			
50	\2016 Paradise Valley Water Rebuttal.xlsm		

Paradise Valley Water

Test Year Ended December 31, 2016

Original Cost Rate Base Pro Forma Adjustments

Line No.	<u>Sch B-2 Original Column [AA]</u>										[I]	[J]
	Page 2 [A]	Page 3 [B]	Page 3 [C]	Page 4 [D]	Page 5 [E]	Page 6 [F]	Page 7 [G]	Page 8 [H]				
	ADJ SLH-RB1 REB	ADJ SLH-RB2 REB	ADJ SLH-RB3 REB	ADJ SLH-RB4 REB	ADJ JPB-RB5 REB	ADJ JPB-RB6 REB	ADJ SLH-RB7 REB				Sum [B - H]	Sum [A] + [I]
	<u>Adjusted End of Test Year</u>	<u>Partially Accept Staff RB Adj #3 & RUCO RB Adj #7: Working Capital Allowance</u>	<u>Adjust 2016 ADIT</u>	<u>Partially Accept Staff RB Adj #4: ADIT - Tax Reform Adj</u>	<u>Regulatory Liability - ADIT Amortization - Tax Reform Adj</u>	<u>Partially Accept Staff RB Adj 1a and 1b: Adjust 2017 Post Test Year Plant Additions</u>	<u>Adjust Retirements on Test Year Plant</u>	<u>Partially Accept RUCO RB Adj #4: AIAC Refunds</u>	<u>Total Pro Forma Adjustments</u>	<u>Adjusted End of Test Year</u>		
1												
2	Gross Utility Plant in Service	\$ 81,360,860	\$ -	\$ -	\$ -	\$ -	\$ 227,671	\$ (174,723)	\$ -	\$ 52,948	\$	\$ 81,413,808
3	Construction Work in Progress	-	-	-	-	-	-	-	-	-	-	-
4	Subtotal Utility Plant	\$ 81,360,860	\$ -	\$ -	\$ -	\$ -	\$ 227,671	\$ (174,723)	\$ -	\$ 52,948	\$	\$ 81,413,808
5												
6	Less:											
7	Accumulated Depreciation	31,280,771	-	-	-	-	14,658	(174,723)	-	(160,065)		31,120,706
8												
9	Net Utility Plant in Service	\$ 50,080,089	\$ -	\$ -	\$ -	\$ -	\$ 213,013	\$ -	\$ -	\$ 213,013	\$	\$ 50,293,102
10												
11	Less:											
12	Advances in Aid of Construction	\$ 1,557,065	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,584	\$ 9,584	\$	\$ 1,566,649
13												
14												
15	Contribution in Aid of Construction - Net of Amortization	8,333,345	-	-	-	-	-	-	-	-		8,333,345
16												
17												
18	Customer Meter Deposits	15,300	-	-	-	-	-	-	-	-		15,300
19	Deferred Income Taxes & Credits	924,357	-	(904)	(380,036)	-	-	-	-	(380,940)		543,417
20	Investment Tax Credits	-	-	-	-	-	-	-	-	-		-
21	Regulatory Liabilities	951,545	-	-	380,036	(10,355)	-	-	-	369,681		1,321,225
22												
23	Plus:											
24	Deferred Debits	\$ 1,290,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$	\$ 1,290,940
25	Working Capital Allowance	10,331	14,435	-	-	-	-	-	-	14,435		24,765
26	Utility Plant Acquisition Adjustment	0	-	-	-	-	-	-	-	-		0
27												
28	Total Rate Base	\$ 39,599,747	\$ 14,435	\$ 904	\$ -	\$ 10,355	\$ 213,013	\$ -	\$ (9,584)	\$ 229,123	\$	\$ 39,828,870
29												
30												
31	Supporting Schedules:	Recap Schedules:										
32	(a) B-3 Rebuttal	B-1 Rebuttal										
33												
34												
35	\2016 Paradise Valley Water Rebuttal.xlsm											

Line

No.

1 Partially Accept Staff RB Adj #3 & RUCO RB Adj #7: Working Capital Allowance

2

3 The Company partially accepts Staff's RB Adj #3 and RUCO RB ADJ #7. The Company accepts Staff's recommendation to increase the expense
4 lag days for interest expense to 92 days from the original 74.5 days proposed in the original application. The Company is also removing rate
5 case expense from the prepayment as recommended by Staff. The amount of Working Capital is a conforming adjustment and based on other
6 adjustments made in Rebuttal.

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8 See Schedule B 5 Rebuttal

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46 Workpapers and Supporting Documents

47 Schedule B-5 Rebuttal

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Line
No.

1 Adjust 2016 ADIT

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The Company is adjusting its ADIT balance to reflect the updated 2016 balance per DR RUCO 3.07
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4- Factor	General Metered Customers	2.6016%
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11 Deferred Income Tax per GL Allocated Adjusted End of Test Year \$ (924,357) (a)

12

13

14 Updated 2016 ADIT Amount \$ (923,452)

15

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\$ (904) Line [11] - Line [14]

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26 Increase/ (Decrease) to ADIT \$ (904) Line [16]

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44 Workpapers and Supporting Documents

45 (a) Schedule B2 Direct

46 (b) ADIT Adjustment REBUTTAL.xlsx

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50 \2016 Paradise Valley Water Rebuttal.xlsm

Line
No.

1 Partially Accept Staff RB Adj #4: ADIT - Tax Reform Adj

2

3

The Company is partially accepting Staff's RB Adj #4 to ADIT. The Company is adjusting its Deferred Income Tax Balance to reflect the impact of the Tax Cuts and Jobs Act of 2017. The adjustment records the updated ADIT balance and also creates a Regulatory Liability for this impact.

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4- Factor	General Metered Customers	2.6016%
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Updated 2016 ADIT Amount \$ (923,452)

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Total Deferred Income Tax Balance - EPCOR \$(20,887,593) (b)

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Allocation Factor 2.6016% Line [8]

24

ADIT allocated to Paradise Valley Water \$ (543,417) Line [22] * Line [23]

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26

Increase/ (Decrease) to ADIT due to lower Federal Taxes \$ (380,036) Line [14] - Line [24]

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Increase/ (Decrease) to Regulatory Liabilities \$ 380,036 Line [26] * -1

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44 Workpapers and Supporting Documents

45 (a) Schedule B2 Direct

46 (b) ADIT Adjustment REBUTTAL.xlsx

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50 \2016 Paradise Valley Water Rebuttal.xlsm

Line			
<u>No.</u>			
1	<u>Regulatory Liability - ADIT Amortization - Tax Reform Adj</u>		
2			
3	The Company is adjusting its Deferred Income Tax Balance to reflect the impact of the Tax Cuts and Jobs Act of 2017. The		
4	Company has created a Regulatory Liability for this impact as reflected in rate base proforma adjustment SLH-RB3-REB. This		
5	adjustment records the annual amortization of that Regulatory Liability.		
6			
7			
8	Regulatory Liability that resulted from the decrease in the Federal Income Taxes	\$ 380,036	(a)
9			
10	Amortization Rate	<u>2.7247%</u>	(b)
11			
12	Annual Amortization	\$ (10,355)	Line [8] * Line [10]
13			
14			
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16	Increase/ (Decrease) to Regulatory Liabilities	<u>\$ (10,355)</u>	Line [12]
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43			
44	Workpapers and Supporting Documents		
45	(a) Rate Base Adjustment SLH-RB3 REB		
46	(b) ADIT Adjustment REBUTTAL.xlsx		
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49	\2016 Paradise Valley Water Rebuttal.xlsm		
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Line
No.

1 Partially Accept Staff RB ADJ 1a and 1b: Adjust 2017 Post Test Year Plant Additions

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The Company is adjusting its 2017 Post Test Year Plant additions and accumulated depreciation. This includes PTYP for the district, Corporate 7A and 6U.

	[A]	[B]	[C] = [A] - [B]	
	Revised	Original	Rebuttal	
	<u>Amounts (a)</u>	<u>Application (b)</u>	<u>Adjustment</u>	
11 <u>Plant in Service</u>				
12 Post Test Year Plant Additions for Paradise Valley Water	\$ 2,168,975	\$ 1,940,918	\$ 228,057	
13 Test Year CWIP To Capitalize	523,840	523,840	-	
14 Post Test Year CWIP To Capitalize				
15				
16 7A Corporate Post Test Year Plant Additions Allocated	14,427	3,772	10,655	
17 7A Corporate CWIP Completed By December 31, 2016	4,704	4,704	-	
18				
19 6U Post Test Year Plant Additions Allocated	28,054	39,095	(11,041)	
20 6U CWIP Completed By December 31, 2016	20,678	20,678	-	
21				
22 Total Post Test Year Plant Additions	<u>\$ 2,760,678</u>	<u>\$ 2,533,007</u>	<u>\$ 227,671</u>	Sum Lines [12 - 20]
23				
24 Increase / (Decrease) to Plant in Service			<u>\$ 227,671</u>	Line [22]
25				
26 <u>Accumulated Depreciation</u>				
27 Post TY Plant Additions for Paradise Valley Water - Accum Dep	\$ 48,313	\$ 32,838	\$ 15,475	
28 Additional TY Plant Additions for Paradise Valley Water - Accum Dep	15,458	15,458	-	
29 7A Corporate Post TY Plant Additions Allocated-Accum Dep	633	346	287	
30 Additional 7A Corporate TY Plant Additions Allocated-Accum Dep	226	226	-	
31 6U Post TY Plant Additions Allocated - Accum Dep	2,805	3,909	(1,104)	
32 Additional 6U TY Plant Additions Allocated-Accum Dep	<u>2,068</u>	<u>2,068</u>	<u>-</u>	
33 Total Accumulated Depreciation - Post Test Year Plant Additions	<u>\$ 69,504</u>	<u>\$ 54,845</u>	<u>\$ 14,658</u>	Sum Lines [27 - 32]
34				
35 Increase / (Decrease) To Accumulated Depreciation			<u>\$ 14,658</u>	Line [33]
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46 Workpapers and Supporting Documents				
47 (a) Summary of Plant Balances and Accum Depr by NARUC Updated for Final 2017 PTYP.xlsx				
48 (b) Summary of Plant Balances and Accum Depr by NARUC.xlsx				
49				
50 \2016 Paradise Valley Water Rebuttal.xlsxm				

Line
No.

1 Adjust Retirements on Test Year Plant

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The Company is adjusting the Retirements on Test Year Plant.

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[A] Revised <u>Amounts (a)</u>	[B] Original <u>Application (b)</u>	[C] = [A] - [B] Rebuttal <u>Adjustment</u>
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11 Paradise Valley Water District

12 Retirements on Test Year Plant - Impact on Plant in Service \$ (214,757) \$ (40,495) \$ (174,262)

13
 14
 15

16 7A - Corporate Arizona

17 Allocated Corporate Retirements on Test Year Plant - Impact on Plant in Service \$ (462) \$ - \$ (462)

18
 19
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21 6U

22 Allocated Corporate Retirements on Test Year Plant - Impact on Plant in Service \$ - \$ -

23
 24
 25

26
 27 Increase / (Decrease) To Plant in Service \$ (174,723) Line [12]+[17]+[22]

28 Increase / (Decrease) To Accumulated Depreciation (174,723) Line [27]

29
 30 Impact on Rate Base \$ - Line [27]-[28]

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 43
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45 Workpapers and Supporting Documents

46 (a) Summary of Plant Balances and Accum Depr by NARUC Updated for Final 2017 PTYP.xlsx

47 (b) Summary of Plant Balances and Accum Depr by NARUC.xlsx

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\2016 Paradise Valley Water Rebuttal.xlsm

Line
No.

1 Partially Accept RUCO RB Adj #4: AIAC Refunds

2

3 The Company is partially accepting RUCO RB Adj #4 to AIAC. This adjustment has 2 parts. 1) The Company is partially accepting RUCO RB Adj
 4 #4 by removing the amount of 2018 AIAC Refunds forecasted as proposed in Rate Base ADJ SMC-RB6 in the Company's original application. 2)
 5 The Company is adjusting the amount of 2017 AIAC Refunds forecasted with the Actual 2017 AIAC Refunds.

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45 Workpapers and Supporting Documents

46 (a) Rate Base Adjustment SMC-6

47 Workpapers and Supporting Documents

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	[A] Revised Amounts	[B] Original Application (a)	[C] = [A] - [B] Rebuttal Adjustment	
Amount of 2018 AIAC Refunds forecasted - Remove	\$ -	\$ (16,192)	\$ 16,192	
Amount of 2017 AIAC Refunds forecasted - Update to Actual	\$ (22,800)	\$ (16,192)	\$ (6,608)	
	<u>\$ (22,800)</u>	<u>\$ (32,383)</u>	<u>\$ 9,584</u>	Line [13] + Line [16]
Increase/ (Decrease) to AIAC			<u>\$ 9,584</u>	Line [18]

Line No.	<u>Sch B-3 Original</u>							
	<u>Column [Z]</u> [A]	Page 3 [B]	Page 4 [C]	Page 5 [D]	Page 6 [E]	Page 7 [F]	Page 8 [G]	
		ADJ SLH-RCN1 REB	ADJ SLH-RCN2 REB	ADJ SLH-RCN3 REB	ADJ SLH-RCN4 REB	ADJ SLH-RCN5 REB	ADJ SLH-RCN6 REB	
	<u>Adjusted at End of Test Year (a)</u>	<u>RCN - Working Capital Allowance</u>	<u>RCN - ADIT</u>	<u>Intentionally Left Blank</u>	<u>RCN - Regulatory Liability - ADIT</u>	<u>RCN - 2017 Post Test Year Plant Additions</u>	<u>RCN - Retirements</u>	
1								
2	Gross Utility Plant in Service	\$ 151,182,076	\$ -	\$ -	\$ -	\$ -	\$ 227,671	\$ (414,346)
3	Construction Work in Progress	-	-	-	-	-	-	-
4	Subtotal Utility Plant	\$ 151,182,076	\$ -	\$ -	\$ -	\$ -	\$ 227,671	\$ (414,346)
5								
6	Less:							
7	Accumulated Depreciation	77,310,515	-	-	-	-	14,658	(302,984)
8								
9	Net Utility Plant in Service	\$ 73,871,562	\$ -	\$ -	\$ -	\$ -	\$ 213,013	\$ (111,362)
10								
11	Less:							
12	Advances in Aid of Construction	\$ 2,296,778	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13								
14								
15	Contribution in Aid of Construction -	12,292,255	-	-	-	-	-	-
16	Net of Amortization							
17								
18	Customer Meter Deposits	22,569	-	-	-	-	-	-
19	Deferred Income Taxes & Credits	1,363,490	-	(564,209)	-	-	-	-
20	Investment Tax Credits	-	-	-	-	-	-	-
21	Regulatory Liabilities	1,403,594	-	-	-	539,720	-	-
22								
23	Plus:							
24	Deferred Debits	\$ 1,904,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Working Capital Allowance	10,331	14,435	-	-	-	-	-
26	Utility Plant Acquisition Adjustment	0	-	-	-	-	-	-
27								
28	Total Rate Base	\$ 58,407,432	\$ 14,435	\$ 564,209	\$ -	\$ (539,720)	\$ 213,013	\$ (111,362)
29								
30								
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32	Supporting Schedules							
33								
34								
35	\2016 Paradise Valley Water Rebuttal.xlsm							

Recap Schedules:
 B-1 Rebuttal

	Page 9	Page 10	Page 11	Page 12		
	[H]	[I]	[J]	[K]	[L]	[M]
	ADJ SLH-RCN7 REB	ADJ SLH-RCN8 REB	ADJ SLH-RCN9 REB	ADJ SLH-RCN10 REB	Sum [B - K]	Sum [A] + [L]
	<u>RCN - Advances-in- Aid of Construction (AIAC) and Contributions-in-Aid</u>	<u>RCN - Customer Meter Deposits</u>	<u>Intentionally Left Blank</u>	<u>RCN - Deferred Debits</u>	<u>Total Adjustment Amount</u>	<u>Adjusted at End of Test Year</u>
1						
2	\$ -	\$ -	\$ -	\$ -	\$ (186,675)	\$ 150,995,401
3	-	-	-	-	-	-
4	\$ -	\$ -	\$ -	\$ -	\$ (186,675)	\$ 150,995,401
5						
6	Less:					
7	Accumulated Depreciation	-	-	-	(288,326)	77,022,189
8						
9	Net Utility Plant in Service	\$ -	\$ -	\$ -	\$ -	\$ 101,651
10						
11	Less:					
12	Advances in Aid of Construction	\$ 7,515	\$ -	\$ -	\$ 7,515	\$ 2,304,294
13						
14						
15	Contribution in Aid of Construction - Net of Amortization	(35,220)	-	-	(35,220)	12,257,035
16						
17						
18	Customer Meter Deposits	-	(65)	-	(65)	22,504
19	Deferred Income Taxes & Credits	-	-	-	(564,209)	799,280
20	Investment Tax Credits	-	-	-	-	-
21	Regulatory Liabilities	-	-	-	539,720	1,943,314
22						
23	Plus:					
24	Deferred Debits	\$ -	\$ -	\$ -	\$ (5,456)	\$ 1,898,769
25	Working Capital Allowance	-	-	-	14,435	24,765
26	Utility Plant Acquisition Adjustment	-	-	-	-	0
27						
28	Total Rate Base	\$ 27,705	\$ 65	\$ -	\$ (5,456)	\$ 162,887
29						
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32	Supporting Schedules					
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35	\2016 Paradise Valley Water Rebutt					

Line

No.

1 RCN - Working Capital Allowance

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3 Per Schedule B-5 Rebuttal

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8 Increase/(Decrease) to Rate Base

\$ 14,435

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47 Supporting Schedules

48 Schedule B5 Rebuttal

49

50 \2016 Paradise Valley Water Rebuttal.xlsm

Line			
<u>No.</u>			
1	<u>RCN - ADIT</u>		
2	Adjusted at End of Test Year		
3			
4			
5	RCN Rate Base Before ADIT and Other Items	\$ 59,411,883	(b)
6			
7	Original Cost Rate Base Before ADIT and Other Items	\$ 40,393,107	(a)
8			
9	Ratio (factor)	1.4708	Line [5] / Line [7]
10			
11	Adjusted Original Cost Net ADIT	\$ 543,417	(c)
12			
13	Factor	1.4708	Line [9]
14			
15	Rebuttal Adjusted - RCN ADIT	\$ 799,280	Line [11] * Line [13]
16			
17	Direct Adjusted - RCN ADIT	1,363,490	(b)
18			
19	Increase / (Decrease) to Deferred Income Taxes	\$ (564,209)	Line [15] - Line [17]
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45	Supporting Schedules		
46	(a) Schedule B-2 Rebuttal		
47	(b) Schedule B-3 Rebuttal		
48	(c) Schedule B-1 Rebuttal		
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50	\\2016 Paradise Valley Water Rebuttal.xlsm		

Line

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44 Supporting Schedules

45 (a) Schedule B-2 Rebuttal

46 (b) Schedule B-3 Rebuttal

47 (c) Schedule B-1 Rebuttal

48 Adjustments RB2 Rebuttal and RB3 Rebuttal

49

50 \2016 Paradise Valley Water Rebuttal.xlsm

Line			
<u>No.</u>			
1	<u>RCN - Regulatory Liability - ADIT</u>		
2			
3	Adjusted at End of Test Year		
4			
5	Net Rebuttal RCN Depreciable Plant in Service	\$ 73,973,212 (b)	
6			
7	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$ 50,293,102 (a)	
8			
9	Ratio (factor)	1.4708 Line [5] / Line [7]	
10			
11	Adjusted Original Cost - Regulatory Liability - ADIT Tax Reform	\$ 1,321,225 (c)	
12			
13	Factor	1.4708 Line [9]	
14			
15	Rebuttal Adjusted - RCN Regulatory Liability - ADIT - Tax Reform	\$ 1,943,314 Line [11] * Line [13]	
16			
17	Direct Adjusted - RCN Regulatory Liability - ADIT- Tax Reform	\$ 1,403,594 (b)	
18			
19	Increase / (Decrease) to Regulatory Liability	<u>\$ 539,720</u> Line [15] - Line [17]	
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44	Supporting Schedules		
45	(a) Schedule B-2 Rebuttal		
46	(b) Schedule B-3 Rebuttal		
47	(c) Schedule B-1 Rebuttal		
48	Adjustments RB2 Rebuttal and RB3 Rebuttal		
49			
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Line No.		[A] <u>Revised Amount</u>	[B] <u>RCN</u>	[C] <u>Original Cost</u>	[D] <u>RCN</u>	[E] <u>Rebuttal Adjustment</u>
1	<u>RCN - 2017 Post Test Year Plant Additions</u>					
2						
3						
4						
5	Plant in Service	\$ 2,760,678	\$ 2,760,678	\$ 2,533,007	\$ 2,533,007	\$ 227,671
6						
7						
8	Accumulated Depreciation	\$ 69,504	\$ 69,504	\$ 54,845	\$ 54,845	\$ 14,658
9						
10						
11	Increase/(Decrease) to Plant in Service and A/D	\$ 2,691,175	\$ 2,691,175	\$ 2,478,162	\$ 2,478,162	\$ 213,013
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47	Supporting Schedules					
48	Rate Base Adjustment JPB-RB5 REB					
49						
50	\\2016 Paradise Valley Water Rebuttal.xlsm					

Line						
<u>No.</u>						
1	<u>RCN - Retirements</u>		[A]		[B]	[C] = [A] - [B]
2			<u>Revised RCN</u>		<u>Original RCN (a)</u>	<u>Rebuttal</u>
3	Retirements - Plant	Col [G]	\$	(514,758)	\$ (100,412)	\$ (414,346)
4						
5	Retirements - Accumulated Depreciation	Col [H]	\$	(389,194)	\$ (86,210)	\$ (302,984)
6						
7						
8	<u>Paradise Valley Water District</u>					
9		[D]	[E]	[F]	[G]	[H]
10	Asset	Original	Retirement			
11	<u>Numbers</u>	<u>Cost (b)</u>	<u>Cost (b)</u>	<u>A/D (b)</u>	<u>RCN (b)</u>	<u>RCN A/D (b)</u>
12	Various	\$ 9,234,078	\$ 214,757	\$ 214,757	\$ 514,223	\$ 389,034
13						
14						
15						
16	<u>7A Allocated</u>		4- Factor	General Metered Customers		2.6016%
17						
18		[D]	[E]	[F]	[G]	[H]
19	Asset	Original	Retirement			
20	<u>Numbers</u>	<u>Cost (b)</u>	<u>Cost (b)</u>	<u>A/D (b)</u>	<u>RCN (b)</u>	<u>RCN A/D (b)</u>
21	Various	\$ 20,158	\$ 17,739	\$ 17,739	\$ 20,561	\$ 6,168
22						
23			7A Allocated to District	2.6016%	\$ 535	\$ 160
24						Line 21 * GMC Factor
25						
26					<u>\$ 514,758</u>	<u>\$ 389,194</u>
27						Line 12 + Line 23
28						
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45	Supporting Schedules					
46						
47	(a) ADJ SMC-RCN20					
48	(b) Retirements By District by Asset#.xlsx					
49						
50	\\2016 Paradise Valley Water Rebuttal.xlsx					

Line			
<u>No.</u>			
1	<u>RCN - Advances-in-Aid of Construction (AIAC) and Contributions-in-Aid of Construction (CIAC)</u>		
2	Adjusted at End of Test Year		
3			
4	<u>RCN Advances-in-Aid of Construction (AIAC)</u>		
5	Net Rebuttal RCN Depreciable Plant in Service	\$ 73,973,212	(b)
6			
7	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$ 50,293,102	(a)
8			
9	Ratio (factor)	1.4708	Line [5] / Line [7]
10			
11	Adjusted Original Cost AIAC	\$ 1,566,649	(c)
12			
13	Factor	1.4708	Line [9]
14			
15	Rebuttal Adjusted - RCN AIAC	\$ 2,304,294	Line [11] * Line [13]
16			
17	Direct Adjusted - RCN AIAC	2,296,778	(b)
18			
19	Increase / (Decrease) to AIAC	\$ 7,515	Line [15] - Line [17]
20			
21			
22			
23	Adjusted at End of Test Year		
24			
25	<u>RCN Contributions-in-Aid of Construction (CIAC)</u>		
26			
27	Net Rebuttal RCN Depreciable Plant in Service	\$ 73,973,212	(b)
28			
29	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$ 50,293,102	(a)
30			
31	Ratio (factor)	1.4708	Line [27] / Line [29]
32			
33	Adjusted Original Cost CIAC	\$ 8,333,345	(c)
34			
35	Factor	1.4708	Line [31]
36			
37	Rebuttal Adjusted - RCN CIAC	\$ 12,257,035	Line [33] * Line [35]
38			
39	Direct Adjusted - RCN CIAC	12,292,255	(b)
40			
41	Increase / (Decrease) to CIAC	\$ (35,220)	Line [37] - Line [39]
42			
43			
44			
45	Supporting Schedules		
46	(a) Schedule B-2 Rebuttal		
47	(b) Schedule B-3 Rebuttal		
48	(c) Schedule B-1 Rebuttal		
49			
50	\\2016 Paradise Valley Water Rebuttal.xlsm		

Line			
<u>No.</u>			
1	<u>RCN - Customer Meter Deposits</u>		
2	Adjusted at End of Test Year		
3			
4			
5	Net Direct RCN Depreciable Plant in Service	\$ 73,973,212 (b)	
6			
7	Net Direct Adjusted Original Depreciable Plant in Service	\$ 50,293,102 (a)	
8			
9	Ratio (factor)	1.4708 Line [5] / Line [7]	
10			
11	Adjusted Original Cost Customer Meter Deposits	\$ 15,300 (c)	
12			
13	Factor	1.4708 Line [9]	
14			
15	Rebuttal Adjusted - RCN Customer Meter Deposits	<u>\$ 22,504</u> Line [11] * Line [13]	
16			
17	Direct Adjusted - RCN Customer Meter Deposits	<u>\$ 22,569 (b)</u>	
18			
19	Increase / (Decrease) to Customer Meter Deposits	Line [15] - Line [17]	<u><u>\$ (65)</u></u>
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45	Supporting Schedules		
46	(a) Schedule B-2 Rebuttal		
47	(b) Schedule B-3 Rebuttal		
48	(c) Schedule B-1 Rebuttal		
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50	\2016 Paradise Valley Water Rebuttal.xlsm		

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47 Supporting Schedules

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50 \2016 Paradise Valley Water Rebuttal.xlsm

Line			
<u>No.</u>			
1	<u>RCN - Deferred Debits</u>		
2			
3	Adjusted at End of Test Year		
4			
5	Net Rebuttal RCN Depreciable Plant in Service	\$ 73,973,212 (b)	
6			
7	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$ 50,293,102 (a)	
8			
9	Ratio (factor)	1.4708 Line [5] / Line [7]	
10			
11	Adjusted Original Cost - Deferred Debits	\$ 1,290,940 (c)	
12			
13	Factor	1.4708 Line [9]	
14			
15	Rebuttal Adjusted - RCN Regulatory Liability - Deferred Debits	\$ 1,898,769 Line [11] * Line [13]	
16			
17	Direct Adjusted - RCN Regulatory Liability - Deferred Debits	\$ 1,904,225 (b)	
18			
19	Increase / (Decrease) to Deferred Debits	Line [15] - Line [17]	\$ <u>(5,456)</u>
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45	Supporting Schedules		
46	(a) Schedule B-2 Rebuttal		
47	(b) Schedule B-3 Rebuttal		
48	(c) Schedule B-1 Rebuttal		
49			
50	\\2016 Paradise Valley Water Rebuttal.xlsm		

Line			
<u>No.</u>			
1			
2	Cash Working Capital Requirement	(a) \$	(136,536)
3	Required Bank Balances ¹		-
4	Material and Supplies Inventories ¹		138,115
5	Prepayments ¹		23,186
6			
7	Total Working Capital Allowance	Sum Lines [2-5] \$	<u>24,765</u>
8			
9	Less Company amount in Original Filing		10,331
10			
11	Increase/(Decrease) to Rate Base	Line [7] - Line [9] \$	<u><u>14,435</u></u>
12			
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17	¹ Calculated using thirteen-month averages.		
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43	Supporting Schedules:	Recap Schedules:	
44	(a) B-6 Rebuttal	B-1 Rebuttal	
45			
46	Workpapers & Supporting Documents		
47	\ AZ 13mo TY Balance 12.31.2016.xlsx		
48	\ Lead-Lag Workpapers		
49			
50	\ 2016 Paradise Valley Water Rebuttal.xlsm		

Line No.	Description [A]	Test Year Adjusted Results (a) [B]	Revenue Lag Days [C]	Expense Lag Days [D]	Net Lag Days [E] = [C] - [D]	Lead/Lag Factor [F] = [E] / 365	Cash Working Capital Required [G] = [B] x [F]
1	<u>Operating Expenses</u>						
2	Labor	\$ 1,095,552	40.146	30.633	9.513	0.026	\$ 28,555
3	Purchased Water	599,455	40.146	-	40.146	0.110	65,934
4	Fuel & Power	1,402,317	40.146	48.669	(8.523)	(0.023)	(32,743)
5	Chemicals	45,731	40.146	54.941	(14.794)	(0.041)	(1,854)
6	Waste Disposal	5,168	40.146	31.063	9.083	0.025	129
7	Intercompany Support Services	-	40.146	30.417	9.730	0.027	-
8	Corporate Allocation	233,555	40.146	30.420	9.726	0.027	6,224
9	Outside Services	160,637	40.146	34.355	5.791	0.016	2,549
10	Group Insurance	360,755	40.146	(10.716)	50.862	0.139	50,271
11	Regulatory Expense	-	-	-	-	-	-
12	Insurance Other Than Group	81,975	40.146	72.688	(32.542)	(0.089)	(7,309)
13	Customer Accounting	190,128	40.146	49.828	(9.682)	(0.027)	(5,043)
14	Rents	29,568	40.146	13.376	26.770	0.073	2,169
15	General Office Expense	114,692	40.146	39.271	0.876	0.002	275
16	Miscellaneous	43,761	40.146	27.800	12.347	0.034	1,480
17	Maintenance Expense	339,726	40.146	46.886	(6.740)	(0.018)	(6,273)
18							
19							
20	<u>Taxes</u>						
21	Property Taxes	\$ 324,322	40.146	213.250	(173.104)	(0.474)	\$ (153,812)
22	Taxes - Payroll		-	-	-	-	-
23	Taxes -Other	89,496	40.146	(131.381)	171.527	0.470	42,057
24	Income Tax	674,868	40.146	41.750	(1.604)	(0.004)	(2,965)
25							
26	Interest	\$ 888,184	40.146	92.000	(51.854)	(0.142)	\$ (126,179)
27							
28							
29							
30							
31	WORKING CASH REQUIREMENT	<u>\$ 6,679,889</u>					<u>\$ (136,536)</u>

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Supporting Schedules:
 (a) C-1 Rebuttal

Recap Schedules:
 B-5 Rebuttal

Workpapers & Supporting Documents
 \ Lead-Lag Expense.xlsx
 \ Billing Cycles.xlsx
 \2016 Paradise Valley Water Rebuttal.xlsm