

Paradise Valley Water

B Schedules

Rejoinder

Line No.	Original Cost Rate Base (a) [A]	RCND Rate Base (b) [B]	
1			
2	\$ 81,413,808	\$ 150,995,401	
3	-	-	
4	\$ 81,413,808	\$ 150,995,401	Line [2] + Line [3]
5			
6	Less:		
7	31,120,706	77,022,189	
8			
9	\$ 50,293,102	\$ 73,973,212	Line [4] - Line [7]
10			
11	Less:		
12	Advances in Aid of Construction		
13	\$ 1,566,649	\$ 2,304,294	
14			
15	8,333,345	12,257,035	
16	Net of Amortization		
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) 25,690	25,690	
26	0	0	
27			
28	\$ 39,829,795	\$ 58,571,244	Line [9] - Lines [12-21] + Line [24-26]
29			
30			
31		\$ 49,200,520	(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 Rejoinder	A-1 Rejoinder	
45	(b) B-3 Rejoinder		
46	(c) B-5 Rejoinder		
47			
48	Workpapers and Supporting Documents		
49			
50	\2016 Paradise Valley Water Rejoinder.xlsm		

Paradise Valley Water

Test Year Ended December 31, 2016

Original Cost Rate Base Pro Forma Adjustments

Exhibit

Schedule B-2 Rejoinder

Page 1

Witness: Hubbard

Line No.	<u>Sch B-2 Original Column [AA]</u>								
	Page 3 [A]	Page 4 [B]	Page 5 [C]	Page 6 [D]	Page 7 [E]	Page 8 [F]	Page 9 [G]	Page 9 [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		
	<u>Adjusted End of Test Year</u>	<u>Partially Accept Staff RB Adj #3 &amp; 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>	
1									
2	Gross Utility Plant in Service	\$ 81,360,860	\$ -	\$ -	\$ -	\$ -	\$ 227,671	\$ (174,723)	\$ -
3	Construction Work in Progress	-	-	-	-	-	-	-	-
4	Subtotal Utility Plant	\$ 81,360,860	\$ -	\$ -	\$ -	\$ -	\$ 227,671	\$ (174,723)	\$ -
5									
6	<b>Less:</b>								
7	Accumulated Depreciation	31,280,771	-	-	-	-	14,658	(174,723)	-
8									
9	Net Utility Plant in Service	\$ 50,080,089	\$ -	\$ -	\$ -	\$ -	\$ 213,013	\$ -	\$ -
10									
11	<b>Less:</b>								
12	Advances in Aid of Construction	\$ 1,557,065	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,584
13									
14									
15	Contribution in Aid of Construction -	8,333,345	-	-	-	-	-	-	-
16	Net of Amortization								
17									
18	Customer Meter Deposits	15,300	-	-	-	-	-	-	-
19	Deferred Income Taxes & Credits	924,357	-	(904)	(380,036)	-	-	-	-
20	Investment Tax Credits	-	-	-	-	-	-	-	-
21	Regulatory Liabilities	951,545	-	-	380,036	(10,355)	-	-	-
22									
23	<b>Plus:</b>								
24	Deferred Debits	\$ 1,290,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Working Capital Allowance	10,331	15,359	-	-	-	-	-	-
26	Utility Plant Acquisition Adjustment	0	-	-	-	-	-	-	-
27									
28	Total Rate Base	\$ 39,599,747	\$ 15,359	\$ 904	\$ -	\$ 10,355	\$ 213,013	\$ -	\$ (9,584)
29									
30	Rebuttal Amounts	39,599,747	14,435	904	-	10,355	213,013	-	(9,584)
31	Increase in Rejoinder	-	925	-	-	-	-	-	-
32									
33	Supporting Schedules:								
34	(a) B-3 Rejoinder								
35	\2016 Paradise Valley Water Rejoinder.xlsm								

Recap Schedules:  
B-1 Rejoinder

**REJOINDER ADJUSTMENTS**

	Page 10 [I] ADJ JPB-RB8 REJ	Page 11 [J] ADJ SLH-RB9 REJ	Page 12 [K] ADJ SLH-RB10 REJ	Page 13 [L] ADJ SLH-RB11 REJ	Page 14 [M] ADJ SLH-RB12 REJ	Page 15 [N] ADJ SLH-RB13 REJ	[O] Sum [B - N]	[P] Sum [A] + [O]
	<u>Update to 2017 Post Test Plant - Rejoinder</u>	<u>Intentionally Left Blank</u>	<u>Intentionally Left Blank</u>	<u>Intentionally Left Blank</u>	<u>Intentionally Left Blank</u>	<u>Intentionally Left Blank</u>	<u>Total Pro Forma Adjustments</u>	<u>Adjusted End of Test Year</u>
Line No.								
1								
2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,948	\$ 81,413,808
3								
4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,948	\$ 81,413,808
5								
6	<b>Less:</b>							
7							(160,065)	31,120,706
8								
9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 213,013	\$ 50,293,102
10								
11	<b>Less:</b>							
12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,584	\$ 1,566,649
13								
14								
15								8,333,345
16								
17								
18								15,300
19							(380,940)	543,417
20								
21							369,681	1,321,225
22								
23	<b>Plus:</b>							
24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,290,940
25							15,359	25,690
26								0
27								
28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,048	\$ 39,829,795
29								
30							229,123	39,828,870
31							925	925
32								

33 Supporting Schedules:  
 34 (a) B-3 Rejoinder  
 35 \2016 Paradise Valley Water Rejoind

Recap Schedules:  
 B-1 Rejoinder

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  
6 other adjustments made in Rebuttal.

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8 See Schedule B 5 Rejoinder

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46 Workpapers and Supporting Documents

47 Schedule B-5 Rejoinder

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50 \2016 Paradise Valley Water Rejoinder.xlsx

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)

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

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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 Rejoinder.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  
 4 reflect the impact of the Tax Cuts and Jobs Act of 2017. The adjustment records the updated ADIT balance and also creates a  
 5 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)  
 Allocation Factor 2.6016% Line [8]

23  
 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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Workpapers and Supporting Documents

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(a) Schedule B2 Direct  
 (b) ADIT Adjustment REBUTTAL.xlsx

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\2016 Paradise Valley Water Rejoinder.xlsxm

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		\$ (10,355)	Line [8] * Line [10]
12	Annual Amortization		
13			
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15			
16	Increase/ (Decrease) to Regulatory Liabilities	<u>\$ (10,355)</u>	Line [12]
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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 Rejoinder.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>	
12	\$ 2,168,975	\$ 1,940,918	\$ 228,057	
13	523,840	523,840	-	
16	14,427	3,772	10,655	
17	4,704	4,704	-	
19	28,054	39,095	(11,041)	
20	20,678	20,678	-	
22	\$ 2,760,678	\$ 2,533,007	\$ 227,671	Sum Lines [12 - 20]
24			<u>\$ 227,671</u>	Line [22]
27	\$ 48,313	\$ 32,838	\$ 15,475	
28	15,458	15,458	-	
29	633	346	287	
30	226	226	-	
31	2,805	3,909	(1,104)	
32	2,068	2,068	-	
33	\$ 69,504	\$ 54,845	\$ 14,658	Sum Lines [27 - 32]
35			<u>\$ 14,658</u>	Line [33]

Workpapers and Supporting Documents

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

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

\2016 Paradise Valley Water Rejoinder.xlsm

Line  
No.

1 Adjust Retirements on Test Year Plant

2  
 3 The Company is adjusting the Retirements on Test Year Plant.  
 4  
 5  
 6

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

11 <u>Paradise Valley Water District</u>			
12 Retirements on Test Year Plant - Impact on Plant in Service	\$ (214,757)	\$ (40,495)	\$ (174,262)

16 <u>7A - Corporate Arizona</u>			
17 Allocated Corporate Retirements on Test Year Plant - Impact on Plant in Service	\$ (462)	\$ -	\$ (462)

21 <u>6U</u>			
22 Allocated Corporate Retirements on Test Year Plant - Impact on Plant in Service	\$ -		\$ -

27	Increase / (Decrease) To Plant in Service		\$ (174,723) Line [12]+[17]+[22]
28	Increase / (Decrease) To Accumulated Depreciation		<u>(174,723) Line [27]</u>
30	Impact on Rate Base		<u>\$ - Line [27]-[28]</u>

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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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 50 \2016 Paradise Valley Water Rejoinder.xlsm

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1 Partially Accept RUCO RB Adj #4: AIAC Refunds

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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 by removing the amount of 2018 AIAC Refunds forecasted as proposed in Rate Base ADJ SMC-RB6 in the Company's original application. 2) The Company is adjusting the amount of 2017 AIAC Refunds forecasted with the Actual 2017 AIAC Refunds.

	[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]

Workpapers and Supporting Documents  
 (a) Rate Base Adjustment SMC-6  
 Workpapers and Supporting Documents

\2016 Paradise Valley Water Rejoinder.xlsm

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1 Update to 2017 Post Test Plant - Rejoinder

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The Company is adjusting its 2017 Post Test Year Plant additions and accumulated depreciation for rejoinder.

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	[A]	[B]	[C] = [A] - [B]	
	Revised	Rebuttal	Rejoinder	
	<u>Amounts (a)</u>	<u>Application (b)</u>	<u>Adjustment</u>	
Post Test Year Plant Additions for Paradise Valley Water	\$ 2,168,975	\$ 2,168,975	\$ -	
Test Year CWIP To Capitalize	523,840	523,840	-	
Post Test Year CWIP To Capitalize		-		
7A Corporate Post Test Year Plant Additions Allocated	14,427	14,427	-	
7A Corporate CWIP Completed By December 31, 2016	4,704	4,704	-	
6U Post Test Year Plant Additions Allocated	28,054	28,054	-	
6U CWIP Completed By December 31, 2016	20,678	20,678	-	
<b>Total Post Test Year Plant Additions</b>	<b>\$ 2,760,678</b>	<b>\$ 2,760,678</b>	<b>\$ -</b>	Sum Lines [12 - 20]
<b>Increase / (Decrease) to Plant in Service</b>			<b>\$ -</b>	Line [22]
<b>Accumulated Depreciation</b>				
Post TY Plant Additions for Paradise Valley Water - Accum Dep	\$ 48,313	\$ 48,313	\$ -	
Additional TY Plant Additions for Paradise Valley Water - Accum Dep	15,458	15,458	-	
7A Corporate Post TY Plant Additions Allocated-Accum Dep	633	633	-	
Additional 7A Corporate TY Plant Additions Allocated-Accum Dep	226	226	-	
6U Post TY Plant Additions Allocated - Accum Dep	2,805	2,805	-	
Additional 6U TY Plant Additions Allocated-Accum Dep	2,068	2,068	-	
<b>Total Accumulated Depreciation - Post Test Year Plant Additions</b>	<b>\$ 69,504</b>	<b>\$ 69,504</b>	<b>\$ -</b>	Sum Lines [27 - 32]
<b>Increase / (Decrease) To Accumulated Depreciation</b>			<b>\$ -</b>	Line [33]

Workpapers and Supporting Documents  
 Summary of Plant Balances and Accum Depr by NARUC Updated for Rejoinder PTYP.xlsx  
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45 Workpapers and Supporting Documents

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45 Workpapers and Supporting Documents

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45 Workpapers and Supporting Documents

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45 Workpapers and Supporting Documents

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45 Workpapers and Supporting Documents

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	<u>Sch B-3 Original</u> <u>Column [Z]</u>	Page 3	Page 4	Page 5	Page 6	Page 7	Page 8	Page 9
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
		ADJ SLH-RCN1 REB	ADJ SLH-RCN2 REB	ADJ SLH-RCN3 REB	ADJ SLH-RCN4 REB	ADJ SLH-RCN5 REB	ADJ SLH-RCN6 REB	ADJ SLH-RCN7 REB
	<u>Adjusted at End of</u> <u>Test Year (a)</u>	<u>RCN - Working</u> <u>Capital Allowance</u>	<u>RCN - ADIT</u>	<u>Intentionally Left</u> <u>Blank</u>	<u>RCN - Regulatory</u> <u>Liability - ADIT</u>	<u>RCN - 2017 Post Test</u> <u>Year Plant Additions</u>	<u>RCN - Retirements</u>	<u>RCN - Advances-in-</u> <u>Aid of Construction</u> <u>(AIAC) and</u> <u>Contributions-in-Aid</u> <u>of Construction</u> <u>(CIAC)</u>
Line								
<u>No.</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	<b>Less:</b>							
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	<b>Less:</b>							
12	Advances in Aid of Construction	\$ 2,296,778	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,515
13								
14								
15	Contribution in Aid of Construction -	12,292,255	-	-	-	-	-	(35,220)
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	<b>Plus:</b>							
24	Deferred Debits	\$ 1,904,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Working Capital Allowance	10,331	15,359	-	-	-	-	-
26	Utility Plant Acquisition Adjustment	0	-	-	-	-	-	-
27								
28	Total Rate Base	\$ 58,407,432	\$ 15,359	\$ 564,209	\$ -	\$ (539,720)	\$ 213,013	\$ (111,362)
29								
30	Rebuttal Amounts	58,407,432	14,435	564,209	-	(539,720)	213,013	(111,362)
31	Increase in Rejoinder	-	925	-	-	-	-	-
32								
33	Supporting Schedules							
34								
35	\2016 Paradise Valley Water Rejoinder.xlsm							

Recap Schedules:  
 B-1 Rejoinder

**REJOINDER ADJUSTMENTS**

Line No.	Page 10	Page 11	Page 12	REJOINDER ADJUSTMENTS				[P] Sum [B - O]	[Q] Sum [A] + [P]
	[I] ADJ SLH-RCN8 REB	[J] ADJ SLH-RCN9 REB	[K] ADJ SLH-RCN10 REB	Page 13	Page 14	Page 15	Page 16		
	[L] ADJ SLH-RCN11 REJ	[M] ADJ SLH-RCN12 REJ	[N] ADJ SLH-RCN13 REJ	[O] ADJ SLH-RCN14 REJ					
	<u>RCN - Customer Meter Deposits</u>	<u>Intentionally Left Blank</u>	<u>RCN - Deferred Debits</u>	<u>RCN - 2017 Post Test Year Plant Additions - Rejoinder</u>	<u>REJ RCN 12</u>	<u>REJ RCN 13</u>	<u>REJ RCN 14</u>	<u>Total Adjustment Amount</u>	<u>Adjusted at End of Test Year</u>
1									
2	Gross Utility Plant in Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (186,675)	\$ 150,995,401
3	Construction Work in Progress	-	-	-	-	-	-	-	-
4	Subtotal Utility Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (186,675)	\$ 150,995,401
5									
6	<b>Less:</b>								
7	Accumulated Depreciation	-	-	-	-	-	-	(288,326)	77,022,189
8									
9	Net Utility Plant in Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,651	\$ 73,973,212
10									
11	<b>Less:</b>								
12	Advances in Aid of Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,515	\$ 2,304,294
13									
14									
15	Contribution in Aid of Construction - Net of Amortization	-	-	-	-	-	-	(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	<b>Plus:</b>								
24	Deferred Debits	\$ -	\$ -	\$ (5,456)	\$ -	\$ -	\$ -	\$ (5,456)	\$ 1,898,769
25	Working Capital Allowance	-	-	-	-	-	-	15,359	25,690
26	Utility Plant Acquisition Adjustment	-	-	-	-	-	-	-	0
27									
28	<b>Total Rate Base</b>	<b>\$ 65</b>	<b>\$ -</b>	<b>\$ (5,456)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 163,812</b>	<b>\$ 58,571,244</b>
29									
30	Rebuttal Amounts	65	-	(5,456)	-	-	-	162,887	58,570,319
31	Increase in Rejoinder	-	-	-	-	-	-	925	925
32									
33	Supporting Schedules								
34									
35	\2016 Paradise Valley Water Rejoind								

Recap Schedules:  
 B-1 Rejoinder

Line		
<u>No.</u>		
1	<u>RCN - Working Capital Allowance</u>	
2		
3	Per Schedule B-5 Rejoinder	
4		
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7		
8	Increase/(Decrease) to Rate Base	<u>\$ 15,359</u>
9		
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47	Supporting Schedules	
48	Schedule B5 Rejoinder	
49		
50	\2016 Paradise Valley Water Rejoinder.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	Rejoinder 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 Rejoinder		
47	(b) Schedule B-3 Rejoinder		
48	(c) Schedule B-1 Rejoinder		
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50	\\2016 Paradise Valley Water Rejoinder.xlsm		

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44 Supporting Schedules

45 (a) Schedule B-2 Rejoinder

46 (b) Schedule B-3 Rejoinder

47 (c) Schedule B-1 Rejoinder

48 Adjustments RB2 Rebuttal and RB3 Rebuttal

49

50 \2016 Paradise Valley Water Rejoinder.xlsm

Line			
<u>No.</u>			
1	<u>RCN - Regulatory Liability - ADIT</u>		
2			
3	Adjusted at End of Test Year		
4			
5	Net Rejoinder RCN Depreciable Plant in Service	\$ 73,973,212	(b)
6			
7	Net Rejoinder 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	Rejoinder Adjusted - RCN Regulatory Liability - ADIT - Tax Reform	<u>\$ 1,943,314</u>	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><u>\$ 539,720</u></u>	Line [15] - Line [17]
20			
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44	Supporting Schedules		
45	(a) Schedule B-2 Rejoinder		
46	(b) Schedule B-3 Rejoinder		
47	(c) Schedule B-1 Rejoinder		
48	Adjustments RB2 Rebuttal and RB3 Rebuttal		
49			
50	\\2016 Paradise Valley Water Rejoinder.xlsm		

Line No.		[A] <u>Revised Amount</u>	[B] <u>RCN</u>	[C] <u>Original Cost</u>	[D] <u>RCN</u>	[E] <u>Rejoinder 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 Rejoinder.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>Rejoinder</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 Line 21 * GMC Factor	
24							
25							
26					<u>\$ 514,758</u>	<u>\$ 389,194</u>	Line 12 + Line 23
27							
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44							
45	Supporting Schedules						
46							
47	(a) ADJ SMC-RCN20						
48	(b) Retirements By District by Asset#.xlsx						
49							
50	\\2016 Paradise Valley Water Rejoinder.xlsm						

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 Rejoinder RCN Depreciable Plant in Service	\$ 73,973,212	(b)
6			
7	Net Rejoinder 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	Rejoinder Adjusted - RCN AIAC	<u>\$ 2,304,294</u>	Line [11] * Line [13]
16			
17	Direct Adjusted - RCN AIAC	2,296,778	(b)
18			
19	Increase / (Decrease) to AIAC	<u>\$ 7,515</u>	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 Rejoinder RCN Depreciable Plant in Service	\$ 73,973,212	(b)
28			
29	Net Rejoinder 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	Rejoinder Adjusted - RCN CIAC	<u>\$ 12,257,035</u>	Line [33] * Line [35]
38			
39	Direct Adjusted - RCN CIAC	12,292,255	(b)
40			
41	Increase / (Decrease) to CIAC	<u>\$ (35,220)</u>	Line [37] - Line [39]
42			
43			
44			
45	Supporting Schedules		
46	(a) Schedule B-2 Rejoinder		
47	(b) Schedule B-3 Rejoinder		
48	(c) Schedule B-1 Rejoinder		
49			
50	\\2016 Paradise Valley Water Rejoinder.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	Rejoinder Adjusted - RCN Customer Meter Deposits	<u>\$ 22,504</u> Line [11] * Line [13]	
16			
17	Direct Adjusted - RCN Customer Meter Deposits	<u>\$ 22,569</u> (b)	
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 Rejoinder		
47	(b) Schedule B-3 Rejoinder		
48	(c) Schedule B-1 Rejoinder		
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50	\\2016 Paradise Valley Water Rejoinder.xlsm		

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47 Supporting Schedules

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50 \2016 Paradise Valley Water Rejoinder.xlsm

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

Line No.		[A] <u>Revised Amount</u>	[B] <u>RCN</u>	[C] <u>Original Cost</u>	[D] <u>RCN</u>	[E] <u>Rejoinder Adjustment</u>
1	<u>RCN - 2017 Post Test Year Plant Additions - Rejoinder</u>					
2						
3						
4						
5	Plant in Service	\$ 2,760,678	\$ 2,760,678	\$ 2,760,678	\$ 2,760,678	\$ -
6						
7						
8	Accumulated Depreciation	\$ 69,504	\$ 69,504	\$ 69,504	\$ 69,504	\$ -
9						
10						
11	Increase/(Decrease) to Plant in Service and A/D	\$ 2,691,175	\$ 2,691,175	\$ 2,691,175	\$ 2,691,175	\$ -
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47	Supporting Schedules					
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50	\2016 Paradise Valley Water Rejoinder.xlsm					

Line			
<u>No.</u>			
1			
2	Cash Working Capital Requirement	(a) \$	(135,611)
3	Required Bank Balances <sup>1</sup>		-
4	Material and Supplies Inventories <sup>1</sup>		138,115
5	Prepayments <sup>1</sup>		23,186
6			
7	Total Working Capital Allowance	Sum Lines [2-5] \$	<u>25,690</u>
8			
9	Less Company amount in Rebuttal Filing		10,331
10			
11	Increase/(Decrease) to Rate Base	Line [7] - Line [9] \$	<u><u>15,359</u></u>
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17	<sup>1</sup> Calculated using thirteen-month averages.		
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43	Supporting Schedules:	Recap Schedules:	
44	(a) B-6 Rejoinder	B-1 Rejoinder	
45			
46	Workpapers & Supporting Documents		
47	\ AZ 13mo TY Balance 12.31.2016.xlsx		
48	\ Lead-Lag Workpapers		
49			
50	\ 2016 Paradise Valley Water Rejoinder.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	601,592	40.146	-	40.146	0.110	66,169
4	Fuel & Power	1,380,523	40.146	48.669	(8.523)	(0.023)	(32,235)
5	Chemicals	43,975	40.146	54.941	(14.794)	(0.041)	(1,782)
6	Waste Disposal	5,096	40.146	31.063	9.083	0.025	127
7	Intercompany Support Services	-	40.146	30.417	9.730	0.027	-
8	Corporate Allocation	229,981	40.146	30.420	9.726	0.027	6,128
9	Outside Services	158,311	40.146	34.355	5.791	0.016	2,512
10	Group Insurance	360,755	40.146	(10.716)	50.862	0.139	50,271
11	Regulatory Expense	-	-	-	-	-	-
12	Insurance Other Than Group	81,876	40.146	72.688	(32.542)	(0.089)	(7,300)
13	Customer Accounting	189,613	40.146	49.828	(9.682)	(0.027)	(5,029)
14	Rents	29,568	40.146	13.376	26.770	0.073	2,169
15	General Office Expense	109,296	40.146	39.271	0.876	0.002	262
16	Miscellaneous	43,180	40.146	27.800	12.347	0.034	1,461
17	Maintenance Expense	335,978	40.146	46.886	(6.740)	(0.018)	(6,204)
18							
19							
20	<u>Taxes</u>						
21	Property Taxes	\$ 323,927	40.146	213.250	(173.104)	(0.474)	\$ (153,625)
22	Taxes - Payroll		-	-	-	-	-
23	Taxes -Other	89,496	40.146	(131.381)	171.527	0.470	42,057
24	Income Tax	674,887	40.146	41.750	(1.604)	(0.004)	(2,965)
25							
26	Interest	\$ 888,204	40.146	92.000	(51.854)	(0.142)	\$ (126,182)
27							
28							
29							
30							
31	WORKING CASH REQUIREMENT	<u>\$ 6,641,809</u>					<u>\$ (135,611)</u>

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Supporting Schedules:  
 (a) C-1 Rejoinder

Recap Schedules:  
 B-5 Rejoinder

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