

Sun City Water

B Schedules

Rebuttal

Line No.	Original Cost Rate Base (a) [A]	RCND Rate Base (b) [B]	
1			
2	\$ 106,521,872	\$ 215,367,511	
3	-	-	
4	<u>\$ 106,521,872</u>	<u>\$ 215,367,511</u>	Line [2] + Line [3]
5			
6	Less:		
7	<u>31,965,779</u>	<u>114,496,396</u>	
8			
9	\$ 74,556,093	\$ 100,871,115	Line [4] - Line [7]
10			
11	Less:		
12			
13	\$ 9,710,920	\$ 13,138,447	
14			
15	17,947,295	24,281,901	
16			
17			
18	13,700	18,535	
19	2,691,796	3,641,882	
20	-	-	
21	4,001,936	5,414,443	
22			
23	Plus:		
24	1,185,391	1,603,782	
25	(c) 533,511	533,511	
26	0	0	
27			
28	<u>\$ 41,909,348</u>	<u>\$ 56,513,199</u>	Line [9] - Lines [13-21] + Line [24-26]
29			
30			
31		\$ 49,211,273	(Sum[A] Line [28] + [B] Line [28]) 2
32		\$ 7,301,925	[B] Line [31] - [A] Line [28]
33		1.3485	[B] Line [28] / [A] Line [28]
34			
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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			
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Line

No.

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

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46 Workpapers and Supporting Documents

47 Schedule B-5 Rebuttal

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The Company partially accepts Staff's RB Adj #3 and RUCO RB ADJ #7. The Company accepts Staff's recommendation to increase the expense 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 case expense from the prepayment as recommended by Staff. The amount of Working Capital is a conforming adjustment and based on other adjustments made in Rebuttal.

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	12.8871%
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11 Deferred Income Tax per GL Allocated Adjusted End of Test Year \$(4,578,769) (a)

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14 Updated 2016 ADIT Amount \$(4,574,289)

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\$ (4,480) Line [11] - Line [14]

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26 Increase/ (Decrease) to ADIT \$ (4,480) 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 Sun City Water Rebuttal.xlsm

Line  
No.

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

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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	12.8871%
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Updated 2016 ADIT Amount \$(4,574,289)

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22

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

23

Allocation Factor 12.8871% Line [8]

24

ADIT allocated to Sun City Water \$(2,691,796) Line [22] \* Line [23]

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26

Increase/ (Decrease) to ADIT due to lower Federal Taxes \$(1,882,493) Line [14] - Line [24]

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Increase/ (Decrease) to Regulatory Liabilities \$ 1,882,493 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 Sun City Water Rebuttal.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	\$ 1,882,493	(a)
9			
10	Amortization Rate	<u>3.8214%</u>	(b)
11			
12	Annual Amortization	\$ (71,938)	Line [8] * Line [10]
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16	Increase/ (Decrease) to Regulatory Liabilities	<u>\$ (71,938)</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 Sun City 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>	
Post Test Year Plant Additions for Sun City Water	\$ 7,204,979	\$ 9,004,846	\$(1,799,867)	
Test Year CWIP To Capitalize	1,700,057	1,700,057	-	
Post Test Year CWIP To Capitalize				
7A Corporate Post Test Year Plant Additions Allocated	71,466	18,686	52,779	
7A Corporate CWIP Completed By December 31, 2016	23,300	23,300	-	
6U Post Test Year Plant Additions Allocated	138,965	193,654	(54,689)	
6U CWIP Completed By December 31, 2016	102,426	102,426	-	
<b>Total Post Test Year Plant Additions</b>	<u>\$ 9,241,191</u>	<u>\$ 11,042,968</u>	<u>\$(1,801,777)</u>	Sum Lines [12 - 20]
<b>Increase / (Decrease) to Plant in Service</b>			<u><u>\$(1,801,777)</u></u>	Line [22]
<b>Accumulated Depreciation</b>				
Post TY Plant Additions for Sun City Water - Accum Dep	\$ 159,331	\$ 184,126	\$ (24,794)	
Additional TY Plant Additions for Sun City Water - Accum Dep	20,314	20,314	-	
7A Corporate Post TY Plant Additions Allocated-Accum Dep	3,136	1,712	1,424	
Additional 7A Corporate TY Plant Additions Allocated-Accum Dep	1,120	1,120	-	
6U Post TY Plant Additions Allocated - Accum Dep	13,896	19,365	(5,469)	
Additional 6U TY Plant Additions Allocated-Accum Dep	10,243	10,243	-	
<b>Total Accumulated Depreciation - Post Test Year Plant Additions</b>	<u>\$ 208,040</u>	<u>\$ 236,879</u>	<u>\$ (28,839)</u>	Sum Lines [27 - 32]
<b>Increase / (Decrease) To Accumulated Depreciation</b>			<u><u>\$(28,839)</u></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 Sun City Water Rebuttal.xlsm



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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Sun City Water District

Retirements on Test Year Plant - Impact on Plant in Service

[A] Revised Amounts (a)	[B] Original Application (b)	[C] = [A] - [B] Rebuttal Adjustment
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\$ (321,157)	\$ (42,990)	\$ (278,168)
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7A - Corporate Arizona

Allocated Corporate Retirements on Test Year Plant - Impact on Plant in Service

\$ (2,286)	\$ -	\$ (2,286)
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6U

Allocated Corporate Retirements on Test Year Plant - Impact on Plant in Service

\$ -		\$ -
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Increase / (Decrease) To Plant in Service

\$ (280,454) Line [12]+[17]+[22]

Increase / (Decrease) To Accumulated Depreciation

(280,454) Line [27]

Impact on Rate Base

\$ - Line [27]-[28]

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 Sun City Water Rebuttal.xlsm

Line  
No.

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	\$ -	\$ (13,512)	\$ 13,512	
Amount of 2017 AIAC Refunds forecasted - Update to Actual	\$ (38,296)	\$ (13,512)	\$ (24,784)	
	<u>\$ (38,296)</u>	<u>\$ (27,023)</u>	<u>\$ (11,273)</u>	Line [13] + Line [16]
Increase/ (Decrease) to AIAC			<u>\$ (11,273)</u>	Line [18]

Workpapers and Supporting Documents  
 (a) Rate Base Adjustment SMC-6  
 Workpapers and Supporting Documents  
 \2016 Sun City Water Rebuttal.xlsm

Line No.	<u>Sch B-3 Original</u>							
	<u>Column [Z]</u>	Page 3	Page 4	Page 5	Page 6	Page 7	Page 8	
	[A]	[B]	[C]	[D]	[E]	[F]	[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	\$ 218,774,533	\$ -	\$ -	\$ -	\$ -	\$ (1,801,777)	\$ (1,605,245)
3	Construction Work in Progress	-	-	-	-	-	-	-
4	Subtotal Utility Plant	\$ 218,774,533	\$ -	\$ -	\$ -	\$ -	\$ (1,801,777)	\$ (1,605,245)
5								
6	<b>Less:</b>							
7	Accumulated Depreciation	115,982,345	-	-	-	-	(28,839)	(1,457,109)
8								
9	Net Utility Plant in Service	\$ 102,792,188	\$ -	\$ -	\$ -	\$ -	\$ (1,772,938)	\$ (148,136)
10								
11	<b>Less:</b>							
12	Advances in Aid of Construction	\$ 13,092,861	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13								
14								
15	Contribution in Aid of Construction -	24,169,595	-	-	-	-	-	-
16	Net of Amortization							
17								
18	Customer Meter Deposits	18,450	-	-	-	-	-	-
19	Deferred Income Taxes & Credits	6,166,222	-	(2,524,340)	-	-	-	-
20	Investment Tax Credits	-	-	-	-	-	-	-
21	Regulatory Liabilities	2,951,130	-	-	-	2,463,313	-	-
22								
23	<b>Plus:</b>							
24	Deferred Debits	\$ 1,596,364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Working Capital Allowance	499,524	33,987	-	-	-	-	-
26	Utility Plant Acquisition Adjustment	0	-	-	-	-	-	-
27								
28	Total Rate Base	\$ 58,489,818	\$ 33,987	\$ 2,524,340	\$ -	\$ (2,463,313)	\$ (1,772,938)	\$ (148,136)
29								
30								
31								
32	Supporting Schedules							
33								
34								
35	\2016 Sun City Water Rebuttal.xlsm							

Recap Schedules:  
 B-1 Rebuttal

Line No.	Page 9	Page 10	Page 11	Page 12		
	[H] ADJ SLH-RCN7 REB	[I] ADJ SLH-RCN8 REB	[J] ADJ SLH-RCN9 REB	[K] ADJ SLH-RCN10 REB	[L] Sum [B - K]	[M] Sum [A] + [L]
	<u>RCN - Advances-in-Aid of Construction (AIAC) and Contributions-in-Aid of Construction (CIAC)</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	Gross Utility Plant in Servi	\$ -	\$ -	\$ -	\$ -	\$ (3,407,022) \$ 215,367,511
3	Construction Work in Prog	-	-	-	-	-
4	Subtotal Utility Plant	\$ -	\$ -	\$ -	\$ -	\$ (3,407,022) \$ 215,367,511
5						
6	<b>Less:</b>					
7	Accumulated Depreciation	-	-	-	-	(1,485,949) 114,496,396
8						
9	Net Utility Plant in Service	\$ -	\$ -	\$ -	\$ -	\$ (1,921,074) \$ 100,871,115
10						
11	<b>Less:</b>					
12	Advances in Aid of Constr	\$ 45,585.6	\$ -	\$ -	\$ -	\$ 45,586 \$ 13,138,447
13						
14						
15	Contribution in Aid of Con	112,306	-	-	-	112,306 24,281,901
16	Net of Amortization					
17						
18	Customer Meter Deposits	-	86	-	-	86 18,535
19	Deferred Income Taxes &	-	-	-	-	(2,524,340) 3,641,882
20	Investment Tax Credits	-	-	-	-	-
21	Regulatory Liabilities	-	-	-	-	2,463,313 5,414,443
22						
23	<b>Plus:</b>					
24	Deferred Debits	\$ -	\$ -	\$ -	\$ 7,418	\$ 7,418 \$ 1,603,782
25	Working Capital Allowanc	-	-	-	-	33,987 533,511
26	Utility Plant Acquisition A	-	-	-	-	- 0
27						
28	Total Rate Base	\$ (157,892)	\$ (86)	\$ -	\$ 7,418	\$ (1,976,620) \$ 56,513,199

**Sun City Water**

Test Year Ended December 31, 2016  
Rate Base Adjustment SLH-RCN1 REB

Exhibit  
Schedule B-3 Rebuttal  
Page 3  
Witness: Hubbard

Line		
<u>No.</u>		
1	<u>RCN - Working Capital Allowance</u>	
2		
3	Per Schedule B-5 Rebuttal	
4		
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7		
8	Increase/(Decrease) to Rate Base	<u>\$ 33,987</u>
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47	Supporting Schedules	
48	Schedule B5 Rebuttal	
49		
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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	\$ 63,450,766 (b)	
6			
7	Original Cost Rate Base Before ADIT and Other Items	\$ 46,897,878 (a)	
8			
9	Ratio (factor)	1.3530 Line [5] / Line [7]	
10			
11	Adjusted Original Cost Net ADIT	\$ 2,691,796 (c)	
12			
13	Factor	1.3530 Line [9]	
14			
15	Rebuttal Adjusted - RCN ADIT	\$ 3,641,882 Line [11] * Line [13]	
16			
17	Direct Adjusted - RCN ADIT	6,166,222 (b)	
18			
19	Increase / (Decrease) to Deferred Income Taxes	\$ (2,524,340) 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		
49			
50	\\2016 Sun City Water Rebuttal.xlsm		

**Sun City Water**

Test Year Ended December 31, 2016

Rate Base Adjustment SLH-RCN3 REB

Exhibit

Schedule B-3 Rebuttal

Page 5

Witness: Hubbard

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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 Sun City Water Rebuttal.xlsm

Sun City Water

Test Year Ended December 31, 2016  
Rate Base Adjustment SLH-RCN4 REB

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	\$ 100,871,115 (b)	
6			
7	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$ 74,556,093 (a)	
8			
9	Ratio (factor)	1.3530 Line [5] / Line [7]	
10			
11	Adjusted Original Cost - Regulatory Liability - ADIT Tax Reform	\$ 4,001,936 (c)	
12			
13	Factor	1.3530 Line [9]	
14			
15	Rebuttal Adjusted - RCN Regulatory Liability - ADIT - Tax Reform	\$ 5,414,443 Line [11] * Line [13]	
16			
17	Direct Adjusted - RCN Regulatory Liability - ADIT- Tax Reform	\$ 2,951,130 (b)	
18			
19	Increase / (Decrease) to Regulatory Liability	<u>\$ 2,463,313</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			
50	\\2016 Sun City Water Rebuttal.xlsm		



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	\$ 9,241,191	\$ 9,241,191	\$ 11,042,968	\$ 11,042,968	\$ (1,801,777)
6						
7						
8	Accumulated Depreciation	\$ 208,040	\$ 208,040	\$ 236,879	\$ 236,879	\$ (28,839)
9						
10						
11	Increase/(Decrease) to Plant in Service and A/D	\$ 9,033,151	\$ 9,033,151	\$ 10,806,089	\$ 10,806,089	\$ (1,772,938)
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47	Supporting Schedules					
48	Rate Base Adjustment JPB-RB5 REB					
49						
50	\2016 Sun City 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]	\$	(1,934,537)	\$ (329,292)	\$ (1,605,245)
4								
5	Retirements - Accumulated Depreciation			Col [H]	\$	(1,766,051)	\$ (308,942)	\$ (1,457,109)
6								
7								
8	<u>Sun City 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	\$1,501,245		\$ 321,157		\$ 321,157	\$ 1,931,887	\$ 1,765,256
13								
14								
15								
16	<u>7A Allocated</u>			4- Factor		General Metered Customers		12.8871%
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		12.8871%	\$ 2,650	\$ 795
24								Line 21 * GMC Factor
25								
26							<u>\$ 1,934,537</u>	<u>\$ 1,766,051</u>
27								Line 12 + Line 23
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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 Sun City Water Rebuttal.xlsm							

Sun City Water

Test Year Ended December 31, 2016  
 Rate Base Adjustment SLH-RCN7 REB

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	\$ 100,871,115	(b)
6			
7	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$ 74,556,093	(a)
8			
9	Ratio (factor)	1.3530	Line [5] / Line [7]
10			
11	Adjusted Original Cost AIAC	\$ 9,710,920	(c)
12			
13	Factor	1.3530	Line [9]
14			
15	Rebuttal Adjusted - RCN AIAC	\$ 13,138,447	Line [11] * Line [13]
16			
17	Direct Adjusted - RCN AIAC	13,092,861	(b)
18			
19	Increase / (Decrease) to AIAC	\$ 45,586	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	\$ 100,871,115	(b)
28			
29	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$ 74,556,093	(a)
30			
31	Ratio (factor)	1.3530	Line [27] / Line [29]
32			
33	Adjusted Original Cost CIAC	\$ 17,947,295	(c)
34			
35	Factor	1.3530	Line [31]
36			
37	Rebuttal Adjusted - RCN CIAC	\$ 24,281,901	Line [33] * Line [35]
38			
39	Direct Adjusted - RCN CIAC	24,169,595	(b)
40			
41	Increase / (Decrease) to CIAC	\$ 112,306	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 Sun City 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	\$ 100,871,115 (b)	
6			
7	Net Direct Adjusted Original Depreciable Plant in Service	\$ 74,556,093 (a)	
8			
9	Ratio (factor)	1.3530 Line [5] / Line [7]	
10			
11	Adjusted Original Cost Customer Meter Deposits	\$ 13,700 (c)	
12			
13	Factor	1.3530 Line [9]	
14			
15	Rebuttal Adjusted - RCN Customer Meter Deposits	\$ 18,535 <u>Line [11] * Line [13]</u>	
16			
17	Direct Adjusted - RCN Customer Meter Deposits	\$ 18,450 (b)	
18			
19	Increase / (Decrease) to Customer Meter Deposits	Line [15] - Line [17]	\$ <u>86</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 Sun City Water Rebuttal.xlsm		

**Sun City Water**

Test Year Ended December 31, 2016  
Rate Base Adjustment SLH-RCN9 REB

Exhibit  
Schedule B-3 Rebuttal  
Page 11  
Witness: Hubbard

Line

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47 Supporting Schedules

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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	\$ 100,871,115	(b)
6			
7	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$ 74,556,093	(a)
8			
9	Ratio (factor)	1.3530	Line [5] / Line [7]
10			
11	Adjusted Original Cost - Deferred Debits	\$ 1,185,391	(c)
12			
13	Factor	1.3530	Line [9]
14			
15	Rebuttal Adjusted - RCN Regulatory Liability - Deferred Debits	\$ 1,603,782	Line [11] * Line [13]
16			
17	Direct Adjusted - RCN Regulatory Liability - Deferred Debits	\$ 1,596,364	(b)
18			
19	Increase / (Decrease) to Deferred Debits		Line [15] - Line [17] <u>\$ 7,418</u>
20			
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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 Sun City Water Rebuttal.xlsm		

Line			
<u>No.</u>			
1			
2	Cash Working Capital Requirement	(a) \$	(131,218)
3	Required Bank Balances <sup>1</sup>		-
4	Material and Supplies Inventories <sup>1</sup>		569,363
5	Prepayments <sup>1</sup>		95,366
6			
7	Total Working Capital Allowance	Sum Lines [2-5] \$	<u>533,511</u>
8			
9	Less Company amount in Original Filing		499,524
10			
11	Increase/(Decrease) to Rate Base	Line [7] - Line [9] \$	<u><u>33,987</u></u>
12			
13			
14			
15			
16			
17	<sup>1</sup> 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 Sun City Water Rebuttal.xlsm		

