

Sun City West Water

B Schedules

Rebuttal

Line No.	Original Cost Rate Base (a)	RCND Rate Base (b)	
	[A]	[B]	
1			
2	\$ 61,049,114	\$ 119,364,784	
3	(0)	(0)	
4	<u>\$ 61,049,114</u>	<u>\$ 119,364,784</u>	Line [2] + Line [3]
5			
6	Less:		
7	<u>23,213,509</u>	<u>59,610,657</u>	
8			
9	\$ 37,835,605	\$ 59,754,127	Line [4] - Line [7]
10			
11	Less:		
12			
13	\$ 1,718,503	\$ 2,714,048	
14			
15	616,441	973,551	
16			
17			
18	800	1,263	
19	1,698,495	2,682,449	
20	-	-	
21	1,149,761	1,815,829	
22			
23	Plus:		
24	296,370	468,060	
25	(c) (16,261)	(16,261)	
26	0	0	
27			
28	<u>\$ 32,931,714</u>	<u>\$ 52,018,786</u>	Line [9]-Lines [12-21]+Line [24-26]
29			
30			
31		\$ 42,475,250	(Sum[A] Line [28] + [B] Line [28]) 2
32		\$ 9,543,536	[B] Line [31] - [A] Line [28]
33		1.5796	[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 Sun City West Water Rebuttal.xlsm		

Line No.	Sch B-2 Original										[I]	[J]
	Column [AA] [A]	Page 2 [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]
	Adjusted End of Test Year	Partially Accept Staff RB Adj #3 & RUCO RB Adj #7: Working Capital Allowance	Adjust 2016 ADIT	Partially Accept Staff RB Adj #4: ADIT - Tax Reform Adj	Regulatory Liability - ADIT Amortization - Tax Reform Adj	Partially Accept Staff RB Adj 1a and 1b: Adjust 2017 Post Test Year Plant Additions	Adjust Retirements on Test Year Plant	Partially Accept RUCO RB Adj #4: AIAC Refunds	Total Pro Forma Adjustments	Adjusted End of Test Year		
1												
2	Gross Utility Plant in Service	\$ 61,592,603	\$ -	\$ -	\$ -	\$ -	\$ (383,209)	\$ (160,280)	\$ -	\$ (543,489)	\$	61,049,114
3	Construction Work in Progress	(0)	-	-	-	-	-	-	-	-	-	(0)
4	Subtotal Utility Plant	\$ 61,592,603	\$ -	\$ -	\$ -	\$ -	\$ (383,209)	\$ (160,280)	\$ -	\$ (543,489)	\$	61,049,114
5												
6	Less:											
7	Accumulated Depreciation	23,377,357	-	-	-	-	(3,568)	(160,280)	-	(163,848)		23,213,509
8												
9	Net Utility Plant in Service	\$ 38,215,246	\$ -	\$ -	\$ -	\$ -	\$ (379,641)	\$ -	\$ -	\$ (379,641)	\$	37,835,605
10												
11	Less:											
12	Advances in Aid of Construction	\$ 1,709,978	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,525	\$ 8,525	\$	1,718,503
13												
14												
15	Contribution in Aid of Construction - Net of Amortization	616,441	-	-	-	-	-	-	-	-	-	616,441
16												
17												
18	Customer Meter Deposits	800	-	-	-	-	-	-	-	-	-	800
19	Deferred Income Taxes & Credits	2,889,155	-	(2,827)	(1,187,833)	-	-	-	-	(1,190,660)		1,698,495
20	Investment Tax Credits	-	-	-	-	-	-	-	-	-	-	-
21	Regulatory Liabilities	-	-	-	1,187,833	(38,072)	-	-	-	1,149,761		1,149,761
22												
23	Plus:											
24	Deferred Debits	\$ 296,370	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$	296,370
25	Working Capital Allowance	(30,352)	14,091	-	-	-	-	-	-	14,091		(16,261)
26	Utility Plant Acquisition Adjustment	0	-	-	-	-	-	-	-	-		0
27												
28	Total Rate Base	\$ 33,264,889	\$ 14,091	\$ 2,827	\$ -	\$ 38,072	\$ (379,641)	\$ -	\$ (8,525)	\$ (333,175)	\$	32,931,714
29												
30												
31	Supporting Schedules:	Recap Schedules:										
32	(a) B-3 Rebuttal	B-1 Rebuttal										
33												
34												
35	\2016 Sun City West 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	8.1316%
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11 Deferred Income Tax per GL Allocated Adjusted End of Test Year \$(2,889,155) (a)

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14 Updated 2016 ADIT Amount \$(2,886,328)

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\$ (2,827) Line [11] - Line [14]

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26 Increase/ (Decrease) to ADIT \$ (2,827) 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 West 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
 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	8.1316%
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Updated 2016 ADIT Amount \$(2,886,328)

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22

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

23

Allocation Factor 8.1316% Line [8]

24

ADIT allocated to Sun City West Water \$(1,698,495) Line [22] * Line [23]

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Increase/ (Decrease) to ADIT due to lower Federal Taxes \$(1,187,833) Line [14] - Line [24]

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Increase/ (Decrease) to Regulatory Liabilities \$ 1,187,833 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 West 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	\$ 1,187,833	(a)
9			
10	Amortization Rate	<u>3.2052%</u>	(b)
11			
12	Annual Amortization	\$ (38,072)	Line [8] * Line [10]
13			
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15			
16	Increase/ (Decrease) to Regulatory Liabilities	<u>\$ (38,072)</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 Sun City West 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 Sun City West Water	\$ 1,629,528	\$ 2,011,531	\$ (382,003)	
13 Test Year CWIP To Capitalize	200,214	200,214	-	
14 Post Test Year CWIP To Capitalize				
15				
16 7A Corporate Post Test Year Plant Additions Allocated	45,094	11,791	33,303	
17 7A Corporate CWIP Completed By December 31, 2016	14,702	14,702	-	
18				
19 6U Post Test Year Plant Additions Allocated	87,685	122,194	(34,508)	
20 6U CWIP Completed By December 31, 2016	64,630	64,630	-	
21				
22 Total Post Test Year Plant Additions	<u>\$ 2,041,853</u>	<u>\$ 2,425,061</u>	<u>\$ (383,209)</u>	Sum Lines [12 - 20]
23				
24 Increase / (Decrease) to Plant in Service			<u>\$ (383,209)</u>	Line [22]
25				
26 <u>Accumulated Depreciation</u>				
27 Post TY Plant Additions for Sun City West Water - Accum Dep	\$ 56,996	\$ 58,011	\$ (1,015)	
28 Additional TY Plant Additions for Sun City West Water - Accum Dep	2,284	2,284	-	
29 7A Corporate Post TY Plant Additions Allocated-Accum Dep	1,979	1,080	899	
30 Additional 7A Corporate TY Plant Additions Allocated-Accum Dep	706	706	-	
31 6U Post TY Plant Additions Allocated - Accum Dep	8,769	12,219	(3,451)	
32 Additional 6U TY Plant Additions Allocated-Accum Dep	6,463	6,463	-	
33 Total Accumulated Depreciation - Post Test Year Plant Additions	<u>\$ 77,197</u>	<u>\$ 80,765</u>	<u>\$ (3,568)</u>	Sum Lines [27 - 32]
34				
35 Increase / (Decrease) To Accumulated Depreciation			<u>\$ (3,568)</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 Sun City West 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.

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

12 Retirements on Test Year Plant - Impact on Plant in Service	\$ (275,028)	\$ (116,191)	\$ (158,838)
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 14
 15

16 7A - Corporate Arizona

17 Allocated Corporate Retirements on Test Year Plant - Impact on Plant in Service	\$ (1,442)	\$ -	\$ (1,442)
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18
 19
 20

21 6U

22 Allocated Corporate Retirements on Test Year Plant - Impact on Plant in Service	\$ -	\$ -	\$ -
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 24
 25
 26

27 Increase / (Decrease) To Plant in Service			\$ (160,280) Line [12]+[17]+[22]
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28 Increase / (Decrease) To Accumulated Depreciation			(160,280) Line [27]
--	--	--	---------------------

29
 30

30 Impact on Rate Base			<u>\$ -</u> Line [27]-[28]
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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 Sun City West 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.

Amount of 2018 AIAC Refunds forecasted - Remove

Amount of 2017 AIAC Refunds forecasted - Update to Actual

Increase/ (Decrease) to AIAC

	[A] Revised Amounts	[B] Original Application (a)	[C] = [A] - [B] Rebuttal Adjustment	
	\$ -	\$ (6,167)	\$ 6,167	
	\$ (3,810)	\$ (6,167)	\$ 2,357	
	<u>\$ (3,810)</u>	<u>\$ (12,335)</u>	<u>\$ 8,525</u>	Line [13] + Line [16]
			<u>\$ 8,525</u>	Line [18]

Workpapers and Supporting Documents

(a) Rate Base Adjustment SMC-6

Workpapers and Supporting Documents

\\2016 Sun City West Water Rebuttal.xlsm

Line No.	Sch B-3 Original								
	Column [Z] [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	\$ 120,149,717	\$ -	\$ -	\$ -	\$ -	\$ (383,209)	\$ (401,724)	
3	Construction Work in Progress	(0)	-	-	-	-	-	-	
4	Subtotal Utility Plant	\$ 120,149,717	\$ -	\$ -	\$ -	\$ -	\$ (383,209)	\$ (401,724)	
5									
6	Less:								
7	Accumulated Depreciation	59,917,414	-	-	-	-	(3,568)	(303,189)	
8									
9	Net Utility Plant in Service	\$ 60,232,303	\$ -	\$ -	\$ -	\$ -	\$ (379,641)	\$ (98,535)	
10									
11	Less:								
12	Advances in Aid of Construction	\$ 2,695,153	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
13									
14									
15	Contribution in Aid of Construction -	971,593	-	-	-	-	-	-	
16	Net of Amortization								
17									
18	Customer Meter Deposits	1,261	-	-	-	-	-	-	
19	Deferred Income Taxes & Credits	4,553,693	-	(1,871,243)	-	-	-	-	
20	Investment Tax Credits	-	-	-	-	-	-	-	
21	Regulatory Liabilities	-	-	-	-	1,815,829	-	-	
22									
23	Plus:								
24	Deferred Debits	\$ 467,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
25	Working Capital Allowance	(30,352)	14,091	-	-	-	-	-	
26	Utility Plant Acquisition Adjustment	0	-	-	-	-	-	-	
27									
28	Total Rate Base	\$ 52,447,371	\$ 14,091	\$ 1,871,243	\$ -	\$ (1,815,829)	\$ (379,641)	\$ (98,535)	

32 Supporting Schedules

33 Recap Schedules:
 34 B-1 Rebuttal

	Page 9 [H] ADJ SLH-RCN7 REB	Page 10 [I] ADJ SLH-RCN8 REB	Page 11 [J] ADJ SLH-RCN9 REB	Page 12 [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	\$ -	\$ -	\$ -	\$ -	\$ (784,933)	\$ 119,364,784
3	-	-	-	-	-	(0)
4	\$ -	\$ -	\$ -	\$ -	\$ (784,933)	\$ 119,364,784
5						
6	Less:					
7	Accumulated Depreciation	-	-	-	(306,757)	59,610,657
8						
9	Net Utility Plant in Service	\$ -	\$ -	\$ -	\$ (478,176)	\$ 59,754,127
10						
11	Less:					
12	Advances in Aid of Construction	\$ 18,895	\$ -	\$ -	\$ 18,895	\$ 2,714,048
13						
14						
15	Contribution in Aid of Construction -	1,958	-	-	1,958	973,551
16	Net of Amortization					
17						
18	Customer Meter Deposits	-	3	-	3	1,263
19	Deferred Income Taxes & Credits	-	-	-	(1,871,243)	2,682,449
20	Investment Tax Credits	-	-	-	-	-
21	Regulatory Liabilities	-	-	-	1,815,829	1,815,829
22						
23	Plus:					
24	Deferred Debits	\$ -	\$ -	\$ 941	\$ 941	\$ 468,060
25	Working Capital Allowance	-	-	-	14,091	(16,261)
26	Utility Plant Acquisition Adjustment	-	-	-	-	0
27						
28	Total Rate Base	\$ (20,853)	\$ (3)	\$ -	\$ 941	\$ (428,585)
29						
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32	Supporting Schedules					
33						
34						
35	\2016 Sun City West Water Rebuttal.xls					

Sun City West Water

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

Exhibit
Schedule B-3 Rebuttal
Page 3
Witness: Hubbard

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

\$ 14,091

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47 Supporting Schedules

48 Schedule B5 Rebuttal

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Line			
<u>No.</u>			
1	<u>RCN - ADIT</u>		
2	Adjusted at End of Test Year		
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4			
5	RCN Rate Base Before ADIT and Other Items	\$ 56,066,528	(b)
6			
7	Original Cost Rate Base Before ADIT and Other Items	\$ 35,500,661	(a)
8			
9	Ratio (factor)	1.5793	Line [5] / Line [7]
10			
11	Adjusted Original Cost Net ADIT	\$ 1,698,495	(c)
12			
13	Factor	1.5793	Line [9]
14			
15	Rebuttal Adjusted - RCN ADIT	<u>\$ 2,682,449</u>	Line [11] * Line [13]
16			
17	Direct Adjusted - RCN ADIT	4,553,693	(b)
18			
19	Increase / (Decrease) to Deferred Income Taxes	<u>\$ (1,871,243)</u>	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 West Water Rebuttal.xlsm		

Sun City West 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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Supporting Schedules

(a) Schedule B-2 Rebuttal

(b) Schedule B-3 Rebuttal

(c) Schedule B-1 Rebuttal

Adjustments RB2 Rebuttal and RB3 Rebuttal

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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	\$ 59,754,127	(b)
6			
7	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$ 37,835,605	(a)
8			
9	Ratio (factor)	1.5793	Line [5] / Line [7]
10			
11	Adjusted Original Cost - Regulatory Liability - ADIT Tax Reform	\$ 1,149,761	(c)
12			
13	Factor	1.5793	Line [9]
14			
15	Rebuttal Adjusted - RCN Regulatory Liability - ADIT - Tax Reform	\$ 1,815,829	Line [11] * Line [13]
16			
17	Direct Adjusted - RCN Regulatory Liability - ADIT- Tax Reform	\$ -	(b)
18			
19	Increase / (Decrease) to Regulatory Liability	\$ 1,815,829	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 West 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	\$ 2,041,853	\$ 2,041,853	\$ 2,425,061	\$ 2,425,061	\$ (383,209)
6						
7						
8	Accumulated Depreciation	\$ 77,197	\$ 77,197	\$ 80,765	\$ 80,765	\$ (3,568)
9						
10						
11	Increase/(Decrease) to Plant in Service and A/D	\$ 1,964,655	\$ 1,964,655	\$ 2,344,296	\$ 2,344,296	\$ (379,641)
12						
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47	Supporting Schedules					
48	Rate Base Adjustment JPB-RB5 REB					
49						
50	\2016 Sun City West 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]	\$ (563,720)		\$ (161,995)	\$ (401,724)
4							
5	Retirements - Accumulated Depreciation		Col [H]	\$ (331,986)		\$ (28,797)	\$ (303,189)
6							
7							
8	<u>Sun City West 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	\$ 1,792,721	\$ 275,028	\$ 275,028		\$ 562,048	\$ 331,484
13							
14							
15							
16	<u>7A Allocated</u>		4- Factor	General Metered Customers		8.1316%	
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		8.1316%	\$ 1,672	\$ 502
24							
25							
26						\$ 563,720	\$ 331,986
27							
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45	Supporting Schedules						
46							
47	(a) ADJ SMC-RCN20						
48	(b) Retirements By District by Asset#.xlsx						
49							
50	\2016 Sun City West Water Rebuttal.xlsm						

Line 12 + Line 23

Line 21 * GMC Factor

Sun City West Water

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

Exhibit
 Schedule B-3 Rebuttal
 Page 9
 Witness: Hubbard

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	\$ 59,754,127	(b)
6			
7	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$ 37,835,605	(a)
8			
9	Ratio (factor)	1.5793	Line [5] / Line [7]
10			
11	Adjusted Original Cost AIAC	\$ 1,718,503	(c)
12			
13	Factor	1.5793	Line [9]
14			
15	Rebuttal Adjusted - RCN AIAC	\$ 2,714,048	Line [11] * Line [13]
16			
17	Direct Adjusted - RCN AIAC	2,695,153	(b)
18			
19	Increase / (Decrease) to AIAC	\$ 18,895	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	\$ 59,754,127	(b)
28			
29	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$ 37,835,605	(a)
30			
31	Ratio (factor)	1.5793	Line [27] / Line [29]
32			
33	Adjusted Original Cost CIAC	\$ 616,441	(c)
34			
35	Factor	1.5793	Line [31]
36			
37	Rebuttal Adjusted - RCN CIAC	\$ 973,551	Line [33] * Line [35]
38			
39	Direct Adjusted - RCN CIAC	971,593	(b)
40			
41	Increase / (Decrease) to CIAC	\$ 1,958	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 West 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	\$ 59,754,127	(b)
6			
7	Net Direct Adjusted Original Depreciable Plant in Service	\$ 37,835,605	(a)
8			
9	Ratio (factor)	1.5793	Line [5] / Line [7]
10			
11	Adjusted Original Cost Customer Meter Deposits	\$ 800	(c)
12			
13	Factor	1.5793	Line [9]
14			
15	Rebuttal Adjusted - RCN Customer Meter Deposits	\$ 1,263	Line [11] * Line [13]
16			
17	Direct Adjusted - RCN Customer Meter Deposits	\$ 1,261	(b)
18			
19	Increase / (Decrease) to Customer Meter Deposits		Line [15] - Line [17] <u>\$ 3</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 West Water Rebuttal.xlsm		

Sun City West 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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50 \2016 Sun City West 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	\$ 59,754,127 (b)	
6			
7	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$ 37,835,605 (a)	
8			
9	Ratio (factor)	1.5793 Line [5] / Line [7]	
10			
11	Adjusted Original Cost - Deferred Debits	\$ 296,370 (c)	
12			
13	Factor	1.5793 Line [9]	
14			
15	Rebuttal Adjusted - RCN Regulatory Liability - Deferred Debits	\$ 468,060 Line [11] * Line [13]	
16			
17	Direct Adjusted - RCN Regulatory Liability - Deferred Debits	\$ 467,119 (b)	
18			
19	Increase / (Decrease) to Deferred Debits		Line [15] - Line [17] <u>\$ 941</u>
20			
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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 West Water Rebuttal.xlsm		

Line			
<u>No.</u>			
1			
2	Cash Working Capital Requirement	(a) \$	(166,666)
3	Required Bank Balances ¹		-
4	Material and Supplies Inventories ¹		7,696
5	Prepayments ¹		142,708
6			
7	Total Working Capital Allowance	Sum Lines [2-5] \$	<u>(16,261)</u>
8			
9	Less Company amount in Original Filing		(30,352)
10			
11	Increase/(Decrease) to Rate Base	Line [7] - Line [9] \$	<u><u>14,091</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 Sun City West Water Rebuttal.xlsm		

