

Agua Fria Water

B Schedules

Rebuttal

Line No.	Original Cost Rate Base (a) [A]	RCND Rate Base (b) [B]	
1			
2	\$ 393,535,005	\$ 563,847,766	
3	-	-	
4	<u>\$ 393,535,005</u>	<u>\$ 563,847,766</u>	Line [2] + Line [3]
5			
6	Less:		
7	<u>90,315,129</u>	<u>145,575,759</u>	
8			
9	\$ 303,219,876	\$ 418,272,007	Line [4] - Line [7]
10			
11	Less:		
12			
13	\$ 105,423,970	\$ 145,425,479	
14			
15	75,655,336	104,361,592	
16			
17			
18	41,915	57,819	
19	4,843,047	6,680,667	
20	-	-	
21	3,294,038	4,543,910	
22			
23	Plus:		
24	12,677,855	17,488,272	
25	(c) 442,315	442,315	
26	(0)	(0)	
27			
28	<u>\$ 127,081,740</u>	<u>\$ 175,133,127</u>	Line [9]-Lines [12-21]+Line [24-26]
29			
30			
31		\$ 151,107,433	(Sum[A] Line [28] + [B] Line [28])/2
32		\$ 24,025,694	[B] Line [31] - [A] Line [28]
33		1.3781	[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 Agua Fria Water Rebuttal.xlsm		

Line No.	Sch B-2 Original Column [AA]										[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	\$ 393,161,453	\$ -	\$ -	\$ -	\$ -	\$ 909,888	\$ (536,335)	\$ -	\$ -	\$ 373,552	\$ 393,535,005
3	Construction Work in Progress	-	-	-	-	-	-	-	-	-	-	-
4	Subtotal Utility Plant	\$ 393,161,453	\$ -	\$ -	\$ -	\$ -	\$ 909,888	\$ (536,335)	\$ -	\$ -	\$ 373,552	\$ 393,535,005
5												
6	Less:											
7	Accumulated Depreciation	90,830,689	-	-	-	-	20,775	(536,335)	-	-	(515,560)	90,315,129
8												
9	Net Utility Plant in Service	\$ 302,330,764	\$ -	\$ -	\$ -	\$ -	\$ 889,112	\$ -	\$ -	\$ -	\$ 889,112	\$ 303,219,876
10												
11	Less:											
12	Advances in Aid of Construction	\$ 105,101,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 322,020	\$ -	\$ 322,020	\$ 105,423,970
13												
14												
15	Contribution in Aid of Construction - Net of Amortization	75,655,336	-	-	-	-	-	-	-	-	-	75,655,336
16												
17												
18	Customer Meter Deposits	41,915	-	-	-	-	-	-	-	-	-	41,915
19	Deferred Income Taxes & Credits	8,238,066	-	(8,061)	(3,386,958)	-	-	-	-	-	(3,395,019)	4,843,047
20	Investment Tax Credits	-	-	-	-	-	-	-	-	-	-	-
21	Regulatory Liabilities	-	-	-	3,386,958	(92,920)	-	-	-	-	3,294,038	3,294,038
22												
23	Plus:											
24	Deferred Debts	\$ 12,677,855	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,677,855
25	Working Capital Allowance	246,576	195,739	-	-	-	-	-	-	-	195,739	442,315
26	Utility Plant Acquisition Adjustment	(0)	-	-	-	-	-	-	-	-	-	(0)
27												
28	Total Rate Base	\$ 126,217,928	\$ 195,739	\$ 8,061	\$ -	\$ 92,920	\$ 889,112	\$ -	\$ (322,020)	\$ -	\$ 863,812	\$ 127,081,740
29												
30												
31	Supporting Schedules:											
32	(a) B-3 Rebuttal											
33												
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35	\\2016 Agua Fria Water Rebuttal.xlsm											

Recap Schedules:
 B-1 Rebuttal

Agua Fria Water

Test Year Ended December 31, 2016

Rate Base Adjustment SLH-RB1 REB

Exhibit

Schedule B-2 Rebuttal

Page 2

Witness: Hubbard

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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No.

1 Adjust 2016 ADIT

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3 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	23.1862%
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11 Deferred Income Tax per GL Allocated Adjusted End of Test Year \$(8,238,066) (a)

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14 Updated 2016 ADIT Amount \$(8,230,005)

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26 Increase/ (Decrease) to ADIT \$ (8,061) Line [11] - Line [14]

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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 Agua Fria Water Rebuttal.xlsm

Agua Fria Water

Test Year Ended December 31, 2016
 Rate Base Adjustment SLH-RB3 REB

Exhibit
 Schedule B-2 Rebuttal
 Page 4
 Witness: Hubbard

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
 4 the impact of the Tax Cuts and Jobs Act of 2017. The adjustment records the updated ADIT balance and also creates a Regulatory
 5 Liability for this impact.

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4- Factor	General Metered Customers	23.1862%
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14 Updated 2016 ADIT Amount \$(8,230,005)

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	Total Deferred Income Tax Balance - EPCOR	\$ (20,887,593) (b)	
	Allocation Factor	<u>23.1862%</u> Line [8]	
	ADIT allocated to Agua Fria Water		\$(4,843,047) Line [22] * Line [23]

25

26 Increase/ (Decrease) to ADIT due to lower Federal Taxes \$(3,386,958) Line [14] - Line [24]

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33 Increase/ (Decrease) to Regulatory Liabilities \$ 3,386,958 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 Agua Fria Water Rebuttal.xlsm

Line

No.

1 Regulatory Liability - ADIT Amortization - Tax Reform Adj

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.

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8 Regulatory Liability that resulted from the decrease in the Federal Income Taxes

\$ 3,386,958 (a)

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10 Amortization Rate

2.7435% (b)

11

\$ (92,920) Line [8] * Line [10]

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Annual Amortization

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16 Increase/ (Decrease) to Regulatory Liabilities

\$ (92,920) 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 Agua Fria 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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3 The Company is adjusting its 2017 Post Test Year Plant additions and accumulated depreciation. This includes PTYP for the
 4 district, Corporate 7A and 6U.

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	[A]	[B]	[C] = [A] - [B]	
	Revised	Original	Rebuttal	
	<u>Amounts (a)</u>	<u>Application (b)</u>	<u>Adjustment</u>	
12 Post Test Year Plant Additions for Agua Fria Water	\$ 29,063,454	\$ 28,150,130	\$ 913,324	
13 Test Year CWIP To Capitalize	767,297	767,297	-	
14 Post Test Year CWIP To Capitalize				
16 7A Corporate Post Test Year Plant Additions Allocated	128,580	33,620	94,960	
17 7A Corporate CWIP Completed By December 31, 2016	41,921	41,921	-	
19 6U Post Test Year Plant Additions Allocated	250,023	348,420	(98,397)	
20 6U CWIP Completed By December 31, 2016	184,283	184,283	-	
22 Total Post Test Year Plant Additions	\$ 30,435,558	\$ 29,525,671	\$ 909,888	Sum Lines [12 - 20]
24 Increase / (Decrease) to Plant in Service			<u>\$ 909,888</u>	Line [22]
26 <u>Accumulated Depreciation</u>				
27 Post TY Plant Additions for Agua Fria Water - Accum Dep	\$ 882,628	\$ 854,574	\$ 28,053	
28 Additional TY Plant Additions for Agua Fria Water - Accum Dep	13,800	13,800	-	
29 7A Corporate Post TY Plant Additions Allocated-Accum Dep	5,642	3,080	2,562	
30 Additional 7A Corporate TY Plant Additions Allocated-Accum Dep	2,014	2,014	-	
31 6U Post TY Plant Additions Allocated - Accum Dep	25,002	34,842	(9,840)	
32 Additional 6U TY Plant Additions Allocated-Accum Dep	18,428	18,428	-	
33 Total Accumulated Depreciation - Post Test Year Plant Additions	\$ 947,515	\$ 926,739	\$ 20,775	Sum Lines [27 - 32]
35 Increase / (Decrease) To Accumulated Depreciation			<u>\$ 20,775</u>	Line [33]
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 Agua Fria Water Rebuttal.xlsm				

Line

No.

1 Adjust Retirements on Test Year Plant

2

3 The Company is adjusting the Retirements on Test Year Plant.

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11 Agua Fria Water District

12 Retirements on Test Year Plant - Impact on Plant in Service

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

\$	(745,764)	\$	(213,541)	\$	(532,222)
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16 7A - Corporate Arizona

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

\$	(4,113)	\$	-	\$	(4,113)
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21 6U

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

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

\$ (536,335) Line [12]+[17]+[22]

28 Increase / (Decrease) To Accumulated Depreciation

(536,335) Line [27]

29

30 Impact on Rate Base

\$ - 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 Agua Fria 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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13 Amount of 2018 AIAC Refunds forecasted - Remove

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

\$ - \$ (958,984) \$ 958,984

14

15

16 Amount of 2017 AIAC Refunds forecasted - Update to Actual

\$ (1,595,949) \$ (958,984) \$ (636,964)

17

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\$ (1,595,949) \$ (1,917,968) \$ 322,020 Line [13] + Line [16]

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21 Increase/ (Decrease) to AIAC

\$ 322,020 Line [18]

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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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Line No.	<u>Sch B-3 Original</u>							<u>RCN - 2017 Post</u> <u>Test Year Plant</u> <u>Additions</u>	<u>RCN - Retirements</u>
	<u>Column [Z]</u> [A]	Page 3 [B] ADJ SLH-RCN1 REB	Page 4 [C] ADJ SLH-RCN2 REB	Page 5 [D] ADJ SLH-RCN3 REB	Page 6 [E] ADJ SLH-RCN4 REB	Page 7 [F] ADJ SLH-RCN5 REB	Page 8 [G] ADJ SLH-RCN6 REB		
	<u>Adjusted at End of</u> <u>Test Year (a)</u>	<u>RCN - Working Capital</u> <u>Allowance</u>	<u>RCN - ADIT</u>	<u>Intentionally Left</u> <u>Blank</u>	<u>RCN - Regulatory</u> <u>Liability - ADIT</u>				
1									
2	Gross Utility Plant in Service	\$ 564,068,020	\$ -	\$ -	\$ -	\$ -	\$ 909,888	\$ (1,130,141)	
3	Construction Work in Progress	-	-	-	-	-	-	-	
4	Subtotal Utility Plant	\$ 564,068,020	\$ -	\$ -	\$ -	\$ -	\$ 909,888	\$ (1,130,141)	
5									
6	Less:								
7	Accumulated Depreciation	146,319,090	-	-	-	-	20,775	(764,105)	
8									
9	Net Utility Plant in Service	\$ 417,748,930	\$ -	\$ -	\$ -	\$ -	\$ 889,112	\$ (366,036)	
10									
11	Less:								
12	Advances in Aid of Construction	\$ 145,225,801	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
13									
14									
15	Contribution in Aid of Construction -	104,537,610	-	-	-	-	-	-	
16	Net of Amortization								
17									
18	Customer Meter Deposits	57,917	-	-	-	-	-	-	
19	Deferred Income Taxes & Credits	11,383,040	-	(4,702,373)	-	-	-	-	
20	Investment Tax Credits	-	-	-	-	-	-	-	
21	Regulatory Liabilities	-	-	-	-	4,543,910	-	-	
22									
23	Plus:								
24	Deferred Debits	\$ 17,517,768	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
25	Working Capital Allowance	246,576	195,739	-	-	-	-	-	
26	Utility Plant Acquisition Adjustment	(0)	-	-	-	-	-	-	
27									
28	Total Rate Base	\$ 174,308,906	\$ 195,739	\$ 4,702,373	\$ -	\$ (4,543,910)	\$ 889,112	\$ (366,036)	
29									
30									
31									
32	Supporting Schedules								
33									
34									
35	\2016 Agua Fria Water Rebuttal.xlsm								

Recap Schedules:
 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>Total Adjustment Amount</u>	<u>Adjusted at End of Test Year</u>
		<u>RCN - Customer Meter Deposits</u>	<u>Intentionally Left Blank</u>	<u>RCN - Deferred Debits</u>		
1						
2	\$ -	\$ -	\$ -	\$ -	\$ (220,253)	\$ 563,847,766
3						
4	\$ -	\$ -	\$ -	\$ -	\$ (220,253)	\$ 563,847,766
5						
6	Less:					
7					(743,330)	145,575,759
8						
9	\$ -	\$ -	\$ -	\$ -	\$ 523,077	\$ 418,272,007
10						
11	Less:					
12	\$ 199,678	\$ -	\$ -	\$ -	\$ 199,678	\$ 145,425,479
13						
14						
15	(176,018)	-	-	-	(176,018)	104,361,592
16						
17						
18		(98)	-	-	(98)	57,819
19					(4,702,373)	6,680,667
20						
21					4,543,910	4,543,910
22						
23	Plus:					
24	\$ -	\$ -	\$ -	\$ (29,496)	\$ (29,496)	\$ 17,488,272
25					195,739	442,315
26						(0)
27						
28	\$ (23,660)	\$ 98	\$ -	\$ (29,496)	\$ 824,220	\$ 175,133,127

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Supporting Schedules

Recap Schedules:
 B-1 Rebuttal

Agua Fria 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

\$ 195,739

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47 Supporting Schedules

48 Schedule B5 Rebuttal

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Agua Fria Water

Test Year Ended December 31, 2016
Rate Base Adjustment SLH-RCN2 REB

Exhibit
Schedule B-3 Rebuttal
Page 4
Witness: Hubbard

Line No.			
1	<u>RCN - ADIT</u>		
2	Adjusted at End of Test Year		
3			
4			
5	RCN Rate Base Before ADIT and Other Items	\$ 168,484,936	(b)
6			
7	Original Cost Rate Base Before ADIT and Other Items	\$ 122,140,570	(a)
8			
9	Ratio (factor)	1.3794	Line [5] / Line [7]
10			
11	Adjusted Original Cost Net ADIT	\$ 4,843,047	(c)
12			
13	Factor	1.3794	Line [9]
14			
15	Rebuttal Adjusted - RCN ADIT	<u>\$ 6,680,667</u>	Line [11] * Line [13]
16			
17	Direct Adjusted - RCN ADIT	11,383,040	(b)
18			
19	Increase / (Decrease) to Deferred Income Taxes	<u><u>\$ (4,702,373)</u></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 Agua Fria Water Rebuttal.xlsm		

Agua Fria Water

Test Year Ended December 31, 2016
Rate Base Adjustment SLH-RCN3 REB

Exhibit
Schedule B-3 Rebuttal
Page 5
Witness: Hubbard

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 Agua Fria 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	\$ 418,272,007 (b)	
6			
7	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$ 303,219,876 (a)	
8			
9	Ratio (factor)	1.3794 Line [5] / Line [7]	
10			
11	Adjusted Original Cost - Regulatory Liability - ADIT Tax Reform	\$ 3,294,038 (c)	
12			
13	Factor	1.3794 Line [9]	
14			
15	Rebuttal Adjusted - RCN Regulatory Liability - ADIT - Tax Reform	<u>\$ 4,543,910</u> Line [11] * Line [13]	
16			
17	Direct Adjusted - RCN Regulatory Liability - ADIT- Tax Reform	\$ - (b)	
18			
19	Increase / (Decrease) to Regulatory Liability	<u>\$ 4,543,910</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 Agua Fria Water Rebuttal.xlsm		

Agua Fria Water

Test Year Ended December 31, 2016
Rate Base Adjustment SLH-RCN5 REB

Exhibit
Schedule B-3 Rebuttal
Page 7
Witness: Hubbard

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	\$ 30,435,558	\$ 30,435,558	\$ 29,525,671	\$ 29,525,671	\$ 909,888
6						
7						
8	Accumulated Depreciation	<u>\$ 947,515</u>	<u>\$ 947,515</u>	<u>\$ 926,739</u>	<u>\$ 926,739</u>	<u>\$ 20,775</u>
9						
10						
11	Increase/(Decrease) to Plant in Service and A/D	\$ 29,488,044	\$ 29,488,044	\$ 28,598,932	\$ 28,598,932	\$ 889,112
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47	Supporting Schedules					
48	Rate Base Adjustment JPB-RB5 REB					
49						
50	\2016 Agua Fria 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]	\$	(1,559,315)		\$ (429,174)	\$ (1,130,141)	
4								
5	Retirements - Accumulated Depreciation	Col [H]	\$	(1,090,553)		\$ (326,447)	\$ (764,105)	
6								
7								
8	<u>Agua Fria Water District</u>							
9		[D]		[E]	[F]	[G]	[H]	
10	Asset	Original	<u>Retirement</u>					
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	#####	\$ 745,764	\$ 745,764		\$ 1,554,548	\$ 1,089,123	
13								
14								
15								
16	<u>7A Allocated</u>	4- Factor		General Metered Customers	23.1862%			
17								
18		[D]		[E]	[F]	[G]	[H]	
19	Asset	Original	<u>Retirement</u>					
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		23.1862%	\$ 4,767	\$ 1,430	
24								
25								
26							<u>\$ 1,559,315</u>	<u>\$ 1,090,553</u>
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 Agua Fria Water Rebuttal.xlsm							

Line 12 + Line 23

Agua Fria 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	\$ 418,272,007	(b)
6			
7	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$ 303,219,876	(a)
8			
9	Ratio (factor)	1.3794	Line [5] / Line [7]
10			
11	Adjusted Original Cost AIAC	\$ 105,423,970	(c)
12			
13	Factor	1.3794	Line [9]
14			
15	Rebuttal Adjusted - RCN AIAC	\$ 145,425,479	Line [11] * Line [13]
16			
17	Direct Adjusted - RCN AIAC	145,225,801	(b)
18			
19	Increase / (Decrease) to AIAC	\$ 199,678	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	\$ 418,272,007	(b)
28			
29	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$ 303,219,876	(a)
30			
31	Ratio (factor)	1.3794	Line [27] / Line [29]
32			
33	Adjusted Original Cost CIAC	\$ 75,655,336	(c)
34			
35	Factor	1.3794	Line [31]
36			
37	Rebuttal Adjusted - RCN CIAC	\$ 104,361,592	Line [33] * Line [35]
38			
39	Direct Adjusted - RCN CIAC	104,537,610	(b)
40			
41	Increase / (Decrease) to CIAC	\$ (176,018)	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 Agua Fria 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	\$ 418,272,007 (b)	
6			
7	Net Direct Adjusted Original Depreciable Plant in Service	\$ 303,219,876 (a)	
8			
9	Ratio (factor)	1.3794 Line [5] / Line [7]	
10			
11	Adjusted Original Cost Customer Meter Deposits	\$ 41,915 (c)	
12			
13	Factor	1.3794 Line [9]	
14			
15	Rebuttal Adjusted - RCN Customer Meter Deposits	\$ 57,819 Line [11] * Line [13]	
16			
17	Direct Adjusted - RCN Customer Meter Deposits	\$ 57,917 (b)	
18			
19	Increase / (Decrease) to Customer Meter Deposits	Line [15] - Line [17]	\$ (98)
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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 Agua Fria Water Rebuttal.xlsm		

Agua Fria Water

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

Exhibit
Schedule B-3 Rebuttal
Page 11
Witness: Hubbard

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47 Supporting Schedules

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50 \2016 Agua Fria 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	\$ 418,272,007	(b)
6			
7	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$ 303,219,876	(a)
8			
9	Ratio (factor)	1.3794	Line [5] / Line [7]
10			
11	Adjusted Original Cost - Deferred Debits	\$ 12,677,855	(c)
12			
13	Factor	1.3794	Line [9]
14			
15	Rebuttal Adjusted - RCN Regulatory Liability - Deferred Debits	<u>\$ 17,488,272</u>	Line [11] * Line [13]
16			
17	Direct Adjusted - RCN Regulatory Liability - Deferred Debits	<u>\$ 17,517,768</u>	(b)
18			
19	Increase / (Decrease) to Deferred Debits	Line [15] - Line [17]	<u>\$ (29,496)</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 Agua Fria Water Rebuttal.xlsm		

Line			
<u>No.</u>			
1			
2	Cash Working Capital Requirement	(a) \$	(628,408)
3	Required Bank Balances ¹		-
4	Material and Supplies Inventories ¹		27,603
5	Prepayments ¹		1,043,119
6			
7	Total Working Capital Allowance	Sum Lines [2-5] \$	<u>442,315</u>
8			
9	Less Company amount in Original Filing		246,576
10			
11	Increase/(Decrease) to Rate Base	Line [7] - Line [9] \$	<u><u>195,739</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			
49			
50	\ 2016 Agua Fria Water Rebuttal.xlsm		

Agua Fria Water

Test Year Ended December 31, 2016

Lead/Lag Study - Working Cash Requirement

Exhibit

Schedule B-6 Rebuttal

Page 1

Witness: Hubbard

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	\$ 3,908,572	40.146	30.633	9.513	0.026	\$ 101,873
3	Purchased Water	2,899,881	40.146	-	40.146	0.110	318,959
4	Fuel & Power	2,864,716	40.146	48.669	(8.523)	(0.023)	(66,890)
5	Chemicals	795,306	40.146	54.941	(14.794)	(0.041)	(32,236)
6	Waste Disposal	31,732	40.146	31.063	9.083	0.025	790
7	Intercompany Support Services	-	40.146	30.417	9.730	0.027	-
8	Corporate Allocation	1,171,967	40.146	30.420	9.726	0.027	31,230
9	Outside Services	637,503	40.146	34.355	5.791	0.016	10,115
10	Group Insurance	1,219,718	40.146	(10.716)	50.862	0.139	169,967
11	Regulatory Expense	-	-	-	-	-	-
12	Insurance Other Than Group	324,398	40.146	72.688	(32.542)	(0.089)	(28,922)
13	Customer Accounting	1,469,146	40.146	49.828	(9.682)	(0.027)	(38,969)
14	Rents	141,937	40.146	13.376	26.770	0.073	10,410
15	General Office Expense	420,529	40.146	39.271	0.876	0.002	1,009
16	Miscellaneous	102,222	40.146	27.800	12.347	0.034	3,458
17	Maintenance Expense	964,564	40.146	46.886	(6.740)	(0.018)	(17,811)
18							
19							
20	<u>Taxes</u>						
21	Property Taxes	\$ 1,771,573	40.146	213.250	(173.104)	(0.474)	\$ (840,180)
22	Taxes - Payroll		-	-	-	-	-
23	Taxes -Other	342,088	40.146	(131.381)	171.527	0.470	160,760
24	Income Tax	2,133,272	40.146	41.750	(1.604)	(0.004)	(9,372)
25							
26	Interest	2,833,923	40.146	92.000	(51.854)	(0.142)	\$ (402,600)
27							
28							
29							
30							
31	WORKING CASH REQUIREMENT	<u>\$ 24,033,051</u>					<u>\$ (628,408)</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 Agua Fria Water Rebuttal.xlsm