

Havasu Water

B Schedules

Rebuttal

Line No.	Original Cost Rate Base (a)	RCND Rate Base (b)	
	[A]	[B]	
1			
2	\$ 12,207,398	\$ 18,586,032	
3	-	-	
4	<u>\$ 12,207,398</u>	<u>\$ 18,586,032</u>	Line [2] + Line [3]
5			
6	Less:		
7	<u>3,092,934</u>	<u>5,468,204</u>	
8			
9	\$ 9,114,463	\$ 13,117,828	Line [4] - Line [7]
10			
11	Less:		
12	Advances in Aid of Construction		
13	\$ 688,141	\$ 990,395	
14			
15	2,819,045	4,057,261	
16	Net of Amortization		
17			
18	800	1,151	
19	194,906	280,514	
20	-	-	
21	132,732	191,032	
22			
23	Plus:		
24	49,310	70,969	
25	(c) (11,476)	(11,476)	
26	(0)	(0)	
27			
28	<u>\$ 5,316,673</u>	<u>\$ 7,656,967</u>	Line [9] - Lines [12-21] + Line [24-26]
29			
30			
31		\$ 6,486,820	(Sum[A] Line [28] + [B] Line [28]) 2
32		\$ 1,170,147	[B] Line [31] - [A] Line [28]
33		1.4402	[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			
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Line No.	<u>Sch B-2 Original Column [AA]</u>										[I]	[J]
	[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]
	<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>		
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31 Supporting Schedules:

Recap Schedules:

32 (a) B-3 Rebuttal

B-1 Rebuttal

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
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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	0.9331%
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11 Deferred Income Tax per GL Allocated Adjusted End of Test Year \$ (331,536) (a)

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14 Updated 2016 ADIT Amount \$ (331,212)

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16 \$ (324) Line [11] - Line [14]

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26 Increase/ (Decrease) to ADIT \$ (324) 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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Line
No.

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

2

3

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

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4- Factor	General Metered Customers	0.9331%
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14 Updated 2016 ADIT Amount \$ (331,212)

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22

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

23

Allocation Factor 0.9331% Line [8]

24

ADIT allocated to Havasu Water \$ (194,906) Line [22] * Line [23]

25

26

Increase/ (Decrease) to ADIT due to lower Federal Taxes \$ (136,306) Line [14] - Line [24]

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Increase/ (Decrease) to Regulatory Liabilities \$ 136,306 Line [26] * -1

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Workpapers and Supporting Documents
 (a) Schedule B2 Direct

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46

(b) ADIT Adjustment REBUTTAL.xlsx

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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	\$ 136,306	(a)
9			
10	Amortization Rate	<u>2.6221%</u>	(b)
11		\$	(3,574) Line [8] * Line [10]
12	Annual Amortization		
13			
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15			
16	Increase/ (Decrease) to Regulatory Liabilities	<u>\$ (3,574)</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		
47			
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49	\2016 Havasu 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

2
 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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 8

	[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 Havasu Water	\$ 541,919	\$ 662,155	\$ (120,236)	
13 Test Year CWIP To Capitalize	393,541	393,541	-	
14 Post Test Year CWIP To Capitalize				
15				
16 7A Corporate Post Test Year Plant Additions Allocated	5,175	1,353	3,822	
17 7A Corporate CWIP Completed By December 31, 2016	1,687	1,687	-	
18				
19 6U Post Test Year Plant Additions Allocated	10,062	14,022	(3,960)	
20 6U CWIP Completed By December 31, 2016	7,416	7,416	-	
21				
22 Total Post Test Year Plant Additions	\$ 959,800	\$ 1,080,174	\$ (120,374)	Sum Lines [12 - 20]
23				
24 Increase / (Decrease) to Plant in Service			<u>\$ (120,374)</u>	Line [22]
25				
26 <u>Accumulated Depreciation</u>				
27 Post TY Plant Additions for Havasu Water - Accum Dep	\$ 22,451	\$ 11,954	\$ 10,498	
28 Additional TY Plant Additions for Havasu Water - Accum Dep	5,765	5,765	-	
29 7A Corporate Post TY Plant Additions Allocated-Accum Dep	227	124	103	
30 Additional 7A Corporate TY Plant Additions Allocated-Accum Dep	81	81	-	
31 6U Post TY Plant Additions Allocated - Accum Dep	1,006	1,402	(396)	
32 Additional 6U TY Plant Additions Allocated-Accum Dep	742	742	-	
33 Total Accumulated Depreciation - Post Test Year Plant Additions	\$ 30,272	\$ 20,067	\$ 10,205	Sum Lines [27 - 32]
34				
35 Increase / (Decrease) To Accumulated Depreciation			<u>\$ 10,205</u>	Line [33]
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44				
45				
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 Havasu Water Rebuttal.xlsm				

Line
No.

1 Adjust Retirements on Test Year Plant

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

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

11 <u>Havasu Water District</u>			
12 Retirements on Test Year Plant - Impact on Plant in Service	\$ (209,606)	\$ (123,167)	\$ (86,440)

16 <u>7A - Corporate Arizona</u>			
17 Allocated Corporate Retirements on Test Year Plant - Impact on Plant in Service	\$ (166)	\$ -	\$ (166)

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

27	Increase / (Decrease) To Plant in Service		\$ (86,605) Line [12]+[17]+[22]
28	Increase / (Decrease) To Accumulated Depreciation		<u>(86,605) Line [27]</u>
30	Impact on Rate Base		<u>\$ - Line [27]-[28]</u>

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
 48
 49
 50 \2016 Havasu Water Rebuttal.xlsm

Line
No.

1 Partially Accept RUCO RB Adj #4: AIAC Refunds

2

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

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45 Workpapers and Supporting Documents

46 (a) Rate Base Adjustment SMC-6

47 Workpapers and Supporting Documents

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	[A] Revised <u>Amounts</u>	[B] Original <u>Application (a)</u>	[C] = [A] - [B] Rebuttal <u>Adjustment</u>	
Amount of 2018 AIAC Refunds forecasted - Remove	\$ -	\$ (5,693)	\$ 5,693	
Amount of 2017 AIAC Refunds forecasted - Update to Actual	\$ (4,791)	\$ (5,693)	\$ 902	
	<u>\$ (4,791)</u>	<u>\$ (11,385)</u>	<u>\$ 6,595</u>	Line [13] + Line [16]
Increase/ (Decrease) to AIAC			<u>\$ 6,595</u>	Line [18]

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</u> <u>Capital Allowance</u>	<u>RCN - ADIT</u>	<u>Intentionally Left</u> <u>Blank</u>	<u>RCN - Regulatory</u> <u>Liability - ADIT</u>				
1									
2	\$ 18,842,658	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (120,374)	\$ (136,251)	
3	-	-	-	-	-	-	-	-	
4	\$ 18,842,658	-	-	-	-	-	(120,374.43)	(136,251.47)	
5									
6	Less:								
7	Accumulated Depreciation	5,551,915	-	-	-	-	10,205	(93,915)	
8									
9	Net Utility Plant in Service	\$ 13,290,744	\$ -	\$ -	\$ -	\$ -	\$ (130,579)	\$ (42,336)	
10									
11	Less:								
12	Advances in Aid of Construction	\$ 979,796	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
13									
14									
15	Contribution in Aid of Construction -	4,052,681	-	-	-	-	-	-	
16	Net of Amortization								
17									
18	Customer Meter Deposits	1,150	-	-	-	-	-	-	
19	Deferred Income Taxes & Credits	476,619	-	(196,105)	-	-	-	-	
20	Investment Tax Credits	-	-	-	-	-	-	-	
21	Regulatory Liabilities	-	-	-	-	191,032	-	-	
22									
23	Plus:								
24	Deferred Debits	\$ 70,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
25	Working Capital Allowance	(4,969)	(6,507)	-	-	-	-	-	
26	Utility Plant Acquisition Adjustment	(0)	-	-	-	-	-	-	
27									
28	Total Rate Base	\$ 7,846,417	\$ (6,507)	\$ 196,105	\$ -	\$ (191,032)	\$ (130,579)	\$ (42,336)	

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 32 Supporting Schedules
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Recap Schedules:
 B-1 Rebuttal

Line No.	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	Gross Utility Plant in Service \$ -	\$ -	\$ -	\$ -	\$ (256,626)	\$ 18,586,032
3	Construction Work in Progress -	-	-	-	-	-
4	Subtotal Utility Plant -	-	-	-	\$ (256,626)	\$ 18,586,032
5						
6	Less:					
7	Accumulated Depreciation -	-	-	-	(83,710)	5,468,204
8						
9	Net Utility Plant in Service \$ -	\$ -	\$ -	\$ -	\$ (172,916)	\$ 13,117,828
10						
11	Less:					
12	Advances in Aid of Construction \$ 10,598	\$ -	\$ -	\$ -	\$ 10,598	\$ 990,395
13						
14						
15	Contribution in Aid of Construct 4,579	-	-	-	4,579	4,057,261
16	Net of Amortization					
17						
18	Customer Meter Deposits -	1	-	-	1	1,151
19	Deferred Income Taxes & Credit -	-	-	-	(196,105)	280,514
20	Investment Tax Credits -	-	-	-	-	-
21	Regulatory Liabilities -	-	-	-	191,032	191,032
22						
23	Plus:					
24	Deferred Debits \$ -	\$ -	\$ -	\$ 80	\$ 80	\$ 70,969
25	Working Capital Allowance -	-	-	-	(6,507)	(11,476)
26	Utility Plant Acquisition Adjustn -	-	-	-	-	(0)
27						
28	Total Rate Base \$ (15,178)	\$ (1)	\$ -	\$ 80	\$ (189,450)	\$ 7,656,967

32 Supporting Schedules

Line

<u>No.</u>		
1	<u>RCN - Working Capital Allowance</u>	
2		
3	Per Schedule B-5 Rebuttal	
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8	Increase/(Decrease) to Rate Base	<u>\$ (6,507)</u>
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47	Supporting Schedules	
48	Schedule B5 Rebuttal	
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Line			
<u>No.</u>			
1	RCN - ADIT		
2	Adjusted at End of Test Year		
3			
4			
5	RCN Rate Base Before ADIT and Other Items	\$ 8,070,172	(b)
6			
7	Original Cost Rate Base Before ADIT and Other Items	\$ 5,607,277	(a)
8			
9	Ratio (factor)	1.4392	Line [5] / Line [7]
10			
11	Adjusted Original Cost Net ADIT	\$ 194,906	(c)
12			
13	Factor	1.4392	Line [9]
14			
15	Rebuttal Adjusted - RCN ADIT	\$ 280,514	Line [11] * Line [13]
16			
17	Direct Adjusted - RCN ADIT	476,619	(b)
18			
19	Increase / (Decrease) to Deferred Income Taxes	\$ (196,105)	Line [15] - Line [17]
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45	Supporting Schedules		
46	(a) Schedule B-2 Rebuttal		
47	(b) Schedule B-3 Rebuttal		
48	(c) Schedule B-1 Rebuttal		
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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 Havasu 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	\$ 13,117,828	(b)
6			
7	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$ 9,114,463	(a)
8			
9	Ratio (factor)	1.4392	Line [5] / Line [7]
10			
11	Adjusted Original Cost - Regulatory Liability - ADIT Tax Reform	\$ 132,732	(c)
12			
13	Factor	1.4392	Line [9]
14			
15	Rebuttal Adjusted - RCN Regulatory Liability - ADIT - Tax Reform	<u>\$ 191,032</u>	Line [11] * Line [13]
16			
17	Direct Adjusted - RCN Regulatory Liability - ADIT- Tax Reform	\$ -	(b)
18			
19	Increase / (Decrease) to Regulatory Liability	<u><u>\$ 191,032</u></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 Havasu Water Rebuttal.xlsm		

Havasu 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	\$ 959,800	\$ 959,800	\$ 1,080,174	\$ 1,080,174	\$ (120,374)
6						
7						
8	Accumulated Depreciation	\$ 30,272	\$ 30,272	\$ 20,067	\$ 20,067	\$ 10,205
9						
10						
11	Increase/(Decrease) to Plant in Service and A/D	\$ 929,528	\$ 929,528	\$ 1,060,107	\$ 1,060,107	\$ (130,579)
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47	Supporting Schedules					
48	Rate Base Adjustment JPB-RB5 REB					
49						
50	\\2016 Havasu Water Rebuttal.xlsm					

Line No.							
1	<u>RCN - Retirements</u>				[A]		[B]
2					<u>Revised RCN</u>		<u>Original RCN (a)</u>
3	Retirements - Plant	Col [G]	\$	(638,072)			\$ (501,821)
4							\$ (136,251)
5	Retirements - Accumulated Depreciation	Col [H]	\$	(402,083)			\$ (308,168)
6							\$ (93,915)
7							
8	<u>Havasu Water District</u>						
9		[D]		[E]	[F]		[G]
10	Asset	Original		<u>Retirement</u>			[H]
11	<u>Numbers</u>	<u>Cost (b)</u>		<u>Cost (b)</u>	<u>A/D (b)</u>		<u>RCN (b)</u>
12	Various	\$ 395,278		\$ 209,606	\$ 209,606		\$ 637,880
13							\$ 402,025
14							
15							
16	<u>7A Allocated</u>			4- Factor	General Metered Customers		0.9331%
17							
18		[D]		[E]	[F]		[G]
19	Asset	Original		<u>Retirement</u>			[H]
20	<u>Numbers</u>	<u>Cost (b)</u>		<u>Cost (b)</u>	<u>A/D (b)</u>		<u>RCN (b)</u>
21	Various	\$ 20,158		\$ 17,739	\$ 17,739		\$ 20,561
22							\$ 6,168
23				7A Allocated to District		0.9331%	\$ 192
24							\$ 58
25							Line 21 * GMC Factor
26							\$ 638,072
27							\$ 402,083
28							Line 12 + Line 23
29							
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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 Havasu Water Rebuttal.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 Rebuttal RCN Depreciable Plant in Service	\$	13,117,828	(b)
6				
7	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$	9,114,463	(a)
8				
9	Ratio (factor)		1.4392	Line [5] / Line [7]
10				
11	Adjusted Original Cost AIAC	\$	688,141	(c)
12				
13	Factor		1.4392	Line [9]
14				
15	Rebuttal Adjusted - RCN AIAC	\$	990,395	Line [11] * Line [13]
16				
17	Direct Adjusted - RCN AIAC		979,796	(b)
18				
19	Increase / (Decrease) to AIAC	\$	10,598	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	\$	13,117,828	(b)
28				
29	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$	9,114,463	(a)
30				
31	Ratio (factor)		1.4392	Line [27] / Line [29]
32				
33	Adjusted Original Cost CIAC	\$	2,819,045	(c)
34				
35	Factor		1.4392	Line [31]
36				
37	Rebuttal Adjusted - RCN CIAC	\$	4,057,261	Line [33] * Line [35]
38				
39	Direct Adjusted - RCN CIAC		4,052,681	(b)
40				
41	Increase / (Decrease) to CIAC	\$	4,579	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 Havasu 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	\$ 13,117,828 (b)	
6			
7	Net Direct Adjusted Original Depreciable Plant in Service	\$ 9,114,463 (a)	
8			
9	Ratio (factor)	1.4392 Line [5] / Line [7]	
10			
11	Adjusted Original Cost Customer Meter Deposits	\$ 800 (c)	
12			
13	Factor	1.4392 Line [9]	
14			
15	Rebuttal Adjusted - RCN Customer Meter Deposits	<u>\$ 1,151</u> Line [11] * Line [13]	
16			
17	Direct Adjusted - RCN Customer Meter Deposits	<u>\$ 1,150</u> (b)	
18			
19	Increase / (Decrease) to Customer Meter Deposits	Line [15] - Line [17]	<u><u>\$ 1</u></u>
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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		
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50	\\2016 Havasu Water Rebuttal.xlsm		

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47	Supporting Schedules
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50	\2016 Havasu 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	\$ 13,117,828	(b)
6			
7	Net Rebuttal Adjusted Original Depreciable Plant in Service	\$ 9,114,463	(a)
8			
9	Ratio (factor)	1.4392	Line [5] / Line [7]
10			
11	Adjusted Original Cost - Deferred Debits	\$ 49,310	(c)
12			
13	Factor	1.4392	Line [9]
14			
15	Rebuttal Adjusted - RCN Regulatory Liability - Deferred Debits	\$ 70,969	Line [11] * Line [13]
16			
17	Direct Adjusted - RCN Regulatory Liability - Deferred Debits	\$ 70,888	(b)
18			
19	Increase / (Decrease) to Deferred Debits		Line [15] - Line [17] <u>\$ 80</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 Havasu Water Rebuttal.xlsm		

Line			
<u>No.</u>			
1			
2	Cash Working Capital Requirement	(a) \$	(27,880)
3	Required Bank Balances ¹		-
4	Material and Supplies Inventories ¹		562
5	Prepayments ¹		15,841
6			
7	Total Working Capital Allowance	Sum Lines [2-5] \$	<u>(11,476)</u>
8			
9	Less Company amount in Original Filing		(4,969)
10			
11	Increase/(Decrease) to Rate Base	Line [7] - Line [9] \$	<u><u>(6,507)</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 Havasu Water Rebuttal.xlsm		

Line No.	Description [A]	Test Year Adjusted Results (a) [B]	Revenue Lag Days [C]	Expense Lag Days [D]	Net Lag Days [E] = [C] - [D]	Lead/Lag Factor [F] = [E] / 365	Cash Working Capital Required [G] = [B] x [F]
1	<u>Operating Expenses</u>						
2	Labor	\$ 303,526	40.146	30.633	9.513	0.026	\$ 7,911
3	Purchased Water	182	40.146	-	40.146	0.110	20
4	Fuel & Power	170,573	40.146	48.669	(8.523)	(0.023)	(3,983)
5	Chemicals	32,921	40.146	54.941	(14.794)	(0.041)	(1,334)
6	Waste Disposal	90	40.146	31.063	9.083	0.025	2
7	Intercompany Support Services	-	40.146	30.417	9.730	0.027	-
8	Corporate Allocation	61,174	40.146	30.420	9.726	0.027	1,630
9	Outside Services	33,046	40.146	34.355	5.791	0.016	524
10	Group Insurance	108,597	40.146	(10.716)	50.862	0.139	15,133
11	Regulatory Expense	-	-	-	-	-	-
12	Insurance Other Than Group	18,389	40.146	72.688	(32.542)	(0.089)	(1,639)
13	Customer Accounting	64,063	40.146	49.828	(9.682)	(0.027)	(1,699)
14	Rents	7,409	40.146	13.376	26.770	0.073	543
15	General Office Expense	58,810	40.146	39.271	0.876	0.002	141
16	Miscellaneous	5,755	40.146	27.800	12.347	0.034	195
17	Maintenance Expense	125,323	40.146	46.886	(6.740)	(0.018)	(2,314)
18							
19							
20	<u>Taxes</u>						
21	Property Taxes	\$ 82,211	40.146	213.250	(173.104)	(0.474)	\$ (38,989)
22	Taxes - Payroll		-	-	-	-	-
23	Taxes -Other	28,126	40.146	(131.381)	171.527	0.470	13,217
24	Income Tax	89,872	40.146	41.750	(1.604)	(0.004)	(395)
25							
26	Interest	\$ 118,562	40.146	92.000	(51.854)	(0.142)	\$ (16,843)
27							
28							
29							
30							
31	WORKING CASH REQUIREMENT	<u>\$ 1,308,628</u>					<u>\$ (27,880)</u>

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Supporting Schedules: Recap Schedules:
 (a) C-1 Rebuttal B-5 Rebuttal
 Workpapers & Supporting Documents
 \ Lead-Lag Expense.xlsx
 \ Billing Cycles.xlsx
 \2016 Havasu Water Rebuttal.xlsm