

North Mohave Water

C Schedules

Rejoinder

Line No.	Test Year Book Results (a)	Total Pro Forma Adjustments (a)	Test Year Adjusted Results (a)	Proposed Rate Increase (a)	Adjusted with Rate Increase (a)	
	[A]	[B]	[C] = [A] + [B]	[D]	[E] = [C] + [D]	
1 Revenues						
2 Water	\$ 1,054,247	\$ -	\$ 1,054,247	\$ 549,687	\$ 1,603,934	
3 Other Revenues	10,471	-	10,471	-	10,471	
4 Total Revenues	\$ 1,064,718	\$ -	\$ 1,064,718	\$ 549,687	\$ 1,614,405	Sum Lines [2-3]
6 Operating Expenses						
7 Labor	\$ 151,544	\$ -	\$ 151,544	\$ -	\$ 151,544	
8 Purchased Water	-	45,026	45,026	-	45,026	
9 Fuel & Power	-	175,111	175,111	-	175,111	
10 Chemicals	349	(13)	335	-	335	
11 Waste Disposal	62	0	62	-	62	
12 Intercompany Support Services	-	-	-	-	-	
13 Corporate Allocation	42,737	(605)	42,132	-	42,132	
14 Outside Services	21,869	(993)	20,875	-	20,875	
15 Group Insurance	58,994	-	58,994	-	58,994	
16 Pensions	-	-	-	-	-	
17 Regulatory Expense	6,394	(6,394)	-	-	-	
18 Insurance Other Than Group	13,701	(53)	13,649	1,423	15,071	
19 Customer Accounting	59,752	466	60,217	1,708	61,925	
20 Rents	5,182	-	5,182	-	5,182	
21 General Office Expense	18,689	(1,553)	17,137	-	17,137	
22 Miscellaneous	(1,931)	(4)	(1,935)	-	(1,935)	
23 Maintenance Expense	134,705	46	134,751	-	134,751	
24 Depreciation & Amortization	452,326	(11,947)	440,379	-	440,379	
25 General Taxes-Property	52,056	(9,132)	42,924	7,957	50,881	
26 General Taxes-Other	11,776	-	11,776	-	11,776	
27 Income Taxes	(21,032)	(41,291)	(62,322)	133,955	71,633	
29 Total Operating Expenses	\$ 1,007,173	\$ 148,664	\$ 1,155,838	\$ 145,042	\$ 1,300,880	Sum Lines [7-27]
30 Utility Operating Income	\$ 57,545	\$ (148,664)	\$ (91,119)	\$ 404,645	\$ 313,526	Line [4] - Line [29]
31 Other Income & Deductions						
32 Other Income & Deductions	\$ (110)	\$ -	\$ (110)	\$ -	\$ (110)	
33 Interest Expense	91,593	5,548	97,141	-	97,141	
34 Other Expense	-	-	-	-	-	
35 Gain/Loss Sale of Fixed Assets	-	-	-	-	-	
36 Total Other Income & Deductions	\$ 91,482	\$ 5,548	\$ 97,030	\$ -	\$ 97,030	Sum Lines [32-35]
37 Net Profit / (Loss)	\$ (33,937)	\$ (154,213)	\$ (188,150)	\$ 404,645	\$ 216,495	Line [30] - Line [36]

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 43 Supporting Schedules:
 44 (a) C-2 Rejoinder
 45
 46
 47
 48 Workpapers & Supporting Documents
 49
 50 \2016 North Mohave Water Rejoinder.xlsx

Recap Schedules:
 A-1 Rejoinder

Line No.	REJOINDER ADJUSTMENTS									
	Page 14 [L] ADJ SLH-IS11 REB	Page 15 [M] ADJ JPB-IS12 REB	Page 16 [N] ADJ SLH-IS13 REB	Page 17 [O] ADJ SLH-IS14 REB	Page 18 [P] ADJ JPB-IS15 REB	Page 19 [Q] ADJ JPB-IS16 REB	Page 20 [R] ADJ JPB-IS17 REJ	Page 21 [S] ADJ SLH-IS18 REJ	Page 22 [T] ADJ JPB-IS19 REJ	Page 23 [U] ADJ JPB-IS20 REJ
	<u>Partially Accept Staff IS Adj #3: Adjust Outside Services Expense</u>	<u>Adjust Postage Expense</u>	<u>Partially Accept Staff IS Adj #5: Adjust Regulatory Expense</u>	<u>Partially Accept Staff IS Adj #4: Adjust General Office Expense</u>	<u>Accept Staff IS Adj #1 & RUCO IS Adj #4: Adjust Fuel and Power Expense</u>	<u>Accept Staff IS Adj #2 & RUCO IS Adj #3: Adjust Purchased Water Expense</u>	<u>Update Depreciation Expense - Post Test Year Plant - Rejoinder</u>	<u>Update Corporate Allocation - Rejoinder</u>	<u>Update Fuel and Power Expense - Rejoinder</u>	<u>Update Purchased Water Expense - Rejoinder</u>
1	Revenues									
2	Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Other Revenues	-	-	-	-	-	-	-	-	-
4	Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Operating Expenses									
7	Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Purchased Water	-	-	-	-	-	44,999	-	-	27
9	Fuel & Power	-	-	-	-	165,296	-	-	9,815	-
10	Chemicals	-	-	-	-	-	-	-	-	-
11	Waste Disposal	-	-	-	-	-	-	-	-	-
12	Intercompany Support Services	-	-	-	-	-	-	-	-	-
13	Corporate Allocation	-	-	-	-	-	-	(611)	-	-
14	Outside Services	(1,034)	-	-	-	-	-	-	-	-
15	Group Insurance	-	-	-	-	-	-	-	-	-
16	Pensions	-	-	-	-	-	-	-	-	-
17	Regulatory Expense	-	-	(6,394)	-	-	-	-	-	-
18	Insurance Other Than Group	-	-	-	-	-	-	-	-	-
19	Customer Accounting	-	115	-	-	-	-	-	-	-
20	Rents	-	-	-	-	-	-	-	-	-
21	General Office Expense	-	-	-	(968)	-	-	-	-	-
22	Miscellaneous	-	-	-	-	-	-	-	-	-
23	Maintenance Expense	-	-	-	-	-	-	-	-	-
24	Depreciation & Amortization	-	-	-	-	-	-	-	-	-
25	General Taxes-Property	-	-	-	-	-	-	-	-	-
26	General Taxes-Other	-	-	-	-	-	-	-	-	-
27	Income Taxes	-	-	-	-	-	-	-	-	-
28										
29	Total Operating Expenses	\$ (1,034)	\$ 115	\$ (6,394)	\$ (968)	\$ 165,296	\$ 44,999	\$ (611)	\$ 9,815	\$ 27
30	Utility Operating Income	\$ 1,034	\$ (115)	\$ 6,394	\$ 968	\$ (165,296)	\$ (44,999)	\$ 611	\$ (9,815)	\$ (27)
31	Other Income & Deductions									
32	Other Income & Deductions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Interest Expense	-	-	-	-	-	-	-	-	-
34	Other Expense	-	-	-	-	-	-	-	-	-
35	Gain/Loss Sale of Fixed Assets	-	-	-	-	-	-	-	-	-
36	Total Other Income & Deductions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	Net Profit / (Loss)	\$ 1,034	\$ (115)	\$ 6,394	\$ 968	\$ (165,296)	\$ (44,999)	\$ 611	\$ (9,815)	\$ (27)
38										
39	Rebuttal Amounts	1,034	(115)	6,394	968	(165,296)	(44,999)	-	-	-
40	Increase in Rejoinder	-	-	-	-	-	-	611	(9,815)	(27)
41										
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44	Supporting Schedules:									
45	E-6									
46										
47										
48	Workpapers & Supporting Documents									
49										
50	\2016 North Mohave Water Rejoinder									

Recap Schedules:
 C-1 Rejoinder

REJOINDER ADJUSTMENTS cont.

	Page 24 [V] ADJ SLH-IS21 REJ	Page 25 [W] ADJ JPB-IS22 REJ	Page 26 [X] ADJ JPB-IS23 REJ	Page 27 [Y] ADJ SLH-IS24 REJ	[Z]	[AA]	[AB]	[AC]
					Sum [B - Y]	Sum [A] + [Z]		Sum [AA] + [AB]
<u>Line No.</u>	<u>Update General Office Expense - Rejoinder</u>	<u>Update CPI - Rejoinder</u>	<u>Intentionally Left Blank</u>	<u>Intentionally Left Blank</u>	Total Pro Forma Adjustments	Test Year Adjusted Results	Proposed Rate Increase	Adjusted Rate Increase
1 Revenues								
2 Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,054,247	\$ 549,687	\$ 1,603,934
3 Other Revenues	-	-	-	-	-	10,471		10,471
4 Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,064,718	\$ 549,687	\$ 1,614,405
6 Operating Expenses								
7 Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,544		\$ 151,544
8 Purchased Water	-	-	-	-	45,026	45,026		45,026
9 Fuel & Power	-	-	-	-	175,111	175,111		175,111
10 Chemicals	-	(13)	-	-	(13)	335		335
11 Waste Disposal	-	(1)	-	-	0	62		62
12 Intercompany Support Services	-	-	-	-	-	-		-
13 Corporate Allocation	-	(44)	-	-	(605)	42,132		42,132
14 Outside Services	-	(311)	-	-	(993)	20,875		20,875
15 Group Insurance	-	-	-	-	-	58,994		58,994
16 Pensions	-	-	-	-	-	-		-
17 Regulatory Expense	-	-	-	-	(6,394)	-		-
18 Insurance Other Than Group	-	-	-	-	(53)	13,649	1,423	15,071
19 Customer Accounting	-	(82)	-	-	466	60,217	1,708	61,925
20 Rents	-	-	-	-	-	5,182		5,182
21 General Office Expense	(626)	(320)	-	-	(1,553)	17,137		17,137
22 Miscellaneous	-	33	-	-	(4)	(1,935)		(1,935)
23 Maintenance Expense	-	(356)	-	-	46	134,751		134,751
24 Depreciation & Amortization	-	-	-	-	(11,947)	440,379		440,379
25 General Taxes-Property	-	-	-	-	(9,132)	42,924	7,957	50,881
26 General Taxes-Other	-	-	-	-	-	11,776		11,776
27 Income Taxes	-	-	-	-	(41,291)	(62,322)	133,955	71,633
29 Total Operating Expenses	\$ (626)	\$ (1,094)	\$ -	\$ -	\$ 148,664	\$ 1,155,838	\$ 145,042	\$ 1,300,880
30 Utility Operating Income	\$ 626	\$ 1,094	\$ -	\$ -	\$ (148,664)	\$ (91,119)	\$ 404,645	\$ 313,526
31 Other Income & Deductions								
32 Other Income & Deductions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (110)		\$ (110)
33 Interest Expense	-	-	-	-	5,548	97,141		97,141
34 Other Expense	-	-	-	-	-	-		-
35 Gain/Loss Sale of Fixed Assets	-	-	-	-	-	-		-
36 Total Other Income & Deductions	\$ -	\$ -	\$ -	\$ -	\$ 5,548	\$ 97,030	\$ -	\$ 97,030
37 Net Profit / (Loss)	\$ 626	\$ 1,094	\$ -	\$ -	\$ (154,213)	\$ (188,150)	\$ 404,645	\$ 216,495
39 Rebuttal Amounts	-	-	-	-	(148,575)	(182,512)	399,014	216,502
40 Increase in Rejoinder	626	1,094	-	-	(5,638)	(5,638)	5,631	(7)

44 Supporting Schedules:
 45 E-6
 46
 47
 48 Workpapers & Supporting Documents
 49
 50 \2016 North Mohave Water Rejoinder

Recap Schedules:
 C-1 Rejoinder

Line No.		[A]	[B]
		<u>Property Tax Expense</u>	<u>Property Tax Expense For Conversion Factor</u>
1	<u>Adjust Property Taxes to Reflect Adjusted Test Year Revenues</u>		
2	The Company adjusted property tax rate based on 2016 property tax bills received from Maricopa County Assessor		
3			
4			
5			
6	Adjusted Revenues in Year Ended December 2016	(b) \$ 1,064,718	\$ 1,064,718
7	Adjusted Revenues in Year Ended December 2016	1,064,718	1,064,718
8	Proposed Revenues	1,064,718	1,614,405
9	Average of Three Year's of Revenue	Avg Lines[6] thru [8] \$ 1,064,718	\$ 1,247,947
10	Average of Three Year's of Revenue, times 2	Line[9] * 2 \$2,129,437	\$2,495,895
11	Add:		
12	Construction Work in Progress at 10%	(a) 11,558	11,558
13	Deduct:		
14	Net Book Value of Transportation Equipment	\$ 164,020	\$ 164,020
15			
16	Full Cash Value	Sum Lines[10-12] - Line[14] \$ 1,976,974	\$ 2,343,432
17	Assessment Ratio (For 2016 per HB 2001 Sec 42-15001)	18.0%	18.0%
18	Assessed Value	Line[16]*Line[17] \$ 355,855	\$ 421,818
19	Property Tax Rate	(c) 12.06%	12.06%
20			
21	Property Tax	Line[18]*Line[19] 42,924	50,881
22	Tax on Parcels	-	-
23			
24	Adjusted Test Year Property Taxes at Present Rates	Line[21]+Line[22] \$ 42,924	
25	Adjusted Test Year Property Taxes	(b) 52,056	
26	Adjustment to Revenue and/or Expense (To Sch C-2 Rejoinder)	Line[24] - Line[25] \$ (9,132)	
27			
28	Adjusted Test Year Property Taxes at Proposed Rates		Sum Lines[21-27] \$ 50,881
29	Adjusted Test Year Property Taxes at Present Rates		Line[24] Col [A] 42,924
30	Additional Property Taxes on Proposed Revenues (To Sch C-2 Rejoinder)		Line[28] - Line[29] \$ 7,957
31			
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33			
34	<u>CALCULATION OF PROPERTY TAX FACTOR TO COMPUTE GROSS REVENUE CONVERSION FACTOR (SCH C-3 Rejoinder):</u>		
35			
36	Increase in Property Tax Due to Increase in Revenue Requirement (Line 30, Col [B])		\$ 7,957
37			
38	Increase in Revenue Requirement (From Sch. A-1 Rejoinder)		\$ 549,687
39			
40	Increase in Property Tax Per Dollar Increase in Revenue (Line 36/Line 38)		1.45%
41			
42			
43			
44	<u>Workpapers & Supporting Documents:</u>		
45			
46	(a) Sch E1		
47	(b) Sch C2 Rejoinder		
48	(c) \Composite Property Tax Rate 2016.xlsx		
49			
50	\2016 North Mohave Water Rejoinder.xlsm		

Line No.		Test Year Adjusted Results	Adjusted with Rate Increase
1	<u>Federal and State Income Taxes</u>		
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7	Operating Income Before Inc. Taxes	\$ (153,442)	\$ 385,158
8	Interest Expense	97,141	97,141
9	Arizona Taxable Income	Line[7] - Line[8] \$ (250,583)	\$ 288,018
10			
11	Arizona Income Tax 4.90%	Line[9]*5.500% \$ (12,279)	\$ 14,113
12			
13			
14	Federal Income Before Taxes	Line[9] \$ (250,583)	\$ 288,018
15	Less Arizona Income Taxes	Line[11] (12,279)	14,113
16	Federal Taxable Income	Line[14] - Line[15] \$ (238,304)	\$ 273,905
17			
18	FEDERAL INCOME TAXES:		
19			
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21			
22			
23			
24			
25	Federal Income Taxes 21.00%	Line[16]*34.000% \$ (50,044)	\$ 57,520
26			
27			
28	Total Income Tax	Line[15]+Line[25] \$ (62,322)	\$ 71,633
29			
30	Tax Rate	Line[28] / Line[9] 24.87%	24.87%
31			
32	Effective Income Tax Rates		
33	State	Line[11] / Line[9] 4.900%	4.900%
34	Federal	Line[25] / Line[9] 19.97%	19.97%
35			
36			
37	Adjusted Test Year Income Taxes	(a) \$ (21,032)	
38	Increase in Income Taxes,	Line[28] - Line[37] \$ (41,291)	
39			
40	Adjustment to Revenues and/or Expense	Line[38] \$ (41,291)	
41			
42	Test Year Income Taxes,		Line[28] \$ (62,322)
43	Increase in Income Taxes		Line[28] - Line[42] 133,955
44			
45	Adjustment to Revenue and/or Expense		Line[43] \$ 133,955
46			
47	<u>Workpapers & Supporting Documents:</u>		
48	(a) Sch C2 Rejoinder		
49			
50	\\2016 North Mohave Water Rejoinder.xlsm		

Line			
<u>No.</u>			
1	<u>Interest Synchronization with Rate Base</u>		
2			
3			
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6	Original Cost Rate Base (Sch. B-1 Rejoinder , Ln. 28)	(a) \$	4,356,095
7	Weighted Cost of Debt from Schedule D-1 Rejoinder	(c)	2.23%
8	Synchronized Interest Expense	Line[6]*Line[7]	\$ 97,141
9			
10	Test Year Interest Expense Adjusted	(b) \$	<u>91,593</u>
11			
12	Adjusted Test Year Interest Expense	Line[10]	\$ <u>91,593</u>
13			
14	Increase/(Decrease) in Interest Expense	Line[8] - Line[12]	\$ <u>5,548</u>
15			
16	Rejoinder Adjustment to Revenue and/or Expense	Line[14]	\$ <u>5,548</u>
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45	<u>Workpapers & Supporting Documents:</u>		
46	(a) Sch B1 Rejoinder		
47	(b) Sch C2 Rejoinder		
48	(c) Sch D1 Rejoinder		
49			
50	\\2016 North Mohave Water Rejoinder.xlsxm		

Line
 No.

1 Regulatory Liability - ADIT Amortization - Tax Reform Adj

2
 3 The Company is updating its Deferred Income Tax Balance to reflect the impact of the Tax Cuts and Jobs Act of 2017. This caused the Company to create a Regulatory Liability for this amount as reflected in
 4 Rate Base proforma adjustment KDB-RB2-REB. This income statement proforma adjustment reflects the annual amortization of that rate base adjustment.
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8	Regulatory Liability - ADIT that resulted from the decrease in the Federal Income Taxes	\$	156,076	(a)
9				
10	Amortization Rate		<u>2.9505%</u>	
11				
12	Annual Amortization	\$	(4,605)	Line [8] * Line [10]
13				
14				
15				
16	Increase/ (Decrease) to Depreciation/ Amortization	\$	<u>(4,605)</u>	Line [12]
17				
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45 Workpapers & Supporting Documents:
 46 (a) Rate Base Adjustment KDB-RB2 REB
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 48
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 50 \2016 North Mohave Water Rejoinder.xlsm

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Workpapers & Supporting Documents:

\2016 North Mohave Water Rejoinder.xlsm

Line
No.

1 Partially Accept Staff IS ADJ #6: Adjust Depreciation Expense - Post Test Year Plant 2017

2
 3 Adjustment to Annualize Depreciation Expense on Updated Post Test Year Plant for 2017. Includes updating projects through 12/31/2017 with actual expenditure.
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	[A]	[B]	[C] = [A] * [B]
	Depreciation on Post TY Plant Additions per Summary of Plant and A/D by NARUC - FINAL 2017 PTYP (a)	Allocation Factor	Depreciation Expense
17	\$ 38,710	100.0000%	\$ 38,710
18	12,230	100.0000%	12,230
19	48,670	1.0685%	520
20	17,375	1.0685%	186
21	236,805	0.9731%	2,304
22	174,541	0.9731%	1,698
23	<u>\$ 528,332</u> <small>Sum Lines [17 - 22]</small>		
24			
25			
26			
27	Depreciation Expense on 2017 Post Test Plant per Rebutta		\$ 55,648 <small>Sum Lines[17] thru [22]</small>
28			
29	Depreciation Expense on 2017 Post Test Plant per Company's Original Application		<u>\$ 37,018</u> <small>(b)</small>
30			
31			
32			
33	Increase / (Decrease) to Depreciation Expense		\$ 18,631 <small>Line[27] - Line[30]</small>
34			
35	Rebuttal Adjustment to Revenue and/or Expense		<u>\$ 18,631</u> <small>Line[33]</small>
36			
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43			
44			
45	<u>Workpapers & Supporting Documents:</u>		
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 North Mohave Water Rejoinder.xlsm		

Line
 No.

1 Partially Accept Staff IS Adj #6: Adjust Depreciation Expense - Retirements

2
 3 The Company has adjusted retirements in ADJ KDB-RB-6 REB. This adjustment updates the depreciation expense associated with the updated retirements.
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GMC 4 Factor	1.0685%
Arizona Total	91.0728%
Alloc Factor	0.9731% <small>Line[8]*Line[9]</small>

	[A]	[B]	[C] = [A] * [B]
	Depreciation on Retirements per Summary of Plant and A/D by NARUC Updated for Final 2017 PTYP (a)	Allocation Factor	Depreciation Expense
17 Depreciation on Retirements on Test Year Plant - North Mohave Water	\$ (31,406)	100.0000%	\$ (31,406)
18 Depreciation on Retirements on Test Year Plant - 7A Corporate Plant Allocated	(1,774)	1.0685%	(19)
19 Depreciation on Retirements on Test Year Plant - 6U Plant Allocated	-	0.9731%	-

26 Depreciation Expense on 2017 Retirements per Rebuttal \$ (31,425) Sum Lines [17 - 19]

29 Depreciation Expense on 2017 Retirements per Company's Original Application \$ (5,452) (b)

32 Increase / (Decrease) to Depreciation Expense \$ (25,973) Line[26] - Line[29]

34 Rebuttal Adjustment to Revenue and/or Expense \$ (25,973) Line[32]

45 Workpapers & Supporting Documents:

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

47 (b) Schedule C2 Adj SLM - IS25

50 \2016 North Mohave Water Rejoinder.xlsm

Line
 No.

1 Adjust Insurance Other Than Group

2
 3 Insurance Other Than Group consists of 16 separate components. Annually, the Company reports certain business statistics to its insuring agencies including Revenues, Plant Balances, Employee Count,
 4 Total Payroll and Vehicle Counts. Each of the 16 components is adjusted annually based on these statistics. The primary components are property insurance, excess liability, worker's compensation, and
 5 crime. The Company has taken the average rate applicable to each of these components for the last four years, and made a conforming adjustment for employee count, test year and proposed revenues,
 6 and property. This is a conforming adjustment and updated with the values in the Rebuttal Filing.

	DIRECT PLANT		[1]	[2]	[1] * [2] = [3]	
	Test Year		7Q	AZ	AZ-Factor	
	Adj Results		District 4-Factor	0.9727%	87.7062%	0.8532%
11	Gross Property Value at 12/31/2016	\$ 12,733,346	Schb2 Rebuttal Line [2]			
12	% of Plant Insured	47.75%	\Insurance\1. Property & Terrorism [23]			
14	Gross Plant Insured	\$ 6,079,792	Line [11] * Line [12]			

	Test Year Adjusted Results	Sch2 Rebuttal [X][14]	Adjusted with Rate Increase	Sch2 Rebuttal [Z][14]	Adjusted with Rate Increase	
	[A]	[B]	[C] = [A] * [B]	[D]	[E] = [D] * [B]	
	Factor	Amount	Rate	Source	Premium	
22	1. Property Insurance	\$ 6,079,792	0.0526%	\Insurance Summary	\$ 3,198	
23	2. Excess Liability	1,064,718	0.2588%	\Insurance Summary	2,756	
24	3. Umbrella Liability	95,767	0.8532%	\Insurance Summary	817	
25	4. Autos	278,350	0.8532%	\Insurance Summary	2,375	
26	5. Workers Compensation	14,735	1.6543%	\Insurance Summary	244	
27	6. Pollution *	3,554	1.00	\Insurance Summary	3,554	
28	7. D&O	13,367	0.8532%	\Insurance Summary	114	
29	8. Fiduciary	1,483	0.8532%	\Insurance Summary	13	
30	9. Crime	3 \$	7.76	\Insurance Summary	23	
31	10. Employed Lawyers	1,196	0.8532%	\Insurance Summary	10	
32	11. Non Owned Pollution	19,339	0.8532%	\Insurance Summary	165	
33	12. Employment Practices	3 \$	5.30	\Insurance Summary	16	
34	13. Utilities Bond **	22,331	0.0000%	\Insurance Summary	-	
35	14. Cyber Insurance	11,366	0.8532%	\Insurance Summary	97	
36	15. Sun City Flood Insurance	2,356	0.0000%	\Insurance Summary	-	
37	16. LAPP	19,383	0.8532%	\Insurance Summary	165	
38					-	
39	Total			\$ 13,546	Sum Col [C]	Sum Col [E] \$ 14,969
42	Adjusted Test Year Insurance Other Than Group		From Original Filing	\$ 13,599		\$ 13,546
43			Increase/(Decrease) to Insurance Other Than Group	\$ (53)	Line [39] - Line [42]	\$ 1,423

45 Workpapers & Supporting Documents:
 46 \Insurance Other than Group.xlsx (aka Insurance)
 47 \Payroll, Benefits, & Taxes 2016.xlsx (aka Payroll)
 48 Income Statement Adjustment SLM-IS27
 49
 50 \2016 North Mohave Water Rejoinder.xlsx

Line
 No.

1 Adjust CPI for 2017

2
 3 Operating expenses are expected to increase in each of the future years due to inflation and other increasing costs factors. To compensate for regulatory lag, EPCOR proposes an increase for 2017 and 2018
 4 correlated with the consumer price index for the Phoenix metropolitan area for all operating expenses where an adjustment has not already been proposed. Chemical expense is projected to increase by
 5 4% based on initial service contracts negotiations that are being worked on with the vendor.
 6

7 2016 Unadjusted Expenses

Description	Account	Amount (a)	Consumer Price Index - Phoenix Urban Consumers			
			Year	Annual Index	Increase	Ave Increase
Chemicals	5263	\$ 321	2014	127.823		
Other Utilities	5621	\$ 61	2015	128.019	0.15%	
Asset Usage Fee - Corporate	6203	\$ 3,027	2016	130.107	1.63%	
Consulting Engineering	5227	\$ 52	2017	133.324	2.47%	1.4%
Contractors and Consultants	5250	\$ 11,643	Chemical Increase			4.0%
Administrative Contractors	5679	\$ 211				
Outside Computer Charges (T1)	5628	\$ 5,065				
Temporary Support	5629	\$ 1,752				
Legal Fees	5681	\$ 2,659				
Service Charges	5615	\$ 3,246				
Customer Communications	5674	\$ 2,399				
Rent and Storage	5810	\$ 5,182				
Freight and Courier	5262	\$ 103				
Telephone, Long Distance, Data	5620	\$ 7,647				
Stationary, Printing & Other O	5622	\$ 2,693				
Office Machines, Furniture	5623	\$ 338				
Parking	5630	\$ 49				
Vehicle Allowance	5631	\$ 258				
Vehicle Allowance	5271	\$ 2				
Business Allowance	5634	\$ 134				
Memberships Dues & Professiona	5640	\$ 1,002				
Subscriptions	5641	\$ 211				
Airfare	5650	\$ 705				
Accommodation, Other Travel	5651	\$ 882				
Employee Working Meals	5652	\$ 770				
Training - Fees/Tuition	5660	\$ 2,022				
Training Fee	5252	\$ 2				
FR Clothing	5273	\$ 963				
Miscellaneous	5697	\$ (3,258)				
Stock	5260	\$ -				
Materials, Supplies	5261	\$ 4,730				
Veh. and Equip.-Allocation	5270	\$ 13,548				
Equipment	5275	\$ 177				
Hardware	5624	\$ 17				
Software	5625	\$ 512				
Maintenance	5811	\$ 769				
Vehicle Maintenance	5823	\$ 4,748				
		\$ 74,641	Sum Lines [9 thru 45]			

Description	[A]	[B]	[C]	[D] = [B] + [C]	[E]	[F] = [D] - [E]
Chemicals	\$ 321	\$ 13	\$ 13	\$ 26	\$ 26	\$ -
Waste Disposal	61	2	1	2	1	1
Corporate Allocation	3,027	75	44	119	69	50
Outside Services	21,380	529	311	840	488	351
Customer Accounting	5,645	140	82	222	129	93
General Office Exp	22,000	544	320	864	503	361
Miscellaneous	(2,295)	(57)	(33)	(90)	(52)	(38)
Maintenance Expense	24,502	606	356	962	560	402
Sum Lines[18]thru[25]	\$ 74,641	\$ 1,850	\$ 1,094	\$ 2,944	\$ 1,724	\$ 1,221

47 Workpapers & Supporting Documents:

48 (a) Sche6 Bureau of Labor Statistics - Phoenix CPI

49

50 \2016 North Mohave Water Rejoinder.xlsx

Increase / (Decrease) to Expense

Line [26] Col [D] \$ 1,221

Line
 No.

1 Adjust CUS Charges

2
 3 Customer Care and Billing charges are costs associated with Third Party Billing, Call Centers, and Work Order Management. Costs billed to the Company are on a per bill per month basis and adjusted
 4 annually. This adjustment includes an adjustment for inflation based on the Consumer Price Index for the City of Phoenix. An adjustment for 2017 and 2018 is necessary to account for known and
 5 measurable increases in costs through the time any new rates resulting from this rate application will be effective. The CPI index for 2018 has been updated in this Rebuttal filing.
 6
 7

Consumer Price Index - Phoenix Urban Consumers		
Year	Annual Index	Increase
2015	128.019	
2016	130.107	1.63%
2017	133.324	2.47%

Increase Lines[12-11]/[11]
 Increase Lines[13-12]/[12]

C.U.S. Charges per Schedule E-6, account 5611	\$	39,801	(a)
CPI Adjustment 2017	\$	649	Line[16]*1.63%
Adjusted 2017 Expense	\$	40,450	Line[16]+Line [18]
CPI Adjustment 2018	\$	1,000	Line[19]*2.47%
Adjusted 2018 Expense	\$	41,450	Line[19]+Line[21]
Total Increase/ (Decrease) to C.U.S Charges	\$	1,649	Line[18]+Line[21]
Expense per Company's Original Application per IS JPB Adj#12	\$	1,309	
	\$	340	Line[26] - Line[28]

Adjustment to Revenue and/or Expense \$ 340 Line[30]

45 Workpapers & Supporting Documents:
 46 (a) Sche6

50 \2016 North Mohave Water Rejoinder.xlsxm

Line
No.

1 Partially Accept Staff IS Adj #3: Adjust Outside Services Expense

2
 3 The Company is partially accepting Staff IS Adj #3. This adjustment has 2 parts. 1) The Company partially accepts Staff RB Adj #3 and is removing the ASU Study costs per RUCO 2.07. The Company will
 4 include these ASU Study Costs as part of the Rate Case Expense and recover these costs as part of the Staff's recommended Rate Case Expense Surcharge; 2). The Company is reducing contractor expense as
 5 stated in the Company's response to RUCO DR 1.28. Upon review of the accounts noted in this data request, the Company noticed that account 5250 included costs that should have been removed from the
 6 requested amounts in the original application.
 7

	[A] Revised <u>Amounts (a)</u>	[B] Original <u>Application</u>	[C] = [A] - [B] Rebuttal <u>Adjustment</u>
12 <u>Part 1</u>			
13 Remove ASU Study Costs	\$ 46	\$ 107	\$ (61)
14			
15			
16 <u>Part 2</u>			
17 Amount to be removed from Outside Services per RUCO DR 1.25	\$ (973)	\$ -	\$ (973)
18			
19			
20			
21			
22			
23			
24 Adjustment to Revenue and/or Expense			<u>\$ (1,034)</u> Line [13] + Line [17]
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45 <u>Workpapers & Supporting Documents:</u>			
46 (a) Company Response to RUCO DR 1.25			
47			
48			
49			
50 \2016 North Mohave Water Rejoinder.xlsxm			

Line
 No.

1 Adjust Postage Expense

2
 3 On January 22, 2017, the United States Postal Service increased postage rates. The Company has calculated a projected increase based on known and measurable increases to postage rates at time of this
 4 rebuttal filing.
 5
 6

7
 8

	[A]		[B]	[C] = ([B]-[A]) / [A]	[D]	[E] = [D]-[B]
	Effective 2016	April 2016	Effective January 2017	2017 Increase over 2016	Effective January 21, 2018	2018 Increase over 2016
Manifested						
5-Digit	\$ 0.3760	\$ 0.3730		-0.80%	\$ 0.3780	0.53%
3-Digit	\$ 0.3990	\$ 0.4030		1.00%	\$ 0.4080	2.26%
AADC	\$ 0.3990	\$ 0.4030		1.00%	\$ 0.4080	2.26%
Mixed AADC	\$ 0.4190	\$ 0.4230		0.95%	\$ 0.4240	1.19%
Single Piece	\$ 0.4700	\$ 0.4900		4.26%	\$ 0.5000	6.38%
Average cost per piece	\$ 0.4126	\$ 0.4184		1.41%	\$ 0.4236	2.67%

19
 20 Postage Expense Account 5611 per General Ledger

(a) \$ 9,168

21
 22 Total Increase / (Decrease) to Postage Expense

\$ 244 Col [E] Line[18]*Line[21]

23 Expense per Company's Original Application per IS JPB Adj#11

\$ 129

24
 25 Adjustment to Revenue and/or Expense

\$ 115 Line [22]- Line [23]

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 44

45 Workpapers & Supporting Documents:

46 (a) Sch E-6 Line 19

47 USPS Rates 2016.xlsx

48

49

50 \2016 North Mohave Water Rejoinder.xlsxm

Line
No.

1 Partially Accept Staff IS ADJ #5: Adjust Regulatory Expense

2
 3 The Company is partially accepting Staff IS Adj #5. The Company is removing rate case expense out of the regulatory expense accounts. Staff recommends authorizing a surcharge to recover rate case
 4 expense. Staff proposed recovery over a 5 year period however the Company proposes a 3 year period.
 5
 6
 7

	[A] Revised Amounts (a)	[B] Original Application	[C] = [A] - [B] Rebuttal Adjustment
13 Amount to be removed from Regulatory Expense per Staff IS ADJ #5	\$ (6,394)	0	\$ (6,394)

24 Adjustment to Revenue and/or Expense \$ (6,394) Line 13

45 Workpapers & Supporting Documents:
 46 (a) Schedule C2
 47
 48
 49
 50 \2016 North Mohave Water Rejoinder.xlsm

Line
No.
 1 Partially Accept Staff IS ADJ #4: Adjust General Office Expense
 2
 3 The Company is partially accepting Staff IS Adj #4. The Company accepts Staff's recommendation to remove certain identified costs related to entertainment and gifts. However the Company does not
 4 agree to remove tuition related costs.
 5
 6
 7

<u>Staff Disallowed Amounts per Staff Adj #4</u>		<u>Company Position</u>		<u>North Mohave Water</u>	<u>4-Factor</u>	<u>0.9727%</u>
9	Entertainment	\$ 81,543	Accept			
10	Tuition	\$ 64,387	Oppose			
11	Gifts	\$ 17,937	Accept			
12		<u>\$ 163,867</u>				
13						
14						
15	Amount to be Removed					
16	Entertainment	\$ 81,543				
17	Gifts	\$ 17,937				
18	Total	\$ 99,480	Line [16] + Line [17]			
19						
20	Allocated to District	<u>0.9727%</u>				
21		\$ 968	Line [18] * Line [20]			
22						
23						
24	Adjustment to Revenue and/or Expense					<u>Rebuttal</u> <u>Adjustment</u>
25						\$ (968) Line [21]
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45	<u>Workpapers & Supporting Documents:</u>					
46						
47						
48						
49						
50	\\2016 North Mohave Water Rejoinder.xlsm					

Line
 No.

1 Accept Staff IS ADJ #1 & RUCO IS Adj #4: Adjust Fuel and Power Expense

2
 3 The Company is accepting both Staff IS Adj #1 and RUCO IS Adj #4. This rebuttal adjustment reverses the Company's original adjustment JPB-IS9 and restores the purchased power and fuel expense back
 4 into the Test Year operating expenses for recovery in base rates.
 5
 6
 7

8 The Company's water districts utilize multiple vendors in their different geographic locations. Power is purchased from Arizona Public Service Company ("APS"), UNS Electric, Inc. ("UNS Electric"), and Mohave Electric Cooperative ("MEC"). Each of
 9 these vendors has initiated or concluded rate cases during the test year and pro forma adjustments to electrical costs are proposed to account for known and measurable increases. The Company has no control over these price increases.
 10 Additionally, EWAZ has experienced consistent year-over-year increases in APS's bills due to changes in surcharge factors associated with their rate adjustor mechanisms.

11 APS provides electrical service to the Agua Fria, Anthem, Sun City, Sun City West, Chaparral, and Paradise Valley water districts. APS also provides electrical service to the Phoenix corporate office. On March 1, 2017, APS reached a settlement
 12 agreement with the major parties in its rate case filed on June 1, 2016. The Company does not expect the Commission to issue a decision prior to the filing of this rate case, but is aware that the commercial rates will increase if the settlement is
 13 approved. In addition to increased base rates resulting from the rate case application, APS utilizes a number of adjustor mechanisms that have caused electric costs to increase year-over-year, between APS filing general rate applications.
 14 Accordingly, the Company adjusts the power charges included in the proposed PCAM based on the three-year average trend of known and measurable historical annual cost increases. Electric costs for districts using APS are adjusted for 2017 and
 15 2018 to account for known rate increases that will be effective prior to the resolution of this case.

16 UNS Electric provides power for the Company's operations in its Tubac and Havasu Water districts. On August 18, 2016, the Commission issued Decision No. 75697 (August 18, 2016), authorizing new rates for residential and commercial customers.
 17 The Company has multiple accounts with UNS Electric. As these rate increases are known and measurable, but not fully reflected in the 2016 purchased power costs, a one-time adjustment is included to annualize this increase in purchased power
 18 costs included in the adjustor mechanism in-line with the newly authorized tariff for the eight months of the year that were not billed using the current tariff.

19 The Mohave, North Mohave, and Willow Valley Water districts receive power from MEC, which increased rates effective February 1, 2016 per Decision No. 75931 (January 13, 2017). The increased costs that result from that decision are not fully
 20 reflected in the 2016 test year power expenses for those districts, but the increase in costs that result from Decision No. 75931 is both known and measurable. The two months of 2016 expenses billed pursuant to MEC's previous tariff should
 21 therefore be adjusted for the known increase. The purchased power expenses for the Mohave, North Mohave, and Willow Valley Water districts have been annualized accordingly for rate changes in the test year in the PCAM.
 22
 23

		[A]	[B]		[C]	[D]	[E] = [A] + [B] + [C] + [D]
		Corporate (a)	Direct (b)		Other	Annualization	Total
GL Account	Account Description	2016	2016		Allocation (c)		2016
	5617 Power Charges	\$ 411	\$ 163,654				\$ 164,066
	5616 Natural Gas Charges	\$ -	\$ -				\$ -
	Annualization					\$ 748	\$ 748
Total Purchased Power Expense							\$ 164,814 <small>Line[29 - 31]</small>

2017 % Increase	6.29%	0.26%
2018 % Increase	6.29%	0.00%

		[F]	[G]	[H]	[I]	[J]	[K] = [F] + [G] + [H] + [I] + [J]
		Corporate	Direct	Natural Gas	Other Allocation	Annualization	Total
2017 Increase - Power	\$ 26	\$ 427	\$ 0	\$ 0	\$ 2	\$ 455	<small>Line[29] * 2017% Inc; Line [31] * 2017% Inc</small>
2017 Expense	\$ 437	\$ 164,081	\$ -	\$ -	\$ 750	\$ 165,269	<small>Line[29]+Line[38], Line[31] + Line [38]</small>
2018 Increase - Power	\$ 28	\$ -	\$ 0	\$ -	\$ -	\$ 28	<small>Line[39] * 2018% Inc</small>
2018 Expense	\$ 465	\$ 164,081	\$ -	\$ -	\$ 750	\$ 165,296	<small>Line[39]+Line[41]</small>
Increase/Decrease to Expense							\$ 165,296 <small>Col I, Line[42]</small>

47 Workpapers & Supporting Documents:

- 48 (a) Sch E-6b (b) Sch E-6a \Purchased Power Adjustment Calc.xlsx
- 49 (c) Sch E-6c
- 50 \2016 North Mohave Water Rejoinder.xlsm

Line
No.

1 Accept Staff IS ADJ #2 & RUCO IS ADJ #3: Adjust Purchased Water Expense

2
 3 The Company is accepting both Staff IS Adj #2 and RUCO IS Adj #3. This rebuttal adjustment reverses the Company's original adjustment JPB-IS30 and restores the purchased water expense back into the
 4 Test Year operating expenses for recovery in base rates.
 5
 6
 7

8 The Company is proposing a Purchase Water Adjustor Mechanism for all districts in this rate case, except Willow Valley. The Company's estimate as to the per customer surcharge is calculated based on the total potable and
 9 raw gallons billed. The calculation excludes effluent and wheeling usage billed from the calculation as these gallons are not affected by the purchase price of water. Costs have been adjusted from the 2016 test year
 10 expense to annualized water expense. Additionally, the Company has included known and measurable increases to purchased water costs. The Company pays the Central Arizona Project ("CAP") for fees in many districts.
 11 CAP has published schedules showing the anticipated increases to fees in 2018, which will be finalized by the prior to the conclusion of this rate case. The impact of the increases in CAP fees have been included in the total
 12 purchased water costs.

13 In its Mohave and North Mohave Districts, the Company pays fees to the Mohave Conservation District (MWCD), Mohave Valley Irrigation and Drainage District (MVIDD), and fees to Bullhead City for water. The Company
 14 also pays fees to the Arizona Department of Water Reclamation in a number of districts. Some districts also pay groundwater withdrawal fees. Many of these fees are already collected through supplemental surcharges on
 15 customer bills. All costs have been included in the total purchased water cost with the intention of combining all these fees into one purchased water surcharge.
 16

17 The Company would anticipate the effective date of the Plan of Administration (POA), submitted as an Exhibit to Mr. Boizelle's testimony, to be concurrent with the effective date of new rates approved in this rate case.
 18
 19
 20
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	Purchased Water Test Year Expense
26 Test Year Purchased Water Expense	\$ 226 (a)
27 Annualization of Water Expense (SMC-IS6)	\$ 1
28 Annualized Purchased Water Expenses	<u>\$ 227</u> Line [26]+Line [27]
29	
30 2017 Percentage increase in CAP costs	0.00% (c)
31 2017 Purchased Water Expense	\$ 227 Line [28]*(1+Line [30])
32	
33 2018 Percentage increase in CAP costs	0.00% (c)
34 2018 Purchased Water Expense	\$ 227 Line [31]*(1+Line [33])
35	
36 Mohave Wtr Conservation District - Impost Fees	\$ - (c)
37 Impost Fees - Bullhead City	\$ 44,772 (c)
38 Water Admin Fee - MVDD	\$ - (c)
39 ADWR Groundwater Withdrawal Fee	\$ - (c)
40 Groundwater Withdrawal Fee	<u>\$ -</u> (c)
41 Total Pro Forma Purchased Water Costs	<u>\$ 44,999</u> Sum Lines [36 - 40]
42	
43 Increase/Decrease to Expense	<u>\$ 44,999</u> Line [41]

45 Workpapers & Supporting Documents:

- 46 (a) Sch C2
- 47 (b) Sch E7
- 48 (c) \Purchased Water Increase.xlsx
- 49
- 50 \2016 North Mohave Water Rejoinder.xlsm

Line
 No.

1 Update Depreciation Expense - Post Test Year Plant - Rejoinder

2
 3 Adjustment to Annualize Depreciation Expense on Updated Post Test Year Plant for 2017 for Rejoinder.
 4
 5
 6
 7

	[A]	[B]	[C] = [A] * [B]
	Depreciation on Post TY Plant Additions per Summary of Plant and A/D by NARUC - Rejoinder (a)	Allocation Factor	Depreciation Expense
17	\$ 38,710	100.0000%	\$ 38,710
18	12,230	100.0000%	12,230
19	48,670	1.0685%	520
20	17,375	1.0685%	186
21	236,805	0.9731%	2,304
22	174,541	0.9731%	1,698
23	<u>\$ 528,332</u> <small>Sum Lines [17 - 22]</small>		
27			\$ 55,648 <small>Sum Lines[17] thru [22]</small>
30			<u>\$ 55,648</u> <small>(b)</small>
33			\$ - <small>Line[27] - Line[30]</small>
35			<u>\$ -</u> <small>Line[33]</small>

45 Workpapers & Supporting Documents:

46 Summary of Plant Balances and Accum Depr by NARUC Updated for Rejoinder.xlsx

47
 48
 49
 50 \2016 North Mohave Water Rejoinder.xlsxm

Line
No.

1 Update Corporate Allocation - Rejoinder

2
 3 In our original application, the Company removed costs in the Government Relations and Community Relations categories believing it captured all costs related to advertising, promotions, and donations.
 4 The Company has since uncovered minor related costs in other categories as well. This adjustment removes these costs and costs for meals and recognition from this application.
 5
 6

8	5670	Advertising	\$	77,245	
9	5671	Promotion		705,238	
10	5672	Donation		715,098	
11	5652	Meals		381,191	
12	5642	Recognition		30,155	
13		Other		<u>180,130</u>	
14			\$	<u>2,089,057</u>	Total Advertising, Promotion, Donation, Meals and Recognition
15			\$	<u>1,360,471</u>	Already Excluded in Direct
16			\$	<u>728,586</u>	CAD\$ To be Excluded - Before Allocation
17					
18			\$	83,565	CAD\$ To be Excluded - After Allocation
19				<u>1.3312</u>	Conversion Factor
20			\$	<u>62,775</u>	Total Exclusion - USD
21					
22					
23					0.973% Allocation Factor for North Mohave Water
24					
25			\$	<u>611</u>	Amount to be Removed from Corporate Allocations for North Mohave Water

26					
27					
28					
29	Increase/Decrease to Expense				<u>\$ (611)</u>
30					
31	Rejoinder Adjustment to Revenue and/or Expense				<u>\$ (611)</u>
32					

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 45 Workpapers & Supporting Documents:
 46 Corporate Allocations - Rejoinder.xlsx
 47
 48
 49
 50 \2016 North Mohave Water Rejoinder.xlsm

Line
 No.
 1 Update Fuel and Power Expense - Rejoinder
 2
 3 The Company is updating its projected fuel and power expenses. This rejoinder adjustment updates the Company's rebuttal adjustment JPB-IS15 REB.
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	Purchased Power	
	<u>Revised Expense</u>	
15 2017 Actual Power Expenses	\$ 175,111 (a)	
16		
17 2017 Actual Fuel Expenses	\$ - (a)	
18 Total 2017 Fuel and Power Expense	<u>\$ 175,111</u> Line [15] + Line [17]	
19		
20		
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29	Fuel and Power Expense per Rejoinder	\$ 175,111	Line [18]
30			
31	Fuel and Power Expense per Rebuttal	\$ 165,296	ADJ JPB-IS15 REB
32			
33			
34			
35	Rejoinder Adjustment to Revenue and/or Expense	<u>\$ 9,815</u>	
36			
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45 Workpapers & Supporting Documents:
 46
 47
 48
 49
 50 \2016 North Mohave Water Rejoinder.xlsx

Line
 No.
 1 Update Purchased Water Expense - Rejoinder
 2
 3 The Company is updating its projected purchased water. This rejoinder adjustment updates the Company's rebuttal adjustment JPB-IS16 REB.
 4
 5
 6
 7

	Purchased Water Revised Expense	
15 2017 Actual Water Expense	\$ 254 (a)	
16 2017 CAP Water Purchases	- (a)	
17		
18 2017 Total Water Expenses	<u>\$ 254</u>	Line [15] + Line [16]
19		
20 Other Purchased Water Expense	<u>\$ 44,772</u>	(a)
21 Total Purchased Water Expense	<u>\$ 45,026</u>	Line [18] + Line [20]
22		
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45 <u>Workpapers & Supporting Documents:</u>		
46		
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48		
49		
50 \2016 North Mohave Water Rejoinder.xlsm		

Increase/Decrease to Expense per Rejoinder	\$ 45,026	Line [21]
Purchased Water Expense per Rebuttal	\$ 44,999	ADJ JPB-IS16 REB
Rejoinder Adjustment to Revenue and/or Expense	<u>\$ 27</u>	

Line
 No.
 1 Update General Office Expense - Rejoinder
 2
 3
 4 The Company is accepting Staff IS Adj #4 to remove tuition related costs. In ADJ SLH-IS14 REB, the Company partially accepted Staff's recommendation to remove identified costs related to entertainment
 5 and gifts only. At the time, the Company did not agree to remove tuition related costs. However, now the Company is removing tuition costs as well.
 6
 7

North Mohave Water	4-Factor	0.9727%
--------------------	----------	---------

Staff Disallowed Amounts per Staff Adj #4	Company Rebuttal Position	Company Rejoinder Position
Entertainment	\$ 81,543 Accept	
Tuition	\$ 64,387 Oppose	Accept
Gifts	\$ 17,937 Accept	
	<u>\$ 163,867</u> Sum Lines [11-13]	

Amount to be Removed in Rejoinder	
Tuition	\$ 64,387 Line [12]
Total	<u>\$ 64,387</u>

Allocated to District	<u>0.9727%</u> Line [8]
	\$ 626 Line [20] * Line [22]

Rejoinder Adjustment
<u>\$ (626)</u> Line [21]

Rejoinder Adjustment to Revenue and/or Expense

Line
No.

1 Update CPI - Rejoinder

2
 3 The Company is updating its CPI adjustment. This rejoinder adjustment updates the Company's rebuttal adjustment JPB-IS9 REB by removing the impact of the increase in Year 2 - 2018.
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Amounts per Income Statement JPB-IS9 REB					Remove Year 2 - 2018 Increase Rejoinder Adjustment
[A]	[B]	[C] = [A] + [B]			
Year 1- 2017	Year 2 -2018	Rebuttal Total			
Chemicals	\$ 13	\$ 13	\$ 26		\$ (13)
Waste Disposal	2	1	2		\$ (1)
Corporate Allocation	75	44	119		\$ (44)
Outside Services	529	311	840		\$ (311)
Customer Accounting	140	82	222		\$ (82)
General Office Exp	544	320	864		\$ (320)
Miscellaneous	(57)	(33)	(90)		\$ 33
Maintenance Expense	606	356	962		\$ (356)
Total	\$ 1,850	\$ 1,094	\$ 2,944	Sum Lines[12 - 19]	\$ (1,094) Sum Lines[12 - 19]

Amount attributed to 2018 increase \$ 1,094

Rejoinder Adjustment to Revenue and/or Expense

\$ (1,094) Line [20]

Workpapers & Supporting Documents:

ADJ JPB - IS9 REB

\2016 North Mohave Water Rejoinder.xlsx

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Line No.	Description	[A]	[B]	Percentage of Incremental Gross Revenues [C]
1	Federal Income Taxes			
2				19.97%
3	State Income Taxes			
4			Combined	24.87%
5				4.90%
6	Property Taxes	Effective Rate = 1.45%	One Minus Combined	75.13%
7				1.09% [A] x [B]
8	Bad Debt Expense	Effective Rate = 0.31%	One Minus Combined	75.13%
9				0.23% [A] x [B]
10	Insurance Other Than Group	Effective Rate = 0.26%	One Minus Combined	75.13%
11				0.19% [A] x [B]
12				
13	Total Tax Percentage			26.39% Sum Line [1-10]
14				
15	Operating Income % = 100% - Tax Percentage			73.61% 1 - [C] Line [13]
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18		1 = Gross Revenue Conversion Factor		
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21	Operating Income %			1.36 1 / [C] Line [15]
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43	Supporting Schedules:	Recap Schedules:		
44	C-2 Rejoinder	A-1 Rejoinder		
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47	Workpapers & Supporting Documents			
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