APPENDIX B

VALENCIA WATER COMPANY

Summary of Earnings
Dollars

	Adopted At Present Rates		Adopted 2007-08 Rates	Adopted At Authorized Rate of Return	
	2007-2008	2008-2009	2008-2009	2007-2008	2008-2009
Operating Revenues					
Water Service Revenues	18,278,884	18,954,912	21,228,676	20,475,311	20,660,761
Miscellaneous Service Revenues	11,410	11,410	11,410	11,410	11,410
Amortization of Deferred Revenues	75,498	77,990	77,990	75,498	77,990
Total Revenues	18,365,792	19,044,312	21,318,075	20,562,219	20,750,161
Operating Expenses					
Payroll Expense	1,908,770	1,986,777	1,986,777	1,908,770	1,986,777
Purchased Potable Water	3,494,390	3,623,019	3,623,019	3,494,390	3,623,019
Purchased Recycled Water	161,521	162,596	165,577	169,647	165,577
Purchased Power	1,648,674	1,708,619	1,708,619	1,648,674	1,708,619
Operation Labor and Expenses	47,501	48,308	48,308	47,501	48,308
Miscellaneous Source of Supply Expense	2,498	2,540	2,540	2,498	2,540
Maintenance of Wells	109,294	111,152	111,152	109,294	111,152
Maintenance of Pumping Equipment	87,102	88,583	88,583	87,102	88,583
Misc Water Treatment Expenses	146,504	148,994	148,994	146,504	148,994
Chemicals and Filtering Materials	94,096	95,696	95,696	94,096	95,696
Meter Expenses	876	891	891	876	891
Miscellaneous T&D Expenses	89,576	91,099	91,099	89,576	91,099
Maint of Reservoirs and Tanks	45,177	45,945	45,945	45,177	45,945
Maintenance of T&D Mains	237,795	241,838	241,838	237,795	241,838
Maintenance of Services	167,301	170,145	170,145	167,301	170,145
Maintenance of Meters	58,586	59,582	59,582	58,586	59,582
Maintenance of Hydrants	34,280	34,863	34,863	34,280	34,863
Customer Records and Collection	251,999	256,283	256,283	251,999	256,283
Uncollectible Accounts	19,583	19,916	22,223	22,022	22,223
Office Supplies and Other Expenses	410,159	417,132	417,132	410,159	417,132
Property Insurance	794,197	820,473	820,473	794,197	820,473
Injuries and Damages	113,488	115,418	115,418	113,488	115,418
Employee Pensions and Benefits	566,740	576,375	576,375	566,740	576,375
Franchise Requirements	228,216	232,095	268,227	228,216	268,227
Regulatory Commission Expense	105,667	105,667	105,667	105,667	105,667
Outside Services Employed	392,125	398,791	398,791	392,125	398,791
Miscellaneous General Expenses	350,827	356,791	361,523	350,827	361,523
Maintenance of General Plant	109,279	111,137	111,137	109,279	111,137
Administrative Expenses Transferred	-61,524	-62,570	-62,570	-61,524	-62,570
Stores Expenses Clearing	11,904	12,106	12,106	11,904	12,106
Transportation Expense	129,287	131,485	131,485	129,287	131,485
Tools and Work Equipment Clearing	84,030	85,458	85,458	84,030	85,458
Total Operation and Maint Expense	11,839,916	12,197,203	12,243,355	11,850,481	12,243,355
Depreciation Expense	2,509,963	2,504,463	2,504,463	2,509,963	2,504,463
Expense Amortizations	32,703	32,651	32,651	32,703	32,651
Property Taxes	437,435	455,070	455,070	437,435	455,070
Payroll Taxes	139,905	145,890	145,890	139,905	145,890
Current State Income Tax	170,423	194,952	391,873	363,653	341,670
Current Federal Income Tax	647,978	732,244	1,420,108	1,386,462	1,227,017
Deferred Tax Expense	158,242	146,792	146,792	158,242	146,792
Amortization Of Investment Tax Credits	-9,487	-9,487	-9,487	-9,487	-9,487
Total Operating Expense	15,927,078	16,399,778	17,330,714	16,869,357	17,087,420
Net Operating Revenue	2,438,714	2,644,534	3,987,361	3,692,862	3,662,741
Rate Base	38,685,389	38,389,796	38,389,796	38,685,389	38,389,796
Rate of Return, Percent	6.30%	6.89%	10.39%	9.55%	9.54%

(END OF APPENDIX B)

APPENDIX C
1 OF 1

VALENCIA WATER COMPANY

Adopted Rate Base, Dollars

	2007-2008	2008-2009	Reference
ADDITIONS TO RATE BASE			
Utility Plant in Service	140,719,319	145,286,335	TABLE 6-4
Materials and Supplies	256,695	256,695	Computed
Working Cash, Ratemaking Year Basis	699,589	698,868	TABLE 8-2
Deferred Debits	291,064	158,500	Computed
TOTAL ADDITIONS TO RATE BASE	141,966,666	146,400,398	0
LESS DEDUCTIONS FROM RATE BASE:			
Reserve for Depreciation	34,268,833	37,417,437	TABLE 7-6
Reserve for Amortization of Limited Term Investments	6,901	12,655	TABLE 7-7
Advances for Construction	15,218,685	14,511,535	TABLE 8-3
Contributions in Aid of Construction	52,104,852	54,130,731	TABLE 8-4
Accumulated Deferred Federal Income Taxes, Depn. Timing Diff.	4,723,747	4,866,410	TABLE 9-5
Accumulated Deferred Taxes, Taxable Advances for Construction	-3,681,733	-3,522,068	TABLE 9-8
Accum Def Taxes, Taxable Advances for Const Treated as Loans	1,391,750	1,338,016	TABLE 9-8
Accumulated State Def Taxes, Taxable Contributions	-296,458	-287,833	TABLE 9-6
Accumulated Federal Def Taxes, Taxable Contributions	-1,264,162	-1,231,842	TABLE 9-7
Unamortized Investment Tax Credits	121,957	114,757	TABLE 9-10
Deferred Revenues	686,903	660,804	TABLE 9-9
TOTAL DEDUCTIONS FROM RATE BASE	103,281,277	108,010,602	Computed
NET RATE BASE	38,685,389	38,389,796	Computed

(END OF APPENDIX C)

APPENDIX D

VALENCIA WATER COMPANY

		Adopted Quantities 2007-2008	2008-2009
General Metered Service			
Number of Customers by Meter Size	5/8X3/4	991	990
	3/4	24,497	25,030
	1	466	496
	1-1/2	452	468
	2	1,989	2,117
	3	174	178
	4	53	55
	6	20	21
	8	7	7
	10	5	5
	Total	28,654	29,367
Water Sales, Ccf		12,911,660	13,386,939
Water Sales, Acre Feet		29,641.09	30,732.18
Water Production, Acre Feet		31,396.14	32,551.83
Unaccounted-for, Acre Feet		1,755.04	1,819.65
Unaccounted-for, Percent of Production		5.59%	5.59%
Purchased Water, Percent of Production		53.00%	53.00%
Purchased Water, Acre Feet		16,639.95	17,252.47
Castaic Lake Water Agency Rate, $/AF		$210.00	$210.00
Total Potable Purchased Water Expense		$3,494,390	$3,623,019
Untreated/Recycled Metered Service			
Number of Customers by Meter Size	2	10	11
	6	1	1
	10	1	1
	Total	12	13
Water Sales, Ccf		216,256	217,636
Water Sales, Acre Feet		496.45	499.62
Water Production, Acre Feet		496.45	499.62
Less Pumped Water, Well 159, Acre Feet		20.58	20.58
Balance, Purchased Water, Acre Feet		475.87	479.04
Castaic Lake Water Agency Recycled Rate, $/ AF		$356.50	$345.64
Recycled Purchased Water Expense		$169,647	$165,577
Purchased Power			
Total Water Pumped, Acre Feet		31,872.01	33,030.87
Kwh/AF		507	507
Pumping Power, Kwh		16,163,467	16,751,169
Purchased Electricity Cost, $/Kwh		$0.102000	$0.102000
Purchased Power Expense		$1,648,674	$1,708,619
Fire Services Customers by Pipe Size	2	92	105
	4	123	134
	6	842	910
	8	243	254
	10	28	29
	12	7	7
Uncollectibles Rate, Percent of Revenue		0.1071%	0.1071%
Franchise Tax Rate, Percent of Revenue		1.31%	1.31%
Property Tax Rate, Percent of Rate Base		0.94%	0.94%
Federal Tax Rate		34.00%	34.00%
State Corp Franchise Rate		8.84%	8.84%

APPENDIX D
2 of 2

VALENCIA WATER COMPANY

Adopted Quantities

Customers and Average Usage by Customer Class

	Average Customers		Average Usage, Ccf	
	2007-2008	2008-2009	2007-2008	2008-2009
GENERAL METERED SERVICE				
Single Family Residential	25,682	26,236	235.9	235.9
Single Family Residential, Special	321	335	2,007.1	2,007.1
Multi Family Residential	430	464	1,807.0	1,807.0
Business Other Than Magic Mountain	1,130	1,211	2,260.4	2,260.4
Magic Mountain	1	1	382,898.0	382,898.0
Industrial	468	480	1,794.1	1,794.1
Public Authorities	539	558	2,725.3	2,725.3
TPC Golf Course Irrigation	1	1	9,822.9	9,822.9
Vista Valencia Golf Course Irrigation	1	1	61,205.6	61,205.6
Bridgeport Lake Irrigation	1	1	10,986.4	10,986.4
Construction	80	79	1,319.4	1,319.4
Total, General Metered Water Service	28,654	29,367		
UNTREATED/RECYCLED WATER SERVICE				
TPC Golf Course	1	1	186,628.5	186,628.5
Vista Valencia Golf Course Untreated/ Recycled	1	1	15,825.8	15,825.8
Other Untreated/ Recycled	10	11	1,380.1	1,380.1
Total, Untreated/ Recycled Water Service	12	13		
Private Fire Protection Service Customers	1,335	1,439		
TOTAL WATER SERVICE CUSTOMERS	30,001	30,819		

(END OF APPENDIX D)

APPENDIX E

VALENCIA WATER COMPANY

Income Taxes

	Adopted At Present Rates		Adopted 2007-08 Rates	Adopted At Authorized Rate of Return	
	2007-2008	2008-2009	2008-2009	2007-2008	2008-2009
STATE INCOME TAXES					
Base Rate Water Service Revenues	18,278,884	18,954,912	21,228,676	20,475,311	20,660,761
Other Water Revenues	11,410	11,410	11,410	11,410	11,410
Total Taxable Revenues, State	18,290,294	18,966,322	21,240,086	20,486,721	20,672,171
Deductions, State					
Operating Expenses	11,839,916	12,197,203	12,243,355	11,850,481	12,243,355
Expense Amortizations	32,703	32,651	32,651	32,703	32,651
Tax Dep'n & Net Salvage Ded, State	3,032,472	3,050,165	3,050,165	3,032,472	3,050,165
Taxes Other than Income	577,340	600,960	600,960	577,340	600,960
Interest Expense	880,000	880,000	880,000	880,000	880,000
Subtotal, Deductions, State	16,362,432	16,760,979	16,807,130	16,372,996	16,807,130
Taxable Income, CCFT	1,927,862	2,205,344	4,432,955	4,113,724	3,865,041
CCFT Rate	8.84%	8.84%	8.84%	8.84%	8.84%
Current California Corp Franchise Tax	170,423	194,952	391,873	363,653	341,670
FEDERAL INCOME TAXES					
Taxable Income, CCFT	1,927,862	2,205,344	4,432,955	4,113,724	3,865,041
Plus Tax Dep'n & Net Salvage Ded, St	3,032,472	3,050,165	3,050,165	3,032,472	3,050,165
Less Tax Dep'n & Net Salvage Ded, Fed	2,866,710	2,909,467	2,909,467	2,866,710	2,909,467
Less Prior Year Current CCFT	168,873	170,423	363,653	168,873	363,653
Less Production Activities Tax Deduction	18,935	21,960	33,213	32,785	33,213
Taxable Income, Federal	1,905,817	2,153,659	4,176,788	4,077,829	3,608,873
Federal Income Tax Rate	34.00%	34.00%	34.00%	34.00%	34.00%
Current Federal Income Taxes	647,978	732,244	1,420,108	1,386,462	1,227,017
Plus Def Tax Exp, Dep'n Timing Diff	158,242	146,792	146,792	158,242	146,792
Amortization Of Investment Tax Credits	-9,487	-9,487	-9,487	-9,487	-9,487
Total Federal Income Tax Expense	796,733	869,549	1,557,413	1,535,217	1,364,322
Current California Corp Franchise Tax	170,423	194,952	391,873	363,653	341,670
Total Income Tax Expense	967,156	1,064,501	1,949,286	1,898,870	1,705,992

(END OF APPENDIX E)

APPENDIX F

VALENCIA WATER COMPANY

Bill Comparisons
2007-2008
Monthly Bill, Dollars

Usage in Ccf	Present Rates	2007-2008 Rates	Increase Dollars	Percent
		5/8x3/4-INCH METER		
0	$6.69	$8.64	$1.95	29.09%
5	$11.63	$13.83	$2.20	18.88%
10	$16.57	$19.01	$2.44	14.75%
15	$21.51	$24.20	$2.69	12.52%
20	$26.45	$29.39	$2.94	11.12%
25	$31.38	$34.57	$3.19	10.16%
30	$36.32	$39.76	$3.44	9.46%
40	$46.20	$50.13	$3.93	8.52%
50	$56.07	$60.51	$4.43	7.90%
60	$65.95	$70.88	$4.93	7.47%
70	$75.83	$81.25	$5.42	7.15%
80	$85.70	$91.63	$5.92	6.91%
90	$95.58	$102.00	$6.42	6.72%
100	$105.46	$112.37	$6.92	6.56%

2008-2009
Monthly Bill, Dollars

Usage in Ccf	2007-2008 Rates	2008-2009 Rates	Increase Dollars	Percent
		5/8x3/4-INCH METER		
0	$8.64	$8.45	-$0.19	-2.22%
5	$13.83	$13.48	-$0.35	-2.53%
10	$19.01	$18.50	-$0.51	-2.67%
15	$24.20	$23.53	-$0.67	-2.75%
20	$29.39	$28.56	-$0.82	-2.80%
25	$34.57	$33.59	-$0.98	-2.84%
30	$39.76	$38.62	-$1.14	-2.87%
40	$50.13	$48.68	-$1.46	-2.90%
50	$60.51	$58.73	-$1.77	-2.93%
60	$70.88	$68.79	-$2.09	-2.94%
70	$81.25	$78.85	-$2.40	-2.96%
80	$91.63	$88.91	-$2.72	-2.97%
90	$102.00	$98.96	-$3.03	-2.98%
100	$112.37	$109.02	-$3.35	-2.98%

Bill comparisons include CPUC Fee.

(END OF APPENDIX F)

APPENDIX G

VALENCIA WATER COMPANY

	Present Rates	2007-2008 Rates	Increase	Percent
METERED SERVICE				
General Metered Service, All water, per 100 cu. ft.	$0.974	$1.023	$0.049	5.03%
Untreated/ Recycled Service, All Water, Per 100 cu. ft. ..	$0.818	$0.859	$0.041	5.01%
Service Charge Rates, Per Meter Per Month				
For 5/8 x 3/4-inch meter	$6.60	$8.52	$1.92	29.09%
For 3/4-inch meter	$9.90	$12.78	$2.88	29.09%
For 1-inch meter	$19.90	$23.85	$3.95	19.85%
For 1-1/2-inch meter	$35.20	$44.35	$9.15	25.99%
For 2-inch meter	$45.20	$63.05	$17.85	39.49%
For 3-inch meter	$91.30	$122.75	$31.45	34.45%
For 4-inch meter	$129.00	$190.00	$61.00	47.29%
For 6-inch meter	$197.10	$340.00	$142.90	72.50%
For 8-inch meter	$314.10	$543.75	$229.65	73.11%
For 10-inch meter	$369.50	$728.75	$359.25	97.23%
For 12-inch meter	$473.70	$1,009.00	$535.30	113.00%
For 14-inch meter	$576.70	$1,331.00	$754.30	130.80%
PRIVATE FIRE PROTECTION SERVICE				
Per Service Connection Per Month				
For each 2 inch diameter service connection	$22.30	$22.30	$0.00	0.00%
For each 4 inch diameter service connection	$32.30	$32.30	$0.00	0.00%
For each 6 inch diameter service connection	$46.10	$46.10	$0.00	0.00%
For each 8 inch diameter service connection	$61.50	$61.50	$0.00	0.00%
For each 10 inch diameter service connection	$126.90	$126.90	$0.00	0.00%
For each 12 inch diameter service connection	$183.80	$183.80	$0.00	0.00%
For each 14 inch diameter service connection	$249.90	$249.90	$0.00	0.00%

(END OF APPENDIX G)