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Appendix B  
Liberty Utilities (Apple Valley Ranchos) Corp –  
Irrigation  
Summary of Earnings, Ratebase,  
Taxes, Quantities, Bill Comparison

**APPENDIX B**

**PAGE 1**

**LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP. - IRRIGATION**

**SUMMARY OF EARNINGS - TEST YEAR 2025-2026**

(Dollars in Thousands)

	<u>PRESENT RATES</u>	<u>ADOPTED RATES</u>
OPERATING REVENUES	\$372.4	\$305.6
DEFERRED REVENUES	\$0.0	\$0.0
TOTAL REVENUES	<u>\$372.4</u>	<u>\$305.6</u>
%CHANGE		-17.94%
OPERATIONS & MAINTENANCE		
PAYROLL-OPERATIONS	\$6.0	\$6.0
OPERATIONS-OTHER	\$0.0	\$0.0
PURCHASED POWER	\$186.3	\$186.3
LEASED WATER RIGHTS	\$0.0	\$0.0
REPLENISHMENT	\$3.9	\$3.9
CUSTOMERS-OTHER	\$0.0	\$0.0
UNCOLLECTIBLES	\$0.0	\$0.0
PAYROLL-MAINTENANCE	\$0.0	\$0.0
MAINTENANCE-OTHER	\$0.8	\$0.8
CLEARINGS	<u>\$3.7</u>	<u>\$3.7</u>
SUB-TOTAL O & M	\$200.7	\$200.7
ADMINISTRATIVE & GENERAL		
A & G PAYROLL	\$0.0	\$0.0
EMPLOYEE BENEFITS	\$3.2	\$3.2
INSURANCE	\$0.2	\$0.2
REG. COMM. EXPENSE	\$0.0	\$0.0
FRANCHISE REQUIREMENTS	\$0.0	\$0.0
OUTSIDE SERVICES	\$0.2	\$0.2
A & G - OTHER	\$0.0	\$0.0
A & G TRANSFERRED CREDIT	\$0.0	\$0.0
ALLOCATIONS	<u>\$46.9</u>	<u>\$46.9</u>
SUB-TOTAL A & G	\$50.4	\$50.4
OTHER TAXES		
PROPERTY TAXES	\$3.4	\$3.4
PAYROLL TAXES	<u>\$1.2</u>	<u>\$1.2</u>
SUB-TOTAL OTHER TAXES	\$4.6	\$4.6
DEPRECIATION		
CA INCOME TAXES	\$20.9	\$20.9
FEDERAL INCOME TAXES	\$8.0	\$2.1
	\$17.8	\$3.8
TOTAL EXPENSE	\$302.4	\$282.4
NET REVENUES	\$70.1	\$23.2
RATE BASE	\$323.2	\$323.2
RATE OF RETURN	21.67%	7.17%

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**LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP. - IRRIGATION**  
**RATEBASE**  
**(Dollars in Thousands)**

	<u>2025-2026</u>	<u>2026-2027</u>
AVERAGE BALANCES		
PLANT IN SERVICE	\$658.6	\$659.3
WORK IN PROGRESS	\$0.0	\$0.0
MATERIALS & SUPPLIES	\$0.0	\$0.0
WORKING CASH	<u>\$13.2</u>	<u>\$13.6</u>
SUBTOTAL	\$671.8	\$672.9
LESS:		
DEPRECIATION RESERVE	\$338.5	\$356.0
ADVANCES	\$0.0	\$0.0
CONTRIBUTIONS	\$27.7	\$26.6
UNAMORTIZED ITC	\$0.0	\$0.0
UNAMORTIZED EXCESS DEFERRED INCOME TAX	\$8.4	\$8.0
DEFERRED INCOME TAX	<u>\$27.9</u>	<u>\$29.1</u>
SUBTOTAL	\$402.5	\$419.7
PLUS:		
METHOD 5 ADJUSTMENT		
NET DISTRICT RATE BASE	\$269.3	\$253.2
MAIN OFFICE ALLOCATION	\$53.9	\$56.2
TOTAL RATE BASE	\$323.2	\$309.4

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**LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP. - IRRIGATION**  
**INCOME TAX CALCULATION - Test Year 2025-2026**  
**(Dollars in Thousands)**

	<u>PRESENT RATES</u>	<u>ADOPTED RATES</u>
OPERATING REVENUES	\$372.4	\$305.6
EXPENSE		
OPERATIONS & MAINTENANCE	\$200.7	\$200.7
UNCOLLECTIBLES	\$0.0	\$0.0
ADMINISTRATIVE & GENERAL	\$50.4	\$50.4
FRANCHISE REQUIREMENTS	\$0.0	\$0.0
PROPERTY TAXES	\$3.4	\$3.4
PAYROLL TAXES	\$1.2	\$1.2
MEALS ADJUSTMENT	<u>\$0.0</u>	<u>\$0.0</u>
TOTAL	\$255.7	\$255.7
INCOME BEFORE TAXES	\$116.7	\$49.9
CA CORP-FRANCHISE TAX (CCFT)		
CA TAX DEPRECIATION	\$20.5	\$20.5
INTEREST	<u>\$5.6</u>	<u>\$5.6</u>
TOTAL	\$26.1	\$26.1
TAXABLE INCOME FOR CCFT	\$90.6	\$23.8
CCFT RATE	<u>8.84%</u>	<u>8.84%</u>
CALIFORNIA INCOME TAX	\$8.0	\$2.1
FEDERAL INCOME TAX		
FED. TAX DEPRECIATION	\$20.5	\$20.5
CA TAX	\$3.9	\$3.9
INTEREST	\$5.6	\$5.6
QUALIFIED PROD. DEDUCTION	<u>\$0.0</u>	<u>\$0.0</u>
TOTAL	\$30.0	\$30.0
FIT TAXABLE INCOME	\$86.8	\$20.0
FIT RATE	<u>21%</u>	<u>21%</u>
FEDERAL INCOME TAX	\$18.2	\$4.2
ITC	\$0.0	\$0.0
EXCESS ADIT	\$0.4	\$0.4
NET FEDERAL INCOME TAX	\$17.8	\$3.8

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**LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP. - IRRIGATION**  
**ADOPTED QUANTITIES**

NET-TO-GROSS MULTIPLIER	1.42531
UNCOLLECTIBLE RATE	0.00%
FRANCHISE RATE	0.00%

<b>DOMESTIC (UNITS IN ACRE-FOOT)</b>	<b><u>2025-2026</u></b>	<b><u>2026-2027</u></b>	<b><u>2027-2028</u></b>
<b>WATER PRODUCTION</b>			
POTABLE WATER SALES	1,184	1,184	1,184
UNACCOUNTED WATER PERCENTAGE	69.2%	<u>2660</u>	<u>2660</u>
TOTAL POTABLE PRODUCTION	3,844	3,844	3,844
<b>REPLENISHMENT CHARGES</b>			
ADMIN & BIOLOGICAL ASSESSMENT	3,844	3,844	3,844
COST PER AF	<u>\$1.03</u>	<u>\$1.03</u>	<u>\$1.03</u>
TOTAL REPLENISHMENT COST	\$3,959	\$3,959	\$3,959
<b>PURCHASED POWER</b>			
TOTAL PRODUCTION	3844	3844	3844
COST PER AF	<u>\$48.75</u>	<u>\$48.75</u>	<u>\$48.75</u>
TOTAL COST	\$187,392	\$187,392	\$187,392

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**LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP. - IRRIGATION  
CUSTOMERS & SALES**

<b>NUMBER OF CUSTOMERS</b>		<u><b>2025</b></u>	<u><b>2026</b></u>	<u><b>2027</b></u>
Irrigation - Gravity		1	1	1
	<b>Average Usage (CCF/Cust/Mo)</b>			
<b>METER SALES (CCF)</b>				
Irrigation - Gravity	\$42,975.41	515705	515705	515705

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**LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP. - IRRIGATION**

**MONTHLY RESIDENTIAL BILL COMPARISON**

**Schedule No, PR-1-R - 5/8" METER**

<u>Usage (CCF)</u>	<u>Present Rates</u>	<u>Adopted Rates</u>	<u>Amount Change</u>	<u>Percent Change</u>
515705	\$372,413	\$305,594	-\$66,819	-17.94%

Excludes any applicable fees, surcharges, or surcredits