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04/10/26

12:28 PM

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

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LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP. - DOMESTIC
 SUMMARY OF EARNINGS - TEST YEAR 2025-2026
 (Dollars in Thousands)

	<u>PRESENT RATES</u>	<u>ADOPTED RATES</u>
OPERATING REVENUES	\$29,885.3	\$31,836.2
DEFERRED REVENUES	\$0.0	\$0.0
MISCELLANEOUS REVENUE	<u>\$163.2</u>	<u>\$163.2</u>
TOTAL REVENUES	\$30,048.5	\$31,999.4
% CHANGE		6.49%
OPERATIONS & MAINTENANCE		
PAYROLL-OPERATIONS	\$696.8	\$696.8
OPERATIONS-OTHER	\$346.2	\$346.2
PURCHASED POWER	\$1,489.7	\$1,489.7
LEASED WATER RIGHTS	\$209.7	\$209.7
REPLENISHMENT	\$87.3	\$87.3
CHEMICALS	\$52.9	\$52.9
PAYROLL-CUSTOMERS	\$478.5	\$478.5
CUSTOMERS-OTHER	\$565.6	\$565.6
UNCOLLECTIBLES	\$147.2	\$156.8
PAYROLL-MAINTENANCE	\$326.0	\$326.0
MAINTENANCE-OTHER	\$871.9	\$871.9
CLEARINGS	<u>\$362.4</u>	<u>\$362.4</u>
SUB-TOTAL O & M	\$5,634.3	\$5,643.8
ADMINISTRATIVE & GENERAL		
A & G PAYROLL	\$1,636.0	\$1,636.0
EMPLOYEE BENEFITS	\$731.1	\$731.1
INSURANCE	\$925.6	\$925.6
REG. COMM. EXPENSE	\$166.1	\$166.1
FRANCHISE REQUIREMENTS	\$285.5	\$304.0
OUTSIDE SERVICES	\$77.4	\$77.4
A & G - OTHER	\$275.8	\$275.8
A & G TRANSFERRED CREDIT	-\$1,279.6	-\$1,279.6
ALLOCATIONS	<u>\$4,476.7</u>	<u>\$4,476.7</u>
SUB-TOTAL A & G	\$7,294.6	\$7,313.1
OTHER TAXES		
PROPERTY TAXES	\$1,493.6	\$1,493.6
TAXES-OTHER	\$90.8	\$90.8
PAYROLL TAXES	<u>\$346.2</u>	<u>\$346.2</u>
SUBTOTAL OTHER TAXES	\$1,930.5	\$1,930.5
DEPRECIATION	\$5,858.7	\$5,858.7
CA INCOME TAXES	\$541.3	\$711.3
FEDERAL INCOME TAXES	\$965.2	\$1,369.0
TOTAL EXPENSE	\$22,224.6	\$22,826.5
NET REVENUES	\$7,823.9	\$9,172.9
TOTAL RATE BASE	\$127,858.7	\$127,858.7
RATE OF RETURN	6.12%	7.17%

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

	<u>2025-2026</u>	<u>2026-2027</u>
AVERAGE BALANCES		
PLANT IN SERVICE	\$223,074.7	\$236,671.2
WORK IN PROGRESS	\$6,281.1	\$8,044.3
MATERIALS & SUPPLIES	\$660.4	\$686.8
WORKING CASH	<u>\$2,349.4</u>	<u>\$2,406.8</u>
SUBTOTAL	\$232,365.6	\$247,809.2
LESS:		
DEPRECIATION RESERVE	\$66,717.8	\$70,872.3
ADVANCES	\$27,617.2	\$29,334.8
CONTRIBUTIONS	\$2,573.0	\$2,685.3
UNAMORTIZED ITC	\$0.0	\$0.0
UNAMORTIZED EXCESS DEFERRED INCOME TAX	\$3,650.9	\$3,473.2
DEFERRED INCOME TAX	<u>\$13,917.1</u>	<u>\$14,497.3</u>
SUBTOTAL	\$114,475.9	\$120,862.7
PLUS:		
METHOD 5 ADJUSTMENT	\$0.3	\$0.3
NET DISTRICT RATE BASE	\$117,889.9	\$126,946.8
MAIN OFFICE ALLOCATION	\$9,968.8	\$10,388.0
TOTAL RATE BASE	\$127,858.7	\$137,334.8

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

	<u>PRESENT RATES</u>	<u>ADOPTED RATES</u>
OPERATING REVENUES	\$30,048.5	\$31,999.4
EXPENSE		
OPERATIONS & MAINTENANCE	\$5,487.0	\$5,487.0
UNCOLLECTIBLES	\$147.2	\$156.8
ADMINISTRATIVE & GENERAL	\$7,009.1	\$7,009.1
FRANCHISE REQUIREMENTS	\$285.5	\$304.0
PROPERTY TAXES	\$1,493.6	\$1,493.6
TAXES-OTHER	\$90.8	\$90.8
PAYROLL TAXES	\$346.2	\$346.2
MEALS ADJUSTMENT	<u>-\$3.9</u>	<u>-\$3.9</u>
TOTAL	\$14,855.5	\$14,883.6
INCOME BEFORE TAXES	\$15,192.9	\$17,115.8
CA CORP-FRANCHISE TAX (CCFT)		
CA TAX DEPRECIATION	\$5,732.0	\$5,732.0
INTEREST	<u>\$3,337.5</u>	<u>\$3,337.5</u>
TOTAL	\$9,069.5	\$9,069.5
TAXABLE INCOME FOR CCFT	\$6,123.5	\$8,046.3
CCFT RATE	<u>8.84%</u>	<u>8.84%</u>
CALIFORNIA INCOME TAX	\$541.3	\$711.3
FEDERAL INCOME TAX		
FED. TAX DEPRECIATION	\$5,732.0	\$5,732.0
CA TAX	\$670.7	\$670.7
INTEREST	\$3,337.5	\$3,337.5
QUALIFIED PROD. DEDUCTION	<u>\$0.0</u>	<u>\$0.0</u>
TOTAL	\$9,740.2	\$9,740.2
FIT TAXABLE INCOME	\$5,452.8	\$7,375.6
FIT RATE	<u>21%</u>	<u>21%</u>
FEDERAL INCOME TAX	\$1,145.1	\$1,548.9
ITC	\$0.0	\$0.0
EXCESS ADIT	\$179.9	\$179.9
NET FEDERAL INCOME TAX	\$965.2	\$1,369.0

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

NET-TO-GROSS MULTIPLIER	1.44967
UNCOLLECTIBLE RATE	0.73%
FRANCHISE RATE	0.95%

DOMESTIC (UNITS IN ACRE-FOOT)		<u>2025-2026</u>	<u>2026-2027</u>	<u>2027-2028</u>
WATER PRODUCTION				
POTABLE WATER SALES		9,046	9,088	9,131
UNACCOUNTED WATER PERCENTAGE	5.4%	<u>516</u>	<u>519</u>	<u>521</u>
TOTAL POTABLE PRODUCTION		9,562	9,607	9,652
REPLENISHMENT CHARGES				
ADMIN & BIOLOGICAL ASSESSMENT		9,562	9,607	9,652
COST PER AF		<u>\$5.68</u>	<u>\$5.68</u>	<u>\$5.68</u>
SUBTOTAL		\$54,311	\$54,568	\$54,825
MAKE UP ASSESSMENT		944	944	944
COST PER AF		<u>\$35</u>	<u>\$35</u>	<u>\$35</u>
SUBTOTAL		\$33,024	\$33,024	\$33,024
TOTAL REPLENISHMENT COST		\$87,335	\$87,592	\$87,849
LEASED WATER RIGHTS				
LEASED WATER RIGHTS		908	953	998
COST PER AF		<u>\$230.99</u>	<u>\$230.99</u>	<u>\$230.99</u>
TOTAL LEASED WATER RIGHTS COST		\$209,708	\$220,158	\$230,607
PURCHASED POWER				
TOTAL PRODUCTION		9562	9607	9652
COST PER AF		<u>\$155.53</u>	<u>\$155.53</u>	<u>\$155.53</u>
TOTAL COST		\$1,487,186	\$1,494,222	\$1,501,258
GROUP PENSION EXPENSE		\$ 147,806	\$ 153,718	

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

NUMBER OF CUSTOMERS	<u>2025</u>	<u>2026</u>	<u>2027</u>
Residential	19,257	19,357	19,457
Commercial	1,437	1,444	1,451
Industrial	2	2	2
Public Authority	42	42	42
Private Fire Service	244	245	246
Irrigation - Public Authority	0	0	0
Irrigation - Pressure	156	156	156
Apple Valley Golf Course	0	0	0
Temporary Bi Monthly	20	21	22
Temporary Monthly	0	0	0
Yermo - Residential	258	258	258
Yermo - Commercial	29	29	29
Yermo - Industrial	0	0	0
Yermo - Public Authority	1	1	1
Yermo - Private Fire	0	0	0
Yermo - Hydrants	<u>1</u>	<u>1</u>	<u>1</u>
GRAND TOTAL	21,446	21,555	21,664

METER SALES (CCF)	Avg. Usage (CCF/Cust/Mo)	<u>2025</u>	<u>2026</u>	<u>2027</u>
Residential	11.45	2,645,661	2,659,399	2,673,138
Commercial	48.94	843,635	847,746	851,857
Industrial	31.69	761	761	761
Public Authority	425.16	214,279	214,279	214,279
Private Fire Service	0.95	2,785	2,797	2,808
Irrigation - Public Authority	0	0	0	0
Irrigation - Pressure	98.15	183,735	183,735	183,735
Apple Valley Golf Course	0	0	0	0
Temporary Bi Monthly	65.00	15,211	15,991	16,771
Temporary Monthly	0	0	0	0
Yermo - Residential	7.88	24,402	24,402	24,402
Yermo - Commercial	19.27	6,705	6,705	6,705
Yermo - Industrial	0	0	0	0
Yermo - Public Authority	255.23	3,063	3,063	3,063
Yermo - Private Fire	0	0	0	0
Yermo - Hydrants	0	<u>0</u>	<u>0</u>	<u>0</u>
GRAND TOTAL		3,940,236	3,958,878	3,977,519

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LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP. - DOMESTIC
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>
0	\$37.05	\$28.99	-\$8.06	-21.75%
4	\$50.40	\$46.15	-\$4.25	-8.43%
6	\$57.08	\$54.74	-\$2.34	-4.10%
10	\$74.88	\$76.86	\$1.98	2.64%
12	\$83.78	\$87.92	\$4.14	4.94%
18	\$110.48	\$121.10	\$10.62	9.61%
24	\$137.18	\$154.28	\$17.10	12.46%
36	\$223.07	\$272.46	\$49.39	22.14%
48	\$315.46	\$401.00	\$85.54	27.12%

Excludes any applicable fees, surcharges, or surcredits