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

APPENDIX B

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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	\$280.1
DEFERRED REVENUES	\$0.0	\$0.0
TOTAL REVENUES	<u>\$372.4</u>	<u>\$280.1</u>
%CHANGE		-24.80%
OPERATIONS & MAINTENANCE		
PAYROLL-OPERATIONS	\$4.9	\$4.9
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>\$3.8</u>	<u>\$3.8</u>
SUB-TOTAL O & M	\$199.7	\$199.7
ADMINISTRATIVE & GENERAL	\$0.0	\$0.0
A & G PAYROLL	\$0.0	\$0.0
EMPLOYEE BENEFITS	\$2.6	\$2.6
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>\$24.5</u>	<u>\$24.5</u>
SUB-TOTAL A & G	\$27.4	\$27.4
OTHER TAXES	\$0.0	\$0.0
PROPERTY TAXES	\$2.8	\$2.8
PAYROLL TAXES	<u>\$0.6</u>	<u>\$0.6</u>
SUB-TOTAL OTHER TAXES	\$3.3	\$3.3
DEPRECIATION	\$20.9	\$20.9
CA INCOME TAXES	\$10.2	\$2.1
FEDERAL INCOME TAXES	\$23.1	\$3.7
TOTAL EXPENSE	\$284.7	\$257.1
NET REVENUES	\$87.7	\$22.9
RATE BASE	\$319.4	\$319.4
RATE OF RETURN	27.46%	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	\$658.5	\$659.2
WORK IN PROGRESS	\$0.0	\$0.0
MATERIALS & SUPPLIES	\$0.0	\$0.0
WORKING CASH	<u>\$10.9</u>	<u>\$10.8</u>
SUBTOTAL	\$669.4	\$670.0
LESS:		
DEPRECIATION RESERVE	\$338.5	\$356.1
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>\$28.9</u>	<u>\$29.9</u>
SUBTOTAL	\$403.6	\$420.6
PLUS:		
METHOD 5 ADJUSTMENT		
NET DISTRICT RATE BASE	\$265.8	\$249.4
MAIN OFFICE ALLOCATION	\$53.6	\$56.0
TOTAL RATE BASE	\$319.4	\$305.4

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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	\$280.1
EXPENSE		
OPERATIONS & MAINTENANCE	\$199.7	\$199.7
UNCOLLECTIBLES	\$0.0	\$0.0
ADMINISTRATIVE & GENERAL	\$27.4	\$27.4
FRANCHISE REQUIREMENTS	\$0.0	\$0.0
PROPERTY TAXES	\$2.8	\$2.8
PAYROLL TAXES	\$0.6	\$0.6
MEALS ADJUSTMENT	<u>\$0.0</u>	<u>\$0.0</u>
TOTAL	\$230.5	\$230.5
INCOME BEFORE TAXES	\$141.9	\$49.6
CA CORP-FRANCHISE TAX (CCFT)		
CA TAX DEPRECIATION	\$20.5	\$20.5
INTEREST	<u>\$5.5</u>	<u>\$5.5</u>
TOTAL	\$26.0	\$26.0
TAXABLE INCOME FOR CCFT	\$115.9	\$23.5
CCFT RATE	<u>8.84%</u>	<u>8.84%</u>
CALIFORNIA INCOME TAX	\$10.2	\$2.1
FEDERAL INCOME TAX		
FED. TAX DEPRECIATION	\$20.5	\$20.5
CA TAX	\$3.9	\$3.9
INTEREST	\$5.5	\$5.5
QUALIFIED PROD. DEDUCTION	<u>\$0.0</u>	<u>\$0.0</u>
TOTAL	\$29.9	\$29.9
FIT TAXABLE INCOME	\$112.0	\$19.7
FIT RATE	<u>21%</u>	<u>21%</u>
FEDERAL INCOME TAX	\$23.5	\$4.1
ITC	\$0.0	\$0.0
EXCESS ADIT	\$0.4	\$0.4
NET FEDERAL INCOME TAX	\$23.1	\$3.7

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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%

DOMESTIC (UNITS IN ACRE-FOOT)	<u>2025-2026</u>	<u>2026-2027</u>	<u>2027-2028</u>
WATER PRODUCTION			
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
REPLENISHMENT CHARGES			
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
PURCHASED POWER			
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**

NUMBER OF CUSTOMERS		<u>2025</u>	<u>2026</u>	<u>2027</u>
Irrigation - Gravity		1	1	1
	Average Usage (CCF/Cust/Mo)			
METER SALES (CCF)				
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	\$280,231	-\$92,182	-24.75%

Excludes any applicable fees, surcharges, or surcredits