

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

APPENDIX A

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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	\$30,156.7	\$27,861.7
DEFERRED REVENUES	\$0.0	\$0.0
MISCELLANEOUS REVENUE	\$163.2	\$163.2
TOTAL REVENUES	<u>\$30,319.9</u>	<u>\$28,024.9</u>
% CHANGE		-7.57%
OPERATIONS & MAINTENANCE		
PAYROLL-OPERATIONS	\$574.2	\$574.2
OPERATIONS-OTHER	\$348.0	\$348.0
PURCHASED POWER	\$1,510.1	\$1,510.1
LEASED WATER RIGHTS	\$240.0	\$240.0
REPLENISHMENT	\$88.1	\$88.1
CHEMICALS	\$53.3	\$53.3
PAYROLL-CUSTOMERS	\$394.3	\$394.3
CUSTOMERS-OTHER	\$567.2	\$567.2
UNCOLLECTIBLES	\$148.6	\$137.3
PAYROLL-MAINTENANCE	\$268.6	\$268.6
MAINTENANCE-OTHER	\$878.4	\$878.4
CLEARINGS	\$337.3	\$337.3
SUB-TOTAL O & M	<u>\$5,408.0</u>	<u>\$5,396.8</u>
ADMINISTRATIVE & GENERAL		
A & G PAYROLL	\$1,400.9	\$1,400.9
EMPLOYEE BENEFITS	\$720.8	\$720.8
INSURANCE	\$825.1	\$825.1
REG. COMM. EXPENSE	\$166.1	\$166.1
FRANCHISE REQUIREMENTS	\$288.0	\$266.2
OUTSIDE SERVICES	\$77.4	\$77.4
A & G - OTHER	\$304.0	\$304.0
A & G TRANSFERRED CREDIT	-\$811.1	-\$811.1
ALLOCATIONS	\$1,912.1	\$1,912.1
SUB-TOTAL A & G	<u>\$4,883.3</u>	<u>\$4,861.5</u>
OTHER TAXES		
PROPERTY TAXES	\$1,373.4	\$1,373.4
TAXES-OTHER	\$92.8	\$92.8
PAYROLL TAXES	\$240.6	\$240.6
SUBTOTAL OTHER TAXES	<u>\$1,706.7</u>	<u>\$1,706.7</u>
DEPRECIATION	\$5,744.8	\$5,744.8
CA INCOME TAXES	\$843.5	\$643.6
FEDERAL INCOME TAXES	\$1,683.1	\$1,208.1
TOTAL EXPENSE	\$20,269.4	\$19,561.4
NET REVENUES	\$10,050.4	\$8,463.5
TOTAL RATE BASE	\$118,070.6	\$118,070.6
RATE OF RETURN	8.51%	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	\$217,047.8	\$223,890.3
WORK IN PROGRESS	\$2,836.8	\$5,102.8
MATERIALS & SUPPLIES	\$660.4	\$686.8
WORKING CASH	\$1,945.1	\$1,923.6
SUBTOTAL	<u>\$222,490.2</u>	<u>\$231,603.4</u>
LESS:		
DEPRECIATION RESERVE	\$66,772.4	\$70,838.8
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	\$13,755.2	\$14,224.8
SUBTOTAL	<u>\$114,368.6</u>	<u>\$120,556.8</u>
PLUS:		
METHOD 5 ADJUSTMENT	\$0.3	\$0.3
NET DISTRICT RATE BASE	\$108,121.9	\$111,047.0
MAIN OFFICE ALLOCATION	\$9,948.5	\$10,379.6
TOTAL RATE BASE	\$118,070.4	\$121,426.5

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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	\$30,319.9	\$28,024.9
EXPENSE		
OPERATIONS & MAINTENANCE	\$5,259.4	\$5,259.4
UNCOLLECTIBLES	\$148.6	\$137.3
ADMINISTRATIVE & GENERAL	\$4,595.2	\$4,595.2
FRANCHISE REQUIREMENTS	\$288.0	\$266.2
PROPERTY TAXES	\$1,373.4	\$1,373.4
TAXES-OTHER	\$92.8	\$92.8
PAYROLL TAXES	\$240.6	\$240.6
MEALS ADJUSTMENT	-\$7.5	-\$7.5
TOTAL	<u>\$11,990.5</u>	<u>\$11,957.5</u>
INCOME BEFORE TAXES	\$18,329.4	\$16,067.4
CA CORP-FRANCHISE TAX (CCFT)		
CA TAX DEPRECIATION	\$5,618.0	\$5,618.0
INTEREST	\$3,169.2	\$3,169.2
TOTAL	<u>\$8,787.2</u>	<u>\$8,787.2</u>
TAXABLE INCOME FOR CCFT	\$9,542.2	\$7,280.3
CCFT RATE	<u>8.84%</u>	<u>8.84%</u>
CALIFORNIA INCOME TAX	\$843.5	\$643.6
FEDERAL INCOME TAX		
FED. TAX DEPRECIATION	\$5,618.0	\$5,618.0
CA TAX	\$670.7	\$670.7
INTEREST	\$3,169.2	\$3,169.2
QUALIFIED PROD. DEDUCTION	\$0.0	\$0.0
TOTAL	<u>\$9,457.8</u>	<u>\$9,457.8</u>
FIT TAXABLE INCOME	\$8,871.5	\$6,609.6
FIT RATE	<u>21%</u>	<u>21%</u>
FEDERAL INCOME TAX	\$1,863.0	\$1,388.0
ITC	\$0.0	\$0.0
EXCESS ADIT	\$179.9	\$179.9
NET FEDERAL INCOME TAX	\$1,683.1	\$1,208.1

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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)	2025-2026	2026-2027	2027-2028
WATER PRODUCTION			
POTABLE WATER SALES	9,170	9,211	9,254
UNACCOUNTED WATER PERCENTAGE	5.4%	526	528
TOTAL POTABLE PRODUCTION	<u>9,693</u>	<u>9,737</u>	<u>9,782</u>
REPLENISHMENT CHARGES			
ADMIN & BIOLOGICAL ASSESSMENT	9,693	9,737	9,782
COST PER AF	\$5.68	\$5.68	\$5.68
SUBTOTAL	<u>\$55,056</u>	<u>\$55,303</u>	<u>\$55,564</u>
MAKE UP ASSESSMENT	944	944	944
COST PER AF	\$35	\$35	\$35
SUBTOTAL	<u>\$33,024</u>	<u>\$33,024</u>	<u>\$33,024</u>
TOTAL REPLENISHMENT COST	\$88,080	\$88,327	\$88,588
LEASED WATER RIGHTS			
LEASED WATER RIGHTS	1,039	1,083	1,128
COST PER AF	\$230.99	\$230.99	\$230.99
TOTAL LEASED WATER RIGHTS COST	<u>\$240,003</u>	<u>\$250,044</u>	<u>\$260,651</u>
PURCHASED POWER			
TOTAL PRODUCTION	9,693	9,737	9,782
COST PER AF	\$155.53	\$155.53	\$155.53
TOTAL COST	<u>\$1,507,585</u>	<u>\$1,514,346</u>	<u>\$1,521,488</u>
GROUP PENSION EXPENSE	\$ 147,806	\$ 153,718	

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

NUMBER OF CUSTOMERS	2025	2026	2027
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	1	1	1
GRAND TOTAL	21,446	21,555	21,664

METER SALES (CCF)	Avg. Usage (CCF/Cust/Mo)	2025	2026	2027
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	0	0	0
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	\$37.96	\$0.91	2.46%
4	\$50.40	\$49.60	-\$0.80	-1.59%
6	\$57.08	\$55.42	-\$1.65	-2.90%
10	\$74.88	\$70.43	-\$4.45	-5.94%
12	\$83.78	\$77.93	-\$5.85	-6.98%
18	\$110.48	\$100.44	-\$10.04	-9.09%
24	\$137.18	\$122.94	-\$14.24	-10.38%
36	\$223.07	\$203.11	-\$19.96	-8.95%
48	\$315.46	\$290.31	-\$25.15	-7.97%

Excludes any applicable fees, surcharges, or surcredits