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**EXHIBIT A**

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

In the Matter of the Application of Apple Valley  
Ranchos Water Company (U 346 W) for Authority to  
Increase Rates Charged for Water Service by  
\$3,127,463 or 14.88% in 2015, \$2,056,455 or 8.48%  
in 2016, and \$2,160,731 or 8.19% in 2017.

A.14-01-002  
(Filed January 2, 2014)

**AMENDED JOINT COMPARISON EXHIBIT  
OF THE APPLE VALLEY RANCHOS WATER COMPANY  
AND THE OFFICE OF RATEPAYER ADVOCATES**

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**AMENDED JOINT COMPARISON EXHIBIT  
OF THE APPLE VALLEY RANCHOS WATER COMPANY  
AND THE OFFICE OF RATEPAYER ADVOCATES**

**INTRODUCTION**

This comparison exhibit, sponsored jointly by Apple Valley Ranchos Water Company (“AVR”) and the Office of Ratepayer Advocates (“ORA”) (collectively, the “Parties”), sets forth the original estimates of both Parties as well as the settlement amounts.

Both AVR and ORA have revised their estimates of the 2015 revenue requirements to reflect corrections and stipulations. Estimates of individual items may have been revised up or down but, overall, the revised positions of both parties represent a \$1,781,000 decrease to the 2015 revenue requirement of \$24,151,000 requested in AVR’s Application.

As a result of the Parties’ initial settlement (filed August 8, 2014), AVR’s requested 2015 revenue requirement was reduced to \$23,599,000; and AVR’s requested rate increase decreased from 14.88% to 13.53% while ORA’s increased from 7.97% to 13.29% (the difference was due to the unresolved Conservation Expense issue).

The Parties’ amended settlement on AVR’s Main Replacement Program resulted in a further decrease of AVR’s requested 2015 revenue requirement to \$23,330,000, resulting in a further decrease to AVR’s requested rate increase to 12.24%. In response to Commissioner Carla Peterman’s June 19, 2015 Ruling Amending Scope and Schedule, the Parties submitted supplemental testimony consistent with the Commission’s Resolution W-5041, the Governor’s Executive Order B-29-15, and the 28% reduction in AVR’s water production mandated by the State Water Resource Control Board’s (“SWRCB”) emergency water conservation regulations. Incorporation of the revised consumption per customer estimates and flow-through effects, based

on the Parties' agreements in their filed supplemental testimony, results in a significant further decrease to the 2015 revenue requirement: \$22,370,000 requested by AVR and \$22,325,000 proposed by ORA. The significant reduction in sales, however, causes an increase to the resulting rate increase necessary to generate the revenue requirement: 25.31% requested by AVR and 25.06% proposed by ORA.

Included in this comparison exhibit are summary of earnings tables at present rate revenues (2015) and at AVR's and ORA's proposed rate of return (2015) providing the results of AVR's and ORA's revised estimates as well as the differences between AVR and ORA by category. Income tax tables are similarly provided at present rate revenues (2015) and at AVR's and ORA's proposed rate of return (2015). Rate base tables are provided for years 2015 and 2016. Tables are also provided for customers and water sales for years 2015, 2016, and 2017.

The differences between AVR's and ORA's original and final estimates are due to the Parties' corrections, stipulations, and resolution of customers, sales, revenues, expense, tax and capital items through additional discussions held after the issuance of ORA's Amended Report on the Results of Operations, the amended resolution of AVR's Main Replacement Program, as well as consideration of the Parties' respective Supplemental Testimony.

The Parties have reached agreement on the majority of revenue, expense, tax, and capital items as described in the Final Amended Settlement Agreement. There are, however, a number of categories where agreement was reached on methodology but the Parties have remaining differences in their respective estimates due to the impact of the unresolved issues. The Parties were unable to reach agreement on the issues of: (1) Conservation expense proposed by AVR and the Conservation Balancing Account proposed by ORA; (2) the use of estimates in Balancing Accounts; (3) the Office Remodel Balancing Account; (4) the Solar Project Memorandum Account; (5) the Level Payment Plan; (6) the Sales Reconciliation Mechanism; and (7) the inclusion of the irrigation system in the WRAM/MCBA. The unresolved issues are identified in the Parties' Briefs as Conservation Estimates, Conservation Balancing Account, Solar Project Memorandum Account, Office Remodel Balancing Account, Use of Estimates, Level Payment Plan, Sales Reconciliation Mechanism, Irrigation (Commodity Revenues & Production Costs), Incremental Cost Balancing Account, and Chemical Costs. The comparison exhibit does not address the issues raised by the Town of Apple Valley ("Town"), including the issues addressed in the Parties' briefs under the headings "Rate Design" and "Water Rate

Comparison.” The Parties are in agreement on the Rate Design and Water Rate Comparison issues raised by the Town and have briefed their respective positions on these issues.

**TABLE A-1**  
**APPLE VALLEY RANCHOS WATER CO. - DOMESTIC & IRRIGATION**  
**2015 GENERAL RATE CASE**  
**COMPARATIVE SUMMARY OF EARNINGS FOR TEST YEAR AT PRESENT RATES**  
**2015 @ PRESENT RATES**  
**(Dollars in Thousands)**

	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
OPERATING REVENUES	20,783.4	17,804.9	0.0	17,804.9	20,976.8
DEFERRED REVENUES	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS REVENUE	46.7	46.7	0.0	46.7	46.7
TOTAL REVENUES	20,830.1	17,851.6	0.0	17,851.6	21,023.5
<b>OPERATIONS &amp; MAINTENANCE</b>					
PAYROLL-OPERATIONS	827.0	837.5	0.0	837.5	840.9
OPERATIONS-OTHER	159.0	155.2	0.0	155.2	157.3
PURCHASED WATER-POTABLE	0.0	0.0	0.0	0.0	0.0
PURCHASED POWER	1,097.5	971.9	0.0	971.9	1,125.6
LEASED WATER RIGHTS	834.7	0.0	0.0	0.0	963.8
REPLENISHMENT	109.8	101.6	0.0	101.6	114.9
CHEMICALS	21.9	21.8	0.0	21.8	22.0
PAYROLL-CUSTOMERS	498.1	504.5	0.0	504.5	506.6
CUSTOMERS-OTHER	273.8	305.8	44.6	350.4	358.5
UNCOLLECTIBLES	99.1	84.7	0.0	84.7	100.0
PAYROLL-MAINTENANCE	429.9	435.3	0.0	435.3	437.2
MAINTENANCE-OTHER	667.2	619.2	0.0	619.2	623.1
PAYROLL-CLEARINGS	120.9	122.4	0.0	122.4	122.9
DEPRECIATION-CLEARINGS	239.8	241.9	0.0	241.9	264.2
CLEARINGS-OTHER	210.7	209.4	0.0	209.4	221.1
 SUB-TOTAL O & M	 5,589.4	 4,611.1	 44.6	 4,655.7	 5,858.1
<b>ADMINISTRATIVE &amp; GENERAL</b>					
A & G PAYROLL	1,590.3	1,609.9	0.0	1,609.9	1,616.4
EMPLOYEE BENEFITS	1,299.2	1,342.9	0.0	1,342.9	1,361.8
INSURANCE	645.4	663.7	0.0	663.7	664.3
UNINSURED PROPERTY DAMAGE	8.7	8.8	0.0	8.8	8.8
REG. COMM. EXPENSE	131.3	159.3	0.0	159.3	162.3
FRANCHISE REQUIREMENTS	200.2	171.3	0.0	171.3	202.0
OUTSIDE SERVICES	234.9	248.9	0.0	248.9	265.3
A & G - OTHER	451.7	496.3	0.0	496.3	514.7
A & G TRANSFERRED CREDIT	(184.8)	(357.2)	0.0	(357.2)	(637.3)
RENTS	16.7	16.8	0.0	16.8	17.3
GENERAL OFFICE ALLOCATION	2,102.7	2,129.3	0.0	2,129.3	2,196.2
AVR ALLOCATION	(0.0)	0.0	0.0	0.0	0.0
 SUB-TOTAL A & G	 6,496.3	 6,489.9	 0.0	 6,489.9	 6,371.8
<b>OTHER TAXES</b>					
<sup>1</sup> PROPERTY TAXES	582.6	590.1	0.0	590.1	585.4
<sup>1</sup> PAYROLL TAXES	331.1	321.6	0.0	321.6	323.2
 SUB-TOTAL OTHER TAXES	 913.6	 911.7	 0.0	 911.7	 908.7
 <sup>1</sup> DEPRECIATION	 3,169.4	 3,262.3	 0.0	 3,262.3	 3,399.1
CA INCOME TAXES	255.0	52.7	0.0	52.7	216.3
FEDERAL INCOME TAXES	839.3	152.3	(13.4)	138.9	756.2
TOTAL EXPENSES	17,262.9	15,480.0	31.2	15,511.2	17,510.1
NET REVENUE	3,567.1	2,371.6	(31.2)	2,340.4	3,513.4
TOTAL RATE BASE	49,851.7	54,418.5	1.0	54,419.5	58,578.3
RATE OF RETURN	7.16%	4.36%	-0.1%	4.30%	6.00%

<sup>1</sup> DEPRECIATION, AD VALOREM AND PAYROLL TAXES FROM AVR'S GENERAL OFFICE HAVE BEEN INCLUDED IN THE APPROPRIATE LINE ITEM OF EXPENSE.

**TABLE A-2**  
**APPLE VALLEY RANCHOS WATER CO. - DOMESTIC & IRRIGATION**  
**2015 GENERAL RATE CASE**  
**COMPARATIVE SUMMARY OF EARNINGS FOR TEST YEAR AT PROPOSED RATES**  
**2015 @ PROPOSED RATES**  
**(Dollars in Thousands)**

	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
OPERATING REVENUES	22,439.4	22,259.0	45.0	22,304.0	24,100.3
DEFERRED REVENUES	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS REVENUE	50.7	66.0	0.0	66.0	50.7
TOTAL REVENUES	22,490.1	22,325.0	45.0	22,370.0	24,151.0
<b>OPERATIONS &amp; MAINTENANCE</b>					
PAYROLL-OPERATIONS	827.0	837.5	0.0	837.5	840.9
OPERATIONS-OTHER	159.0	155.2	0.0	155.2	157.3
PURCHASED WATER-POTABLE	0.0	0.0	0.0	0.0	0.0
PURCHASED POWER	1,097.5	971.9	0.0	971.9	1,125.6
LEASED WATER RIGHTS	834.7	0.0	0.0	0.0	963.8
REPLENISHMENT	109.8	101.6	0.0	101.6	114.9
CHEMICALS	21.9	21.8	0.0	21.8	22.0
PAYROLL-CUSTOMERS	498.1	504.5	0.0	504.5	506.6
CUSTOMERS-OTHER	273.8	305.8	44.6	350.4	358.5
UNCOLLECTIBLES	114.1	106.1	0.2	106.3	114.9
PAYROLL-MAINTENANCE	429.9	435.3	0.0	435.3	437.2
MAINTENANCE-OTHER	667.2	619.2	0.0	619.2	623.1
PAYROLL-CLEARINGS	120.9	122.4	0.0	122.4	122.9
DEPRECIATION-CLEARINGS	239.8	241.9	0.0	241.9	264.2
CLEARINGS-OTHER	210.7	209.4	0.0	209.4	221.1
<b>SUB-TOTAL O &amp; M</b>	<b>5,604.4</b>	<b>4,632.5</b>	<b>44.8</b>	<b>4,677.3</b>	<b>5,873.0</b>
<b>ADMINISTRATIVE &amp; GENERAL</b>					
A & G PAYROLL	1,590.3	1,609.9	0.0	1,609.9	1,616.4
EMPLOYEE BENEFITS	1,299.2	1,342.9	0.0	1,342.9	1,361.8
INSURANCE	645.4	663.7	0.0	663.7	664.3
UNINSURED PROPERTY DAMAGE	8.7	8.8	0.0	8.8	8.8
REG. COMM. EXPENSE	131.3	159.3	0.0	159.3	162.3
FRANCHISE REQUIREMENTS	230.7	214.4	0.4	214.9	232.1
OUTSIDE SERVICES	234.9	248.9	0.0	248.9	265.3
A & G - OTHER	451.7	496.3	0.0	496.3	514.7
A & G TRANSFERRED CREDIT	(184.8)	(357.2)	0.0	(357.2)	(637.3)
RENTS	16.7	16.8	0.0	16.8	17.3
GENERAL OFFICE ALLOCATION	2,102.7	2,129.3	0.0	2,129.3	2,196.2
AVR ALLOCATION	(0.0)	0.0	0.0	0.0	0.0
<b>SUB-TOTAL A &amp; G</b>	<b>6,526.8</b>	<b>6,533.1</b>	<b>0.4</b>	<b>6,533.5</b>	<b>6,401.9</b>
<b>OTHER TAXES</b>					
<sup>1</sup> PROPERTY TAXES	582.6	590.1	0.0	590.1	585.4
<sup>1</sup> PAYROLL TAXES	331.1	321.6	0.0	321.6	323.2
<b>SUB-TOTAL OTHER TAXES</b>	<b>913.6</b>	<b>911.7</b>	<b>0.0</b>	<b>911.7</b>	<b>908.7</b>
<sup>1</sup> DEPRECIATION	3,169.4	3,262.3	0.0	3,262.3	3,399.1
CA INCOME TAXES	399.6	446.9	(0.0)	446.9	489.3
FEDERAL INCOME TAXES	1,376.5	1,600.3	1.2	1,601.5	1,768.6
<sup>2</sup> TOTAL EXPENSES	17,968.4	17,386.7	46.4	17,433.2	18,840.5
NET REVENUE	4,521.7	4,938.3	(1.4)	4,936.8	5,310.5
TOTAL RATE BASE	49,851.7	54,418.5	1.0	54,419.5	58,578.3
RATE OF RETURN	9.07%	9.07%	0.0%	9.07%	9.07%
DOLLAR INCREASE	1,660.0	4,473.4	45.0	4,518.4	3,127.5
% INCREASE	7.97%	25.06%	0.3%	25.31%	14.88%

<sup>1</sup> DEPRECIATION, AD VALOREM AND PAYROLL TAXES FROM AVR'S GENERAL OFFICE HAVE BEEN INCLUDED IN THE APPROPRIATE LINE ITEM OF EXPENSE.

<sup>2</sup> ORA'S ORIGINAL TOTAL EXPENSES IS ADJUSTED TO REFLECT ORA'S REPORT.



**TABLE A-3**  
**APPLE VALLEY RANCHOS WATER CO. - DOMESTIC**  
**2015 GENERAL RATE CASE**  
**COMPARATIVE SUMMARY OF EARNINGS FOR TEST YEAR AT PRESENT RATES**  
**2015 @ PRESENT RATES**  
**(Dollars in Thousands)**

	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
OPERATING REVENUES	20,591.0	17,608.2	0.0	17,608.2	20,780.1
DEFERRED REVENUES	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS REVENUE	46.7	46.7	0.0	46.7	46.7
TOTAL REVENUES	20,637.7	17,654.9	0.0	17,654.9	20,826.8
<b>OPERATIONS &amp; MAINTENANCE</b>					
PAYROLL-OPERATIONS	824.0	834.4	0.0	834.4	837.9
OPERATIONS-OTHER	159.0	155.2	0.0	155.2	157.3
PURCHASED WATER-POTABLE	0.0	0.0	0.0	0.0	0.0
PURCHASED POWER	1,010.3	877.7	0.0	877.7	1,030.0
LEASED WATER RIGHTS	834.7	0.0	0.0	0.0	963.8
REPLENISHMENT	103.3	92.0	0.0	92.0	105.0
CHEMICALS	21.9	21.8	0.0	21.8	22.0
PAYROLL-CUSTOMERS	498.1	504.5	0.0	504.5	506.6
CUSTOMERS-OTHER	273.8	305.8	44.6	350.4	358.5
UNCOLLECTIBLES	99.1	84.7	0.0	84.7	100.0
PAYROLL-MAINTENANCE	429.9	435.3	0.0	435.3	437.2
MAINTENANCE-OTHER	665.0	617.0	0.0	617.0	621.0
PAYROLL-CLEARINGS	120.9	122.4	0.0	122.4	122.9
DEPRECIATION-CLEARINGS	239.8	241.9	0.0	241.9	264.2
CLEARINGS-OTHER	207.6	206.3	0.0	206.3	218.0
 SUB-TOTAL O & M	 5,487.2	 4,499.0	 44.6	 4,543.6	 5,744.3
<b>ADMINISTRATIVE &amp; GENERAL</b>					
A & G PAYROLL	1,590.3	1,609.9	0.0	1,609.9	1,616.4
EMPLOYEE BENEFITS	1,297.2	1,340.8	0.0	1,340.8	1,359.8
INSURANCE	644.1	662.4	0.0	662.4	663.0
UNINSURED PROPERTY DAMAGE	8.7	8.8	0.0	8.8	8.8
REG. COMM. EXPENSE	131.3	159.3	0.0	159.3	162.3
FRANCHISE REQUIREMENTS	200.2	171.3	0.0	171.3	202.0
OUTSIDE SERVICES	230.3	244.4	0.0	244.4	261.2
A & G - OTHER	451.5	496.0	0.0	496.0	514.5
A & G TRANSFERRED CREDIT	(184.8)	(357.2)	0.0	(357.2)	(637.3)
RENTS	16.7	16.8	0.0	16.8	17.3
GENERAL OFFICE ALLOCATION	2,089.2	2,115.6	0.0	2,115.6	2,183.7
AVR ALLOCATION	(26.7)	(27.6)	0.0	(27.6)	(27.9)
 SUB-TOTAL A & G	 6,447.9	 6,440.4	 0.0	 6,440.4	 6,323.6
<b>OTHER TAXES</b>					
<sup>1</sup> PROPERTY TAXES	579.1	586.6	0.0	586.6	582.0
<sup>1</sup> PAYROLL TAXES	330.4	320.9	0.0	320.9	322.6
 SUB-TOTAL OTHER TAXES	 909.5	 907.6	 0.0	 907.6	 904.5
 <sup>1</sup> DEPRECIATION	 3,154.2	 3,247.0	 0.0	 3,247.0	 3,383.4
CA INCOME TAXES	253.9	56.6	(3.9)	52.7	216.3
FEDERAL INCOME TAXES	835.3	150.4	(13.4)	137.0	754.5
TOTAL EXPENSES	17,088.1	15,301.0	27.3	15,328.3	17,326.6
NET REVENUE	3,549.6	2,353.9	(27.3)	2,326.6	3,500.3
TOTAL RATE BASE	49,568.7	54,133.7	1.0	54,134.8	58,294.1
RATE OF RETURN	7.16%	4.35%	-0.1%	4.30%	6.00%

<sup>1</sup> DEPRECIATION, AD VALOREM AND PAYROLL TAXES FROM AVR'S GENERAL OFFICE HAVE BEEN INCLUDED IN THE APPROPRIATE LINE ITEM OF EXPENSE.

**TABLE A-4**  
**APPLE VALLEY RANCHOS WATER CO. - DOMESTIC**  
**2015 GENERAL RATE CASE**  
**COMPARATIVE SUMMARY OF EARNINGS FOR TEST YEAR AT PROPOSED RATES**  
**2015 @ PROPOSED RATES**  
**(Dollars in Thousands)**

	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
OPERATING REVENUES	22,232.9	22,040.8	45.0	22,085.8	23,881.2
DEFERRED REVENUES	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS REVENUE	50.7	66.0	0.0	66.0	50.7
TOTAL REVENUES	22,283.5	22,106.7	45.0	22,151.7	23,931.9
OPERATIONS & MAINTENANCE					
PAYROLL-OPERATIONS	824.0	834.4	0.0	834.4	837.9
OPERATIONS-OTHER	159.0	155.2	0.0	155.2	157.3
PURCHASED WATER-POTABLE	0.0	0.0	0.0	0.0	0.0
PURCHASED POWER	1,010.3	877.7	0.0	877.7	1,030.0
LEASED WATER RIGHTS	834.7	0.0	0.0	0.0	963.8
REPLENISHMENT	103.3	92.0	0.0	92.0	105.0
CHEMICALS	21.9	21.8	0.0	21.8	22.0
PAYROLL-CUSTOMERS	498.1	504.5	0.0	504.5	506.6
CUSTOMERS-OTHER	273.8	305.8	44.6	350.4	358.5
UNCOLLECTIBLES	114.1	106.1	0.2	106.3	114.9
PAYROLL-MAINTENANCE	429.9	435.3	0.0	435.3	437.2
MAINTENANCE-OTHER	665.0	617.0	0.0	617.0	621.0
PAYROLL-CLEARINGS	120.9	122.4	0.0	122.4	122.9
DEPRECIATION-CLEARINGS	239.8	241.9	0.0	241.9	264.2
CLEARINGS-OTHER	207.6	206.3	0.0	206.3	218.0
SUB-TOTAL O & M	5,502.2	4,520.3	44.8	4,565.2	5,759.2
ADMINISTRATIVE & GENERAL					
A & G PAYROLL	1,590.3	1,609.9	0.0	1,609.9	1,616.4
EMPLOYEE BENEFITS	1,297.2	1,340.8	0.0	1,340.8	1,359.8
INSURANCE	644.1	662.4	0.0	662.4	663.0
UNINSURED PROPERTY DAMAGE	8.7	8.8	0.0	8.8	8.8
REG. COMM. EXPENSE	131.3	159.3	0.0	159.3	162.3
FRANCHISE REQUIREMENTS	230.7	214.4	0.4	214.9	232.1
OUTSIDE SERVICES	230.3	244.4	0.0	244.4	261.2
A & G - OTHER	451.5	496.0	0.0	496.0	514.5
A & G TRANSFERRED CREDIT	(184.8)	(357.2)	0.0	(357.2)	(637.3)
RENTS	16.7	16.8	0.0	16.8	17.3
GENERAL OFFICE ALLOCATION	2,089.2	2,115.6	0.0	2,115.6	2,183.7
AVR ALLOCATION	(26.7)	(27.6)	0.0	(27.6)	(27.9)
SUB-TOTAL A & G	6,478.4	6,483.6	0.4	6,484.0	6,353.7
OTHER TAXES					
<sup>1</sup> PROPERTY TAXES	579.1	586.6	0.0	586.6	582.0
<sup>1</sup> PAYROLL TAXES	330.4	320.9	0.0	320.9	322.6
SUB-TOTAL OTHER TAXES	909.5	907.6	0.0	907.6	904.5
<sup>1</sup> DEPRECIATION	3,154.2	3,247.0	0.0	3,247.0	3,383.4
CA INCOME TAXES	397.2	444.5	(0.0)	444.4	486.8
FEDERAL INCOME TAXES	1,368.0	1,591.3	1.2	1,592.5	1,759.5
<sup>2</sup> TOTAL EXPENSES	17,787.7	17,194.3	46.4	17,240.7	18,647.1
NET REVENUE	4,495.8	4,912.5	(1.4)	4,911.0	5,284.7
TOTAL RATE BASE	49,568.7	54,133.7	1.0	54,134.8	58,294.1
RATE OF RETURN	9.07%	9.07%	0.0%	9.07%	9.07%
DOLLAR INCREASE	1,645.8	4,451.8	45.0	4,496.8	3,105.0
% INCREASE	7.97%	25.22%	0.3%	25.47%	14.91%

<sup>1</sup> DEPRECIATION, AD VALOREM AND PAYROLL TAXES FROM AVR'S GENERAL OFFICE HAVE BEEN INCLUDED IN THE APPROPRIATE LINE ITEM OF EXPENSE.

<sup>2</sup> ORA'S ORIGINAL TOTAL EXPENSES IS ADJUSTED TO REFLECT ORA'S REPORT.

**TABLE A-5**  
**APPLE VALLEY RANCHOS WATER CO. - IRRIGATION**  
**2015 GENERAL RATE CASE**  
**COMPARATIVE SUMMARY OF EARNINGS FOR TEST YEAR AT PRESENT RATES**  
**2015 @ PRESENT RATES**  
**(Dollars in Thousands)**

	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
OPERATING REVENUES	192.4	196.7	0.0	196.7	196.7
DEFERRED REVENUES	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS REVENUE	0.0	0.0	0.0	0.0	0.0
TOTAL REVENUES	192.4	196.7	0.0	196.7	196.7
<b>OPERATIONS &amp; MAINTENANCE</b>					
PAYROLL-OPERATIONS	3.0	3.0	0.0	3.0	3.0
OPERATIONS-OTHER	0.0	0.0	0.0	0.0	0.0
PURCHASED POWER	87.2	94.3	0.0	94.3	95.6
REPLENISHMENT CHARGES	6.5	9.6	0.0	9.6	9.9
CHEMICALS	0.0	0.0	0.0	0.0	0.0
UNCOLLECTIBLES	0.0	0.0	0.0	0.0	0.0
PAYROLL-MAINTENANCE	0.0	0.0	0.0	0.0	0.0
MAINTENANCE-OTHER	2.2	2.2	0.0	2.2	2.1
PAYROLL-CLEARINGS	0.0	0.0	0.0	0.0	0.0
CLEARINGS-OTHER	3.1	3.1	0.0	3.1	3.2
 SUB-TOTAL O & M	 102.1	 112.2	 0.0	 112.2	 113.8
<b>ADMINISTRATIVE &amp; GENERAL</b>					
PAYROLL	0.0	0.0	0.0	0.0	0.0
EMPLOYEE BENEFITS	2.0	2.1	0.0	2.1	2.1
INSURANCE	1.3	1.3	0.0	1.3	1.3
FRANCHISE REQUIREMENTS	0.0	0.0	0.0	0.0	0.0
OUTSIDE SERVICES	4.6	4.6	0.0	4.6	4.1
OFFICE SUPPLIES	0.0	0.0	0.0	0.0	0.0
A & G - OTHER	0.2	0.2	0.0	0.2	0.2
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0
RENTS	0.0	0.0	0.0	0.0	0.0
GENERAL OFFICE ALLOCATION	13.6	13.7	0.0	13.7	12.6
AVR ALLOCATION	26.7	27.6	0.0	27.6	27.9
 SUB-TOTAL A & G	 48.3	 49.5	 0.0	 49.5	 48.2
<b>OTHER TAXES</b>					
<sup>1</sup> PROPERTY TAXES	3.5	3.5	0.0	3.5	3.5
<sup>1</sup> PAYROLL TAXES	0.7	0.7	0.0	0.7	0.7
 SUB-TOTAL OTHER TAXES	 4.1	 4.2	 0.0	 4.2	 4.1
 <sup>1</sup> DEPRECIATION	 15.2	 15.2	 0.0	 15.2	 15.6
CA INCOME TAXES	1.1	0.5	(0.0)	0.5	0.5
FEDERAL INCOME TAXES	4.0	1.9	(0.0)	1.9	1.8
TOTAL EXPENSES	174.8	183.5	(0.0)	183.5	184.0
NET REVENUE	17.5	13.2	0.0	13.2	12.7
TOTAL RATE BASE	283.0	284.8	0.0	284.8	284.2
RATE OF RETURN	6.20%	4.65%	0.0%	4.65%	4.46%

<sup>1</sup> DEPRECIATION, AD VALOREM AND PAYROLL TAXES FROM AVR'S GENERAL OFFICE HAVE BEEN INCLUDED IN THE APPROPRIATE LINE ITEM OF EXPENSE.

**TABLE A-6**  
**APPLE VALLEY RANCHOS WATER CO. - IRRIGATION**  
**2015 GENERAL RATE CASE**  
**COMPARATIVE SUMMARY OF EARNINGS FOR TEST YEAR AT PROPOSED RATES**  
**2015 @ PROPOSED RATES**  
**(Dollars in Thousands)**

	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
OPERATING REVENUES	206.5	218.3	0.0	218.3	219.2
DEFERRED REVENUES	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS REVENUE	0.0	0.0	0.0	0.0	0.0
TOTAL REVENUES	206.5	218.3	0.0	218.3	219.2
OPERATIONS & MAINTENANCE					
PAYROLL-OPERATIONS	3.0	3.0	0.0	3.0	3.0
OPERATIONS-OTHER	0.0	0.0	0.0	0.0	0.0
PURCHASED WATER	0.0	0.0	0.0	0.0	0.0
PURCHASED POWER	87.2	94.3	0.0	94.3	95.6
REPLENISHMENT CHARGES	6.5	9.6	0.0	9.6	9.9
CHEMICALS	0.0	0.0	0.0	0.0	0.0
UNCOLLECTIBLES	0.0	0.0	0.0	0.0	0.0
PAYROLL-MAINTENANCE	0.0	0.0	0.0	0.0	0.0
MAINTENANCE-OTHER	2.2	2.2	0.0	2.2	2.1
PAYROLL-CLEARINGS	0.0	0.0	0.0	0.0	0.0
CLEARINGS-OTHER	3.1	3.1	0.0	3.1	3.2
SUB-TOTAL O & M	102.1	112.2	0.0	112.2	113.8
ADMINISTRATIVE & GENERAL					
PAYROLL	0.0	0.0	0.0	0.0	0.0
EMPLOYEE BENEFITS	2.0	2.1	0.0	2.1	2.1
INSURANCE	1.3	1.3	0.0	1.3	1.3
FRANCHISE REQUIREMENTS	0.0	0.0	0.0	0.0	0.0
OUTSIDE SERVICES	4.6	4.6	0.0	4.6	4.1
OFFICE SUPPLIES	0.0	0.0	0.0	0.0	0.0
A & G - OTHER	0.2	0.2	0.0	0.2	0.2
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0
RENTS	0.0	0.0	0.0	0.0	0.0
GENERAL OFFICE ALLOCATION	13.6	13.7	0.0	13.7	12.6
AVR ALLOCATION	26.7	27.6	0.0	27.6	27.9
SUB-TOTAL A & G	48.3	49.5	0.0	49.5	48.2
OTHER TAXES					
<sup>1</sup> PROPERTY TAXES	3.5	3.5	0.0	3.5	3.5
<sup>1</sup> PAYROLL TAXES	0.7	0.7	0.0	0.7	0.7
SUB-TOTAL OTHER TAXES	4.1	4.2	0.0	4.2	4.1
<sup>1</sup> DEPRECIATION	15.2	15.2	0.0	15.2	15.6
CA INCOME TAXES	2.4	2.4	(0.0)	2.4	2.5
FEDERAL INCOME TAXES	8.5	9.0	(0.0)	9.0	9.2
TOTAL EXPENSES	180.9	192.5	(0.0)	192.5	193.4
NET REVENUE	25.7	25.8	0.0	25.8	25.8
TOTAL RATE BASE	283.0	284.8	0.0	284.8	284.2
RATE OF RETURN	9.07%	9.07%	0.0%	9.07%	9.07%
DOLLAR INCREASE	14.2	21.6	0.0	21.6	22.5
% INCREASE	7.36%	10.97%	0.0%	10.97%	11.41%

<sup>1</sup> DEPRECIATION, AD VALOREM AND PAYROLL TAXES FROM AVR'S GENERAL OFFICE HAVE BEEN INCLUDED IN THE APPROPRIATE LINE ITEM OF EXPENSE.

**TABLE B - 1**  
**APPLE VALLEY RANCHOS WATER CO.**  
**WATER SALES PER AVERAGE CUSTOMER**  
**TEST YEAR 2015**  
**(CCF/ CUSTOMER)**

Description	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
Residential	197.42	151.70	0.0	151.70	199.13
Commercial	581.52	476.41	0.0	476.41	592.76
Industrial	641.00	485.84	0.0	485.84	630.60
Public Authority	6,389.00	4,833.88	0.0	4,833.88	6,389.00
Private Fire Service	6.84	8.50	0.0	8.50	7.99
Irrigation - Public Authority	5,365.00	4,514.97	0.0	4,514.97	5,365.00
Irrigation - Pressure	1,606.00	1,333.24	0.0	1,333.24	1,681.00
Irrigation - Gravity	443,715.00	456,274.90	0.0	456,274.90	456,275.00
Apple Valley Golf Course	126,540.00	117,077.45	0.0	117,077.45	122,164.00
Temporary Construction	784.04	801.01	0.0	801.01	991.25

**TABLE B - 2  
APPLE VALLEY RANCHOS WATER CO.  
WATER SALES PER AVERAGE CUSTOMER  
ESCALATION YEAR 2016  
(CCF/CUSTOMER)**

Description	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
Residential	197.42	139.84	0.0	139.84	199.13
Commercial	581.52	459.94	0.0	459.94	592.76
Industrial	641.00	394.09	0.0	394.09	630.60
Public Authority	6,389.00	4,512.24	0.0	4,512.24	6,389.00
Private Fire Service	6.84	8.50	0.0	8.50	7.99
Irrigation - Public Authority	5,365.00	3,863.03	0.0	3,863.03	5,365.00
Irrigation - Pressure	1,606.00	1,231.16	0.0	1,231.16	1,681.00
Irrigation - Gravity	443,715.00	456,274.90	0.0	456,274.90	456,275.00
Apple Valley Golf Course	126,540.00	113,021.15	0.0	113,021.15	122,164.00
Temporary Construction	784.04	801.01	0.0	801.01	991.25

**TABLE B - 3  
APPLE VALLEY RANCHOS WATER CO.  
WATER SALES PER AVERAGE CUSTOMER  
ESCALATION YEAR 2017  
(CCF/CUSTOMER)**

Description	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
Residential	197.42	139.84	0.0	139.84	199.13
Commercial	581.52	459.94	0.0	459.94	592.76
Industrial	641.00	394.09	0.0	394.09	630.60
Public Authority	6,389.00	4,512.24	0.0	4,512.24	6,389.00
Private Fire Service	6.84	8.50	0.0	8.50	7.99
Irrigation - Public Authority	5,365.00	3,863.03	0.0	3,863.03	5,365.00
Irrigation - Pressure	1,606.00	1,231.16	0.0	1,231.16	1,681.00
Irrigation - Gravity	443,715.00	456,274.90	0.0	456,274.90	456,275.00
Apple Valley Golf Course	126,540.00	113,021.15	0.0	113,021.15	122,164.00
Temporary Construction	784.04	801.01	0.0	801.01	991.25

**TABLE C - 1**  
**APPLE VALLEY RANCHOS WATER CO.**  
**AVERAGE NUMBER OF CUSTOMERS**  
**TEST YEAR 2015**

NUMBER OF CUSTOMERS Description	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
Residential	18,008	18,015	0.0	18,015	17,979
Commercial	1,384	1,364	0.0	1,364	1,364
Industrial	2	2	0.0	2	2
Public Authority	45	45	0.0	45	45
Private Fire Service	240	239	0.0	239	272
Irrigation - Public Authority	5	5	0.0	5	5
Irrigation - Pressure	166	166	0.0	166	175
Irrigation - Gravity	1	1	0.0	1	1
Apple Valley Golf Course	1	1	0.0	1	1
Temporary Construction	9	11	0.0	11	9



**TABLE C - 2**  
**APPLE VALLEY RANCHOS WATER CO.**  
**AVERAGE NUMBER OF CUSTOMERS**  
**ESCALATION YEAR 2016**

NUMBER OF CUSTOMERS Description	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
Residential	18,203	18,165	0.0	18,165	18,121
Commercial	1,397	1,375	0.0	1,375	1,373
Industrial	2	2	0.0	2	2
Public Authority	45	45	0.0	45	46
Private Fire Service	248	247	0.0	247	289
Irrigation - Public Authority	5	5	0.0	5	5
Irrigation - Pressure	169	169	0.0	169	180
Irrigation - Gravity	1	1	0.0	1	1
Apple Valley Golf Course	1	1	0.0	1	1
Temporary Construction	9	11	0.0	11	9

**TABLE C - 3**  
**APPLE VALLEY RANCHOS WATER CO.**  
**AVERAGE NUMBER OF CUSTOMERS**  
**ESCALATION YEAR 2017**

NUMBER OF CUSTOMERS Description	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
Residential	18,398	18,315	0.0	18,315	18,263
Commercial	1,410	1,386	0.0	1,386	1,382
Industrial	2	2	0.0	2	2
Public Authority	46	46	0.0	46	46
Private Fire Service	256	255	0.0	255	306
Irrigation - Public Authority	5	5	0.0	5	5
Irrigation - Pressure	172	171	0.0	171	185
Irrigation - Gravity	1	1	0.0	1	1
Apple Valley Golf Course	1	1	0.0	1	1
Temporary Construction	9	11	0.0	11	9

**TABLE D - 1**  
**APPLE VALLEY RANCHOS RANCHOS WATER CO. - DOMESTIC**  
**TOTAL SALES & SUPPLY**  
**TEST YEAR 2015**

METER SALES (CCF)	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
Description					
Residential	3,555,152	2,732,949	0.0	2,732,949	3,580,135
Commercial	804,828	649,824	0.0	649,824	808,526
Industrial	1,282	972	0.0	972	1,261
Public Authority	288,783	216,558	0.0	216,558	288,783
Private Fire Service	1,642	2,032	0.0	2,032	2,173
Irrigation - Public Authority	26,825	22,575	0.0	22,575	26,825
Irrigation - Pressure	266,596	221,318	0.0	221,318	294,175
Apple Valley Golf Course	126,540	117,077	0.0	117,077	122,164
Temporary Construction	7,056	8,811	0.0	8,811	8,921
TOTAL SALES	5,078,703	3,972,116	0.0	3,972,116	5,132,964
TOTAL PRODUCTION (CCF)	5,351,637	5,395,167	0.0	5,395,167	5,518,049
TOTAL PRODUCTION (AF)	12,288	12,388	0.0	12,388	12,671

**TABLE D - 2**  
**APPLE VALLEY RANCHOS RANCHOS WATER CO. - DOMESTIC**  
**TOTAL SALES & SUPPLY**  
**ESCALATION YEAR 2016**

METER SALES (CCF )	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
Description					
Residential	3,593,649	2,540,216	0.0	2,540,216	3,608,411
Commercial	812,387	632,415	0.0	632,415	813,861
Industrial	1,282	788	0.0	788	1,261
Public Authority	287,505	203,953	0.0	203,953	291,338
Private Fire Service	1,696	2,100	0.0	2,100	2,309
Irrigation - Public Authority	26,825	19,315	0.0	19,315	26,825
Irrigation - Pressure	271,414	208,066	0.0	208,066	302,580
Apple Valley Golf Course	126,540	113,021	0.0	113,021	122,164
Temporary Construction	7,056	8,811	0.0	8,811	8,921
TOTAL SALES	5,128,355	3,728,685	0.0	3,728,685	5,177,671
TOTAL PRODUCTION (CCF)	5,403,957	5,441,415	0.0	5,441,415	5,566,110
TOTAL PRODUCTION (AF)	12,409	12,495	0.0	12,495	12,781

**TABLE D - 3**  
**APPLE VALLEY RANCHOS RANCHOS WATER CO. - DOMESTIC**  
**TOTAL SALES & SUPPLY**  
**ESCALATION YEAR 2017**

METER SALES (CCF)	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
Description					
Residential	3,632,146	2,561,192	0.0	2,561,192	3,636,687
Commercial	819,947	637,474	0.0	637,474	819,196
Industrial	1,282	788	0.0	788	1,261
Public Authority	291,338	205,758	0.0	205,758	293,894
Private Fire Service	1,751	2,168	0.0	2,168	2,445
Irrigation - Public Authority	26,825	19,315	0.0	19,315	26,825
Irrigation - Pressure	276,232	210,528	0.0	210,528	310,985
Apple Valley Golf Course	126,540	113,021	0.0	113,021	122,164
Temporary Construction	7,056	8,811	0.0	8,811	8,921
<b>TOTAL SALES</b>	<b>5,183,118</b>	<b>3,759,056</b>	<b>0.0</b>	<b>3,759,056</b>	<b>5,222,379</b>
<b>TOTAL PRODUCTION (CCF)</b>	<b>5,512,690</b>	<b>5,485,955</b>	<b>0.0</b>	<b>5,485,955</b>	<b>5,554,447</b>
<b>TOTAL PRODUCTION (AF)</b>	<b>12,658</b>	<b>12,597</b>	<b>0.0</b>	<b>12,597</b>	<b>12,754</b>

TABLE D - 4  
 APPLE VALLEY RANCHOS RANCHOS WATER CO. - IRRIGATION  
 TOTAL SALES & SUPPLY  
 TEST YEAR 2015

METER SALES (CCF ) Description	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
Irrigation - Gravity	443,715	456,275	0.0	456,275	456,275
TOTAL SALES	443,715	456,275	0.0	456,275	456,275
TOTAL PRODUCTION (CCF)	1,888,149	2,092,524	0.0	2,092,524	2,240,522
TOTAL PRODUCTION (AF)	4,336	4,805	0.0	4,805	5,145

**TABLE D - 5**  
**APPLE VALLEY RANCHOS RANCHOS WATER CO. - IRRIGATION**  
**TOTAL SALES & SUPPLY**  
**ESCALATION YEAR 2016**

METER SALES (CCF ) Description	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
Irrigation - Gravity	443,715	456,275	0.0	456,275	456,275
TOTAL SALES	443,715	456,275	0.0	456,275	456,275
TOTAL PRODUCTION (CCF)	1,888,149	2,092,524	0.0	2,092,524	2,240,522
TOTAL PRODUCTION (AF)	4,336	4,805	0.0	4,805	5,145

**TABLE D - 6**  
**APPLE VALLEY RANCHOS RANCHOS WATER CO. - IRRIGATION**  
**TOTAL SALES & SUPPLY**  
**ESCALATION YEAR 2017**

METER SALES (CCF) Description	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
Irrigation - Gravity	443,715	456,275	0.0	456,275	456,275
TOTAL SALES	443,715	456,275	0.0	456,275	456,275
TOTAL PRODUCTION (CCF)	471,929	2,092,524	0.0	2,092,524	2,240,522
TOTAL PRODUCTION (AF)	1,084	4,805	0.0	4,805	5,145



**TABLE E - 1**  
**APPLE VALLEY RANCHOS**  
**OPERATING REVENUES AT PRESENT RATES**  
**TEST YEAR 2015**

METERED REVENUES (\$)	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
Description					
Residential	14,767,410	12,543,218	0.0	12,543,218	14,826,176
Commercial	3,406,266	2,963,627	0.0	2,963,627	3,399,105
Industrial	5,162	4,311	0.0	4,311	5,105
Public Authority	967,191	776,019	0.0	776,019	975,827
Private Fire Service	307,756	306,474	0.0	306,474	348,790
Irrigation - Public Authority	35,268	32,025	0.0	32,025	35,268
Irrigation - Pressure	933,518	809,275	0.0	809,275	1,020,145
Irrigation - Gravity	192,380	196,700	0.0	196,700	196,700
Apple Valley Golf Course	115,854	107,703	0.0	107,703	112,084
Temporary Construction	52,526	65,564	0.0	65,564	57,644
Miscellaneous Revenue	46,693	46,693	0.0	46,693	46,693
<b>TOTAL REVENUE</b>	<b>20,830,023</b>	<b>17,851,607</b>	<b>0.0</b>	<b>17,851,607</b>	<b>21,023,537</b>

**TABLE E - 2**  
**APPLE VALLEY RANCHOS**  
**OPERATING REVENUES AT PROPOSED RATES**  
**TEST YEAR 2015**

METERED REVENUES (\$)	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
Description					
Residential	15,944,950	15,672,447	0.0	15,672,447	17,076,657
Commercial	3,677,878	3,670,478	0.0	3,670,478	3,862,095
Industrial	5,574	5,374	0.0	5,374	5,822
Public Authority	1,044,314	1,022,793	0.0	1,022,793	1,134,727
Private Fire Service	332,297	384,406	0.0	384,406	400,841
Irrigation - Public Authority	38,080	38,673	0.0	38,673	39,645
Irrigation - Pressure	1,007,956	1,060,615	0.0	1,060,615	1,182,720
Irrigation - Gravity	206,530	218,321	0.0	218,321	219,224
Apple Valley Golf Course	125,092	150,855	0.0	150,855	132,711
Temporary Construction	56,715	73,804	0.0	73,804	63,299
Miscellaneous Revenue	50,666	65,966	0.0	65,966	50,666
<b>TOTAL REVENUE</b>	<b>22,490,051</b>	<b>22,363,733</b>	<b>0.0</b>	<b>22,363,733</b>	<b>24,168,407</b>

**TABLE F-1**  
**APPLE VALLEY RANCHOS WATER CO. - DOMESTIC**  
**OPERATION & MAINTENANCE EXPENSES**  
**TEST YEAR 2015**  
**(Dollars in Thousands)**

	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
OPERATIONS & MAINTENANCE					
PAYROLL-OPERATIONS	824.0	834.4	0.0	834.4	837.9
OPERATIONS-OTHER	159.0	155.2	0.0	155.2	157.3
PURCHASED WATER-POTABLE	0.0	0.0	0.0	0.0	0.0
PURCHASED POWER	1,010.3	877.7	0.0	877.7	1,030.0
LEASED WATER RIGHTS	834.7	0.0	0.0	0.0	963.8
REPLENISHMENT	103.3	92.0	0.0	92.0	105.0
CHEMICALS	21.9	21.8	0.0	21.8	22.0
PAYROLL-CUSTOMERS	498.1	504.5	0.0	504.5	506.6
CUSTOMERS-OTHER	273.8	305.8	44.6	350.4	358.5
UNCOLLECTIBLES	114.1	106.1	0.2	106.3	114.9
PAYROLL-MAINTENANCE	429.9	435.3	0.0	435.3	437.2
MAINTENANCE-OTHER	665.0	617.0	0.0	617.0	621.0
PAYROLL-CLEARINGS	120.9	122.4	0.0	122.4	122.9
DEPRECIATION-CLEARINGS	239.8	241.9	0.0	241.9	264.2
CLEARINGS-OTHER	207.6	206.3	0.0	206.3	218.0
TOTAL O & M EXPENSES	5,502.2	4,520.3	44.8	4,565.2	5,759.2

**TABLE F-2**  
**APPLE VALLEY RANCHOS RANCHOS WATER CO. - IRRIGATION**  
**OPERATION & MAINTENANCE EXPENSES**  
**TEST YEAR 2015**  
**(Dollars in Thousands)**

	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
OPERATIONS & MAINTENANCE					
PAYROLL-OPERATIONS	3.0	3.0	0.0	3.0	3.0
OPERATIONS-OTHER	0.0	0.0	0.0	0.0	0.0
PURCHASED WATER	0.0	0.0	0.0	0.0	0.0
PURCHASED POWER	87.2	94.3	0.0	94.3	95.6
REPLENISHMENT CHARGES	6.5	9.6	0.0	9.6	9.9
CHEMICALS	0.0	0.0	0.0	0.0	0.0
UNCOLLECTIBLES	0.0	0.0	0.0	0.0	0.0
PAYROLL-MAINTENANCE	0.0	0.0	0.0	0.0	0.0
MAINTENANCE-OTHER	2.2	2.2	0.0	2.2	2.1
PAYROLL-CLEARINGS	0.0	0.0	0.0	0.0	0.0
CLEARINGS-OTHER	3.1	3.1	0.0	3.1	3.2
TOTAL O & M EXPENSES	102.1	112.2	0.0	112.2	113.8

**TABLE G-1**  
**APPLE VALLEY RANCHOS RANCHOS WATER CO. - DOMESTIC**  
**ADMINISTRATIVE & GENERAL EXPENSES**  
**TEST YEAR 2015**  
**(Dollars in Thousands)**

	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
ADMINISTRATIVE & GENERAL					
A & G PAYROLL	1,590.3	1,609.9	0.0	1,609.9	1,616.4
EMPLOYEE BENEFITS	1,297.2	1,340.8	0.0	1,340.8	1,359.8
INSURANCE	644.1	662.4	0.0	662.4	663.0
UNINSURED PROPERTY DAMAGE	8.7	8.8	0.0	8.8	8.8
REG. COMM. EXPENSE	131.3	159.3	0.0	159.3	162.3
FRANCHISE REQUIREMENTS	230.7	214.4	0.4	214.9	232.1
OUTSIDE SERVICES	230.3	244.4	0.0	244.4	261.2
A & G - OTHER	451.5	496.0	0.0	496.0	514.5
A & G TRANSFERRED CREDIT	(184.8)	(357.2)	0.0	(357.2)	(637.3)
RENTS	16.7	16.8	0.0	16.8	17.3
<sup>1</sup> GENERAL OFFICE ALLOCATION	2,089.2	2,115.6	0.0	2,115.6	2,183.7
AVR ALLOCATION	(26.7)	(27.6)	0.0	(27.6)	(27.9)
TOTAL A & G EXPENSES	6,478.4	6,483.6	0.4	6,484.0	6,353.7

<sup>1</sup> Excludes G.O. allocated payroll taxes, ad valorem tax, and depreciation expense.

**TABLE G-2**  
**APPLE VALLEY RANCHOS RANCHOS WATER CO. - IRRIGATION**  
**ADMINISTRATIVE & GENERAL EXPENSES**  
**TEST YEAR 2015**  
**(Dollars in Thousands)**

	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
ADMINISTRATIVE & GENERAL					
PAYROLL	0.0	0.0	0.0	0.0	0.0
PAYROLL-BENEFITS	2.0	2.1	0.0	2.1	2.1
INSURANCE	1.3	1.3	0.0	1.3	1.3
FRANCISE REQTS	0.0	0.0	0.0	0.0	0.0
OUTSIDE SERVICES	4.6	4.6	0.0	4.6	4.1
OFFICE SUPPLIES	0.0	0.0	0.0	0.0	0.0
A & G - OTHER	0.2	0.2	0.0	0.2	0.2
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0
RENTS	0.0	0.0	0.0	0.0	0.0
<sup>1</sup> GENERAL OFFICE ALLOCATION	13.6	13.7	0.0	13.7	12.6
AVR ALLOCATION	26.7	27.6	0.0	27.6	27.9
TOTAL A & G EXPENSES	48.3	49.5	0.0	49.5	48.2

<sup>1</sup> Excludes G.O. allocated payroll taxes, ad valorem tax, and depreciation expense.

**TABLE H-1**  
**APPLE VALLEY RANCHOS RANCHOS WATER CO. - DOMESTIC**  
**TAXES OTHER THAN INCOME**  
**TEST YEAR 2015**  
**(Dollars in Thousands)**

	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
<b>PAYROLL TAXES</b>					
APPLE VALLEY RANCHOS	264.6	254.7	0.0	254.7	255.7
G.O. ALLOCATION	65.8	66.2	0.0	66.2	66.9
<b>TOTAL</b>	<b>330.4</b>	<b>320.9</b>	<b>0.0</b>	<b>320.9</b>	<b>322.6</b>
<b>AD VALOREM TAXES</b>					
APPLE VALLEY RANCHOS	570.7	578.3	0.0	578.3	573.5
G.O. ALLOCATION	8.4	8.4	0.0	8.4	8.4
<b>TOTAL</b>	<b>579.1</b>	<b>586.6</b>	<b>0.0</b>	<b>586.6</b>	<b>582.0</b>
<b>TOTAL TAXES OTHER THAN INCOME</b>	<b>909.5</b>	<b>907.6</b>	<b>0.0</b>	<b>907.6</b>	<b>904.5</b>

**TABLE H-2**  
**APPLE VALLEY RANCHOS RANCHOS WATER CO. - IRRIGATION**  
**TAXES OTHER THAN INCOME**  
**TEST YEAR 2015**  
**(Dollars in Thousands)**

	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
<b>PAYROLL TAXES</b>					
APPLE VALLEY-IRRIGATION	0.3	0.3	0.0	0.3	0.3
G.O. ALLOCATION	0.4	0.4	0.0	0.4	0.4
<b>TOTAL</b>	<b>0.7</b>	<b>0.7</b>	<b>0.0</b>	<b>0.7</b>	<b>0.7</b>
<b>AD VALOREM TAXES</b>					
APPLE VALLEY-IRRIGATION	3.5	3.4	0.0	3.4	3.4
G.O. ALLOCATION	0.0	0.1	0.0	0.1	0.0
<b>TOTAL</b>	<b>3.5</b>	<b>3.5</b>	<b>0.0</b>	<b>3.5</b>	<b>3.5</b>
<b>TOTAL TAXES OTHER THAN INCOME</b>	<b>4.2</b>	<b>4.2</b>	<b>0.0</b>	<b>4.2</b>	<b>4.1</b>



**TABLE I-1**  
**APPLE VALLEY RANCHOS WATER CO. - DOMESTIC**  
**INCOME TAXES @ PRESENT RATES**  
**TEST YEAR 2015**  
**(Dollars in Thousands)**

	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
OPERATING REVENUES	20,637.7	17,654.9	0	17,654.9	20,826.8
EXPENSE					
OPERATIONS & MAINTENANCE	5,388.1	4,414.2	45	4,458.8	5,644.4
UNCOLLECTIBLES	99.1	84.7	0	84.7	100.0
ADMINISTRATIVE & GENERAL	6,247.7	6,269.1	0	6,269.1	6,121.5
FRANCHISE REQUIREMENTS	200.2	171.3	0	171.3	202.0
PROPERTY TAXES	579.1	586.6	0	586.6	582.0
PAYROLL TAXES	330.4	320.9	0	320.9	322.6
MEALS ADJUSTMENT	(12.8)	(11.5)	0	(11.5)	(12.8)
TOTAL	12,831.9	11,835.4	45	11,880.0	12,959.6
INCOME BEFORE TAXES	7,805.8	5,819.5	(45)	5,774.9	7,867.2
CA CORP-FRANCHISE TAX (CCFT)					
CA TAX DEPRECIATION	3,186.5	3,272.0	0	3,272.0	3,368.6
INTEREST	1,747.6	1,906.9	0	1,906.9	2,052.1
TOTAL	4,934.1	5,178.8	0	5,178.9	5,420.7
TAXABLE INCOME FOR CCFT	2,871.8	640.7	(45)	596.0	2,446.5
CCFT RATE	8.84%	8.84%	0.00%	8.84%	8.84%
CALIFORNIA INCOME TAX	253.9	56.6	(4)	52.7	216.3
FEDERAL INCOME TAX					
FED. TAX DEPRECIATION	3,261.1	3,398.1	0	3,398.1	3,301.7
CA TAX	253.9	56.6	(4)	52.7	216.3
INTEREST	1,747.6	1,906.9	0	1,906.9	2,052.1
QUALIFIED PROD. DEDUCTION	86.5	15.6	(1)	14.2	78.2
TOTAL	5,349.1	5,377.2	(5)	5,371.9	5,648.2
FIT TAXABLE INCOME	2,456.8	442.3	(39)	403.0	2,219.0
FIT RATE	34.00%	34.00%	0.00%	34.00%	34.00%
FEDERAL INCOME TAX	835.3	150.4	(13)	137.0	754.5
INVESTMENT TAX CREDIT	0.0	0.0	0	0.0	0.0
NET FEDERAL INCOME TAX	835.3	150.4	(13)	137.0	754.5

**TABLE I-2**  
**APPLE VALLEY RANCHOS WATER CO. - DOMESTIC**  
**INCOME TAXES @ PROPOSED RATES**  
**TEST YEAR 2015**  
**(Dollars in Thousands)**

	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
OPERATING REVENUES	22,283.5	22,106.7	45	22,151.7	23,931.9
EXPENSE					
OPERATIONS & MAINTENANCE	5,381.0	4,414.2	45	4,458.8	5,644.4
UNCOLLECTIBLES	114.1	106.1	0	106.3	114.9
ADMINISTRATIVE & GENERAL	6,233.2	6,269.1	0	6,269.1	6,121.5
FRANCHISE REQUIREMENTS	230.7	214.4	0	214.9	232.1
PROPERTY TAXES	579.1	586.6	0	586.6	582.0
PAYROLL TAXES	330.4	320.9	0	320.9	322.6
MEALS ADJUSTMENT	(12.8)	(11.5)	0	(11.5)	(12.8)
TOTAL	12,855.7	11,900.0	45	11,945.2	13,004.6
INCOME BEFORE TAXES	9,427.8	10,206.8	(0)	10,206.5	10,927.2
CA CORP-FRANCHISE TAX (CCFT)					
CA TAX DEPRECIATION	3,186.5	3,272.0	0	3,272.0	3,368.6
INTEREST	1,747.6	1,906.9	0	1,906.9	2,052.1
TOTAL	4,934.1	5,178.8	0	5,178.9	5,420.7
TAXABLE INCOME FOR CCFT	4,493.8	5,027.9	(0)	5,027.6	5,506.5
CCFT RATE	8.84%	8.84%	0.00%	8.84%	8.84%
CALIFORNIA INCOME TAX	397.2	444.5	(0)	444.4	486.8
FEDERAL INCOME TAX					
FED. TAX DEPRECIATION	3,261.1	3,398.1	0	3,398.1	3,301.7
CA TAX	253.9	56.6	(4)	52.7	216.3
INTEREST	1,747.6	1,906.9	0	1,906.9	2,052.1
QUALIFIED PROD. DEDUCTION	141.7	164.9	0	165.0	182.3
TOTAL	5,404.3	5,526.5	(4)	5,522.7	5,752.4
FIT TAXABLE INCOME	4,023.6	4,680.3	4	4,683.8	5,174.9
FIT RATE	34.00%	34.00%	0.00%	34.00%	34.00%
FEDERAL INCOME TAX	1,368.0	1,591.3	1	1,592.5	1,759.5
INVESTMENT TAX CREDIT	0.0	0.0	0	0.0	0.0
NET FEDERAL INCOME TAX	1,368.0	1,591.3	1	1,592.5	1,759.5

**TABLE I-3**  
**APPLE VALLEY RANCHOS WATER CO. - IRRIGATION**  
**INCOME TAXES @ PRESENT RATES**  
**TEST YEAR 2015**  
**(Dollars in Thousands)**

	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
OPERATING REVENUES	192.4	196.7	0	196.7	196.7
EXPENSE					
OPERATIONS & MAINTENANCE	102.1	112.2	0	112.2	113.8
UNCOLLECTIBLES	0.0	0.0	0	0.0	0.0
ADMINISTRATIVE & GENERAL	48.3	49.5	0	49.5	48.2
FRANCHISE REQUIREMENTS	0.0	0.0	0	0.0	0.0
PROPERTY TAXES	3.5	3.5	0	3.5	3.5
PAYROLL TAXES	0.7	0.7	0	0.7	0.7
MEALS ADJUSTMENT	(0.1)	(0.1)	0	(0.1)	(0.1)
TOTAL	154.5	165.8	0	165.8	166.0
INCOME BEFORE TAXES	37.9	30.9	0	30.9	30.7
CA CORP-FRANCHISE TAX (CCFT)					
CA TAX DEPRECIATION	15.2	15.1	0	15.1	15.2
INTEREST	9.9	9.9	0	9.9	9.9
TOTAL	25.1	25.0	0	25.0	25.1
TAXABLE INCOME FOR CCFT	12.8	5.9	(0)	5.9	5.6
CCFT RATE	8.84%	8.84%	0.00%	8.84%	8.84%
CALIFORNIA INCOME TAX	1.1	0.5	(0)	0.5	0.5
FEDERAL INCOME TAX					
FED. TAX DEPRECIATION	14.9	14.8	0	14.8	14.9
CA TAX	1.1	0.5	(0)	0.5	0.5
INTEREST	9.9	9.9	0	9.9	9.9
QUALIFIED PROD. DEDUCTION	0.4	0.2	(0)	0.2	0.2
TOTAL	26.3	25.4	0	25.4	25.5
FIT TAXABLE INCOME	11.6	5.5	(0)	5.5	5.2
FIT RATE	34.00%	34.00%	0.00%	34.00%	34.00%
FEDERAL INCOME TAX	4.0	1.9	(0)	1.9	1.8
INVESTMENT TAX CREDIT	0.0	0.0	0	0.0	0.0
NET FEDERAL INCOME TAX	4.0	1.9	(0)	1.9	1.8

**TABLE I-4**  
**APPLE VALLEY RANCHOS WATER CO. - IRRIGATION**  
**INCOME TAXES @ PROPOSED RATES**  
**TEST YEAR 2015**  
**(Dollars in Thousands)**

	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
OPERATING REVENUES	206.5	218.3	0	218.3	219.2
EXPENSE					
OPERATIONS & MAINTENANCE	102.2	112.2	0	112.2	113.8
UNCOLLECTIBLES	0.0	0.0	0	0.0	0.0
ADMINISTRATIVE & GENERAL	48.5	49.5	0	49.5	48.2
FRANCHISE REQUIREMENTS	0.0	0.0	0	0.0	0.0
PROPERTY TAXES	3.5	3.5	0	3.5	3.5
PAYROLL TAXES	0.7	0.7	0	0.7	0.7
MEALS ADJUSTMENT	(0.1)	(0.1)	0	(0.1)	(0.1)
TOTAL	<u>154.7</u>	<u>165.8</u>	<u>0</u>	<u>165.8</u>	<u>166.0</u>
INCOME BEFORE TAXES	51.8	52.5	0	52.5	53.1
CA CORP-FRANCHISE TAX (CCFT)					
CA TAX DEPRECIATION	15.2	15.1	0	15.1	15.2
INTEREST	9.9	9.9	0	9.9	9.9
TOTAL	<u>25.1</u>	<u>25.0</u>	<u>0</u>	<u>25.0</u>	<u>25.1</u>
TAXABLE INCOME FOR CCFT	26.7	27.5	(0)	27.5	28.0
CCFT RATE	<u>8.84%</u>	<u>8.84%</u>	<u>0.00%</u>	<u>8.84%</u>	<u>8.84%</u>
CALIFORNIA INCOME TAX	2.4	2.4	(0)	2.4	2.5
FEDERAL INCOME TAX					
FED. TAX DEPRECIATION	14.9	14.8	0	14.8	14.9
CA TAX	1.1	0.5	(0)	0.5	0.5
INTEREST	9.9	9.9	0	9.9	9.9
QUALIFIED PROD. DEDUCTION	0.9	0.9	(0)	0.9	0.9
TOTAL	<u>26.8</u>	<u>26.2</u>	<u>0</u>	<u>26.2</u>	<u>26.2</u>
FIT TAXABLE INCOME	25.0	26.3	(0)	26.3	26.9
FIT RATE	<u>34.00%</u>	<u>34.00%</u>	<u>0.00%</u>	<u>34.00%</u>	<u>34.00%</u>
FEDERAL INCOME TAX	<u>8.5</u>	<u>9.0</u>	<u>(0)</u>	<u>9.0</u>	<u>9.2</u>
INVESTMENT TAX CREDIT	0.0	0.0	0	0.0	0.0
NET FEDERAL INCOME TAX	8.5	9.0	(0)	9.0	9.2

**TABLE J - 1**  
**APPLE VALLEY RANCHOS WATER CO. - DOMESTIC**

**PLANT IN SERVICE  
TEST YEAR 2015**

PLANT IN SERVICE (\$) Description	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
Plant in Service - BOY	120,628,589	122,845,240	0.0	122,845,240	124,134,371
<u>Additions</u>					
Gross Additions	3,921,768	7,541,247	0.0	7,541,247	11,424,235
Retirements of Plant	693,918	740,562	0.0	740,562	738,019
Net Additions	3,227,850	6,800,684	0.0	6,800,684	10,686,215
CWIP - BOY	47,078	47,078	0.0	47,078	490,837
CWIP - EOY	47,078	47,078	0.0	47,078	2,490,837
AVERAGE- CWIP	47,078	47,078	0.0	47,078	1,490,837
Plant in Service - EOY	123,856,440	129,645,924	0.0	129,645,924	134,820,587
Average Utility Plant	122,242,514	126,245,582	0.0	126,245,582	129,477,479

**TABLE J - 2**  
**APPLE VALLEY RANCHOS WATER CO. - DOMESTIC**

**PLANT IN SERVICE**  
**ESCALATION YEAR 2016**

PLANT IN SERVICE (\$) Description	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
Plant in Service - BOY	123,856,440	129,645,924	0.0	129,645,924	134,820,587
<u>Additions</u>					
Gross Additions	3,953,626	8,142,726	0.0	8,142,726	16,709,958
Retirements of Plant	1,547,568	1,607,612	0.0	1,607,612	1,875,159
Net Additions	2,406,058	6,535,114	0.0	6,535,114	14,834,798
CWIP - BOY	47,078	47,078	0.0	47,078	2,490,837
CWIP - EOY	0	0	0.0	0	0
AVERAGE- CWIP	23,539	23,539	0.0	23,539	1,245,419
Plant in Service - EOY	126,262,497	136,181,038	0.0	136,181,038	149,655,385
Average Utility Plant	125,059,468	132,913,481	0.0	132,913,481	142,237,986

**TABLE J - 3**  
**APPLE VALLEY RANCHOS WATER CO. - IRRIGATION**

**PLANT IN SERVICE  
TEST YEAR 2015**

PLANT IN SERVICE (\$) Description	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
Plant in Service - BOY	595,813	595,813	0.0	595,813	595,813
<u>Additions</u>					
Gross Additions	0	0	0.0	0	0
Retirements of Plant	0	0	0.0	0	0
Net Additions	0	0	0.0	0	0
CWIP - BOY	0	0	0.0	0	0
CWIP - EOY	0	0	0.0	0	0
AVERAGE- CWIP	0	0	0.0	0	0
Plant in Service - EOY	595,813	595,813	0.0	595,813	595,813
Average Utility Plant	595,813	595,813	0.0	595,813	595,813

**TABLE J - 4**  
**APPLE VALLEY RANCHOS WATER CO. - IRRIGATION**

**PLANT IN SERVICE**  
**ESCALATION YEAR 2016**

PLANT IN SERVICE (\$) Description	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
Plant in Service - BOY	595,813	595,813	0.0	595,813	595,813
<u>Additions</u>					
Gross Additions	0	0	0.0	0	0
Retirements of Plant	0	0	0.0	0	0
Net Additions	0	0	0.0	0	0
CWIP - BOY	0	0	0.0	0	0
CWIP - EOY	0	0	0.0	0	0
AVERAGE- CWIP	0	0	0.0	0	0
Plant in Service - EOY	595,813	595,813	0.0	595,813	595,813
Average Utility Plant	595,813	595,813	0.0	595,813	595,813



**TABLE K - 1**  
**APPLE VALLEY RANCHOS WATER CO. - DOMESTIC**

**DEPRECIATION RESERVE & EXPENSE**  
**TEST YEAR 2015**

DEPRECIATION RESERVE (\$) Description	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
BEGINNING YEAR BALANCE	33,318,435	33,345,097	0.0	33,345,097	33,273,911
ANNUAL ACCRUAL CHARGED TO:					
CLEARING ACCOUNTS	239,834	241,905	0.0	241,905	264,177
CONTRIBUTIONS	143,163	143,163	0.0	143,163	143,499
DEPRECIATION EXPENSE	3,001,583	3,104,313	0.0	3,104,313	3,167,947
OTHER					
TOTAL	3,384,580	3,489,381	0.0	3,489,381	3,575,623
<u>RETIREMENTS &amp; ADJUSTMENTS</u>					
NET RETIREMENTS	693,918	740,562	0.0	740,562	738,019
ADJUSTMENTS	45,401	45,401	0.0	45,401	45,401
TOTAL	739,318	785,963	0.0	785,963	783,420
NET ADDITIONS	2,645,261	2,703,418	0.0	2,703,418	2,792,202
END OF YEAR BALANCE	35,963,696	36,048,515	0.0	36,048,515	36,066,114
AVERAGE BALANCE	34,641,066	34,696,806	0.0	34,696,806	34,670,012

**TABLE K - 2**  
**APPLE VALLEY RANCHOS WATER CO. - DOMESTIC**

**DEPRECIATION RESERVE & EXPENSE  
ESCALATION YEAR 2016**

DEPRECIATION RESERVE (\$) Description	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
BEGINNING YEAR BALANCE	35,963,696	36,048,515	0.0	36,048,515	36,066,114
ANNUAL ACCRUAL CHARGED TO:					
CLEARING ACCOUNTS	238,748	250,497	0.0	250,497	272,769
CONTRIBUTIONS	142,520	142,520	0.0	142,520	142,856
DEPRECIATION EXPENSE	3,095,980	3,301,063	0.0	3,301,063	3,519,595
OTHER					
TOTAL	3,477,248	3,694,081	0.0	3,694,081	3,935,220
<u>RETIREMENTS &amp; ADJUSTMENTS</u>					
NET RETIREMENTS	1,547,568	1,607,612	0.0	1,607,612	1,875,159
ADJUSTMENTS	-101,781	-101,781	0.0	-101,781	-125,836
TOTAL	1,445,787	1,505,831	0.0	1,505,831	1,749,324
NET ADDITIONS	2,031,460	2,188,250	0.0	2,188,250	2,185,897
END OF YEAR BALANCE	37,995,157	38,236,765	0.0	38,236,765	38,252,010
AVERAGE BALANCE	36,979,427	37,142,640	0.0	37,142,640	37,159,062

**TABLE K - 3**  
**APPLE VALLEY RANCHOS WATER CO. - IRRIGATION**

**DEPRECIATION RESERVE & EXPENSE**  
**TEST YEAR 2015**

DEPRECIATION RESERVE (\$) Description	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
BEGINNING YEAR BALANCE	228,490	228,490	0.0	228,490	228,491
ANNUAL ACCRUAL CHARGED TO:					
CLEARING ACCOUNTS	0	0	0.0	0	0
CONTRIBUTIONS	1,231	1,231	0.0	1,231	1,231
DEPRECIATION EXPENSE	11,958	11,958	0.0	11,958	11,958
OTHER					
TOTAL	13,189	13,189	0.0	13,189	13,189
<u>RETIREMENTS &amp; ADJUSTMENTS</u>					
NET RETIREMENTS	0	0	0.0	0	0
ADJUSTMENTS	0	0	0.0	0	0
TOTAL	0	0	0.0	0	0
NET ADDITIONS	13,189	13,189	0.0	13,189	13,189
END OF YEAR BALANCE	241,679	241,679	0.0	241,679	241,680
AVERAGE BALANCE	235,085	235,085	0.0	235,085	235,085

**TABLE K - 4**  
**APPLE VALLEY RANCHOS WATER CO. - IRRIGATION**

**DEPRECIATION RESERVE & EXPENSE**  
**ESCALATION YEAR 2016**

DEPRECIATION RESERVE (\$)	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
BEGINNING YEAR BALANCE	241,679	241,679	0.0	241,679	241,680
ANNUAL ACCRUAL CHARGED TO:					
CLEARING ACCOUNTS	0	0	0.0	0	0
CONTRIBUTIONS	1,231	1,231	0.0	1,231	1,231
DEPRECIATION EXPENSE	11,958	11,958	0.0	11,958	11,958
OTHER					
TOTAL	13,189	13,189	0.0	13,189	13,189
<u>RETIREMENTS &amp; ADJUSTMENTS</u>					
NET RETIREMENTS	0	0	0.0	0	0
ADJUSTMENTS	0	0	0.0	0	0
TOTAL	0	0	0.0	0	0
NET ADDITIONS	13,189	13,189	0.0	13,189	13,189
END OF YEAR BALANCE	254,868	254,868	0.0	254,868	254,869
AVERAGE BALANCE	248,274	248,274	0.0	248,274	248,274

TABLE L - 1  
 APPLE VALLEY RANCHOS WATER CO. - DOMESTIC  
 AVERAGE RATE BASE SUMMARY  
 TEST YEAR 2015

AVERAGE RATEBASE (\$)	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
PLANT IN SERVICE	122,215,200	126,217,676	0.0	126,217,676	129,448,308
WORK IN PROGRESS	47,078	47,078	0.0	47,078	1,490,837
MATERIALS & SUPPLIES	336,657	336,674	0.0	336,674	336,749
WORKING CASH	1,572,453	1,865,479	1,017.3	1,866,497	2,137,173
SUBTOTAL	124,171,388	128,466,907	1,017.3	128,467,924	133,413,067
LESS:					
DEPRECIATION RESERVE	34,625,500	34,681,200	0.0	34,681,200	34,654,995
ADVANCES	28,171,300	28,171,263	0.0	28,171,263	28,265,767
CONTRIBUTIONS	2,051,703	2,051,703	0.0	2,051,703	2,045,801
UNAMORTIZED ITC	44,488	44,488	0.0	44,488	44,488
DEFERRED INCOME TAX	10,416,222	10,450,795	0.0	10,450,795	11,429,252
SUBTOTAL	75,309,213	75,399,449	0.0	75,399,449	76,440,304
PLUS:					
METHOD 5 ADJUSTMENT	777	777	0.0	777	777
RESOURCES ADJUSTMENT					
NET DISTRICT RATE BASE	48,862,952	53,068,235	1,017.3	53,069,252	56,973,540
GENERAL OFFICE ALLOCATION	705,719	1,065,506	0.0	1,065,506	1,355,965
TOTAL RATE BASE	49,568,672	54,133,741	1,017.3	54,134,758	58,329,505
INTEREST CALCULATION					
AVG RATE BASE	49,568,672	54,133,741	1,017.3	54,134,758	58,329,505
X WEIGHTED COST OF DEBT	3.49%	3.49%	0.00%	3.49%	3.49%
INTEREST EXPENSE	1,729,947	1,889,268	35.5	1,889,303	2,035,700
ADD INTEREST FOR ADVANCES	17,613	17,613	0.0	17,613	17,613
TOTAL INTEREST DEDUCTION	1,747,560	1,906,881	35.5	1,906,916	2,053,313

TABLE L-2  
**APPLE VALLEY RANCHOS WATER CO. - DOMESTIC**  
**AVERAGE RATE BASE SUMMARY**  
**TEST YEAR 2016**

AVERAGE RATE BASE (\$) DESCRIPTION	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
PLANT IN SERVICE	125,032,072	132,885,202	0.0	132,885,202	142,202,208
WORK IN PROGRESS	23,539	23,539	0.0	23,539	1,245,419
MATERIALS & SUPPLIES	339,598	339,598	0.0	339,598	339,690
WORKING CASH	1,555,466	1,823,909	977.3	1,824,886	2,290,660
SUBTOTAL	126,950,676	135,072,249	977.3	135,073,226	146,077,976
LESS:					
DEPRECIATION RESERVE	36,963,324	37,126,505	0.0	37,126,505	37,143,688
ADVANCES	27,550,551	27,550,551	0.0	27,550,551	27,641,847
CONTRIBUTIONS	1,948,861	1,948,861	0.0	1,948,861	1,942,623
UNAMORTIZED ITC	39,650	39,650	0.0	39,650	39,650
DEFERRED INCOME TAX	10,350,935	10,409,852	0.0	10,409,852	11,425,944
SUBTOTAL	76,853,321	77,075,420	0.0	77,075,420	78,193,752
PLUS:					
METHOD 5 ADJUSTMENT	732	732	0.0	732	732
RESOURCES ADJUSTMENT					
NET DISTRICT RATE BASE	50,098,086	57,997,561	977.3	57,998,538	67,884,956
GENERAL OFFICE ALLOCATION	719,184	1,057,721	0.0	1,057,721	1,483,021
<sup>1</sup> TOTAL RATE BASE	52,039,200	59,055,282	977.3	59,056,259	69,367,977
INTEREST CALCULATION					
AVG RATE BASE	52,039,200	59,055,282	0.0	59,055,282	69,367,977
X WEIGHTED COST OF DEBT	3.49%	3.49%	0.00%	3.49%	3.49%
INTEREST EXPENSE	1,816,168	2,061,029	0.0	2,061,029	2,420,942
ADD INTEREST FOR ADVANCES	19,368	19,368	0.0	19,368	19,368
TOTAL INTEREST DEDUCTION	1,835,536	2,080,398	0.0	2,080,398	2,440,311

<sup>1</sup> ORA'S ORIGINAL TOTAL RATE BASE IS ADJUSTED TO REFLECT ORA'S REPORT.

TABLE L - 3  
**APPLE VALLEY RANCHOS WATER CO. - IRRIGATION**  
**AVERAGE RATE BASE SUMMARY**  
**TEST YEAR 2015**

AVERAGE RATE BASE (\$)	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
PLANT IN SERVICE	623,133	623,720	0.0	623,720	624,984
WORK IN PROGRESS	0	0	0.0	0	0
MATERIALS & SUPPLIES	0	0	0.0	0	0
WORKING CASH	14,199	12,394	6.8	12,401	14,199
SUBTOTAL	637,332	636,114	6.8	636,121	639,183
LESS:					
DEPRECIATION RESERVE	250,671	250,689	0.0	250,689	250,101
ADVANCES	0	0	0.0	0	0
CONTRIBUTIONS	38,954	38,954	0.0	38,954	38,938
UNAMORTIZED ITC	0	0	0.0	0	0
DEFERRED INCOME TAX	68,794	68,621	0.0	68,621	69,606
SUBTOTAL	358,420	358,264	0.0	358,264	358,645
PLUS:					
METHOD 5 ADJUSTMENT					
RESOURCES ADJUSTMENT					
NET DISTRICT RATE BASE	278,912	277,849	6.8	277,856	280,539
GENERAL OFFICE ALLOCATION	4,064	6,912	0.0	6,912	3,654
TOTAL RATE BASE	282,976	284,761	6.8	284,768	284,193
INTEREST CALCULATION					
AVG RATE BASE	282,976	284,761	6.8	284,768	284,193
X WEIGHTED COST OF DEBT	3.49%	3.49%	0.00%	3.49%	3.49%
INTEREST EXPENSE	9,876	9,938	0.2	9,938	9,918
ADD INTEREST FOR ADVANCES	0	0	0.0	0	0
TOTAL INTEREST DEDUCTION	9,876	9,938	0.2	9,938	9,918

TABLE L - 4  
 APPLE VALLEY RANCHOS WATER CO. - IRRIGATION  
 AVERAGE RATE BASE SUMMARY  
 TEST YEAR 2016

AVERAGE RATE BASE (\$)	ORA		DIFFERENCE	AVR	
	ORIGINAL	REVISED		REVISED	ORIGINAL
PLANT IN SERVICE	623,209	624,092	0.0	624,092	631,592
WORK IN PROGRESS	0	0	0.0	0	0
MATERIALS & SUPPLIES	0	0	0.0	0	0
WORKING CASH	15,219	12,118	6.5	12,124	15,219
SUBTOTAL	638,428	636,210	6.5	636,217	646,811
LESS:					
DEPRECIATION RESERVE	264,375	264,408	0.0	264,408	263,647
ADVANCES	0	0	0.0	0	0
CONTRIBUTIONS	37,723	37,723	0.0	37,723	37,706
UNAMORTIZED ITC	0	0	0.0	0	0
DEFERRED INCOME TAX	65,652	65,467	0.0	65,467	66,433
SUBTOTAL	367,750	367,598	0.0	367,598	367,786
PLUS:					
METHOD 5 ADJUSTMENT					
RESOURCES ADJUSTMENT					
NET DISTRICT RATE BASE	270,678	268,612	6.5	268,618	279,024
GENERAL OFFICE ALLOCATION	4,142	6,861	0.0	6,861	3,654
TOTAL RATE BASE	274,820	275,473	6.5	275,480	282,678
INTEREST CALCULATION					
AVG RATE BASE	274,820	275,473	0.0	275,473	282,678
X WEIGHTED COST OF DEBT	3.49%	3.49%	0.00%	3.49%	3.49%
INTEREST EXPENSE	9,591	9,614	0.0	9,614	9,865
ADD INTEREST FOR ADVANCES	0	0	0.0	0	0
TOTAL INTEREST DEDUCTION	9,591	9,614	0.0	9,614	9,865