



# Liberty Utilities

April 4, 2016

Mr. Raminder Kahlon  
Director, Division of Water and Audits  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

RE: Audit Report due April 8, 2016

Dear Mr. Kahlon,

This letter is being provided pursuant to the request of the Division of Water and Audits in its correspondence to Liberty Utilities (Apple Valley Ranchos Water) Corp. dated March 25, 2016. Decision (D.) 11-10-034, Appendix A, Rule VIII, Section VIII.E. requires Class A and Class B water and sewer utilities to biennially have an audit performed by independent auditors and submit the resulting audit report to the Commission if the sum of all unregulated affiliates' revenue during the last two calendar years exceeds 5% of the total revenue of the utility and all of its affiliates during that period. For Liberty Utilities (Apple Valley Ranchos Water) Corp., the sum of all unregulated affiliates' revenue during calendar years 2013 and 2014 did not exceed the 5% threshold, and therefore an audit was not required nor completed.

If you have any questions regarding the above, please contact me.

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

/s/Edward N. Jackson

EDWARD N. JACKSON

Representative

Director of Revenue Requirements

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ENJ/dml

**cc: Elizabeth Echols, Director, Office of Ratepayer Advocates**  
**Kayode Kajopaiye, Branch Chief, Division of Water and Audits**  
**Donna Wagoner, Division of Water and Audits**  
**Ramon Go, Division of Water and Audits**