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Phoenix, Arizona 85016
Attorneys for Liberty Utilities (Litchfield Park Water & Sewer) Corp.

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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF
LITCHFIELD PARK SERVICE COMPANY,
AN ARIZONA CORPORATION FOR A
DETERMINATION OF THE FAIR VALUE OF
ITS UTILITY PLANTS AND PROPERTY AND
FOR INCREASES IN ITS WASTEWATER
RATES AND CHARGES BASED THEREON
FOR UTILITY SERVICE.

DOCKET NO: SW-01428A-13-0042
Arizona Corporation Commission
DOCKETED
APR 30 2014
DOCKETED BY 

IN THE MATTER OF THE APPLICATION OF
LITCHFIELD PARK SERVICE COMPANY,
AN ARIZONA CORPORATION FOR A
DETERMINATION OF THE FAIR VALUE OF
ITS UTILITY PLANTS AND PROPERTY AND
FOR INCREASES IN ITS WATER RATES AND
CHARGES BASED THEREON FOR UTILITY
SERVICE.

DOCKET NO: W-01427A-13-0043
NOTICE OF COMPLIANCE

Liberty Utilities (Litchfield Park Water & Sewer) Corp. (the "Company") hereby submits this Notice of Compliance with Decision No. 74437 (dated Apr. 18, 2014). Decision No. 74437 requires the Company to file revised schedules of rates and charges, a new low income tariff modified to reflect an increased discount for eligible customers, from 15 percent to 30 percent, and a new water division off-site facilities hook-up fee tariff. See **Exhibit 1**.

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RESPECTFULLY SUBMITTED this 30th day of April, 2014.

FENNEMORE CRAIG, P.C.

By: _____

Jay L. Shapiro
Todd C. Wiley
Attorneys for Liberty Utilities
(Litchfield Park Water & Sewer) Corp.

ORIGINAL and 13 copies filed
this 30th day of April, 2014, with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

COPY hand-delivered
this 30th day of April, 2014 to:

Teena Jibilian, Administrative Law Judge
Hearing Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Robin Mitchell, Esq.
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COPY sent via U.S. mail
this 30th day of April, 2014, to:

Dan Pozefsky, Esq.
Residential Utility Consumer Office
1110 W. Washington St., Suite 220
Phoenix, Arizona 85007

Olivia Burnes
356 N. Cloverfield Circle
Litchfield Park, Arizona 85340

By: 
9116685.1/035227.0022

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ISSUED BY:

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Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

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ISSUED BY:

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 Liberty Utilities (Litchfield Park Water & Sewer) Corp.
 12725 W. Indian School Road, Suite D-101
 Avondale, AZ 85392

Applies to all WATER service areas
PART ONE
STATEMENT OF CHARGES FOR WATER SERVICE

I. RATES – General Residential, Commercial, Industrial, and Irrigation Service

In Decision No. 74437, dated April 18, 2014, the Commission authorized the following rates and charges to become effective May 1, 2014:

A. Monthly Usage Charge

Meter Size (All Classes)	Minimum Charge Per Month
5/8" x 3/4" Meter	\$ 13.26
3/4" Meter	13.26
1" Meter – Residential	29.84
1" Meter	33.15
1 1/2" Meter	66.30
2" Meter	106.08
3" Meter	212.16
4" Meter	331.50
6" Meter	663.00
8" Meter (Bulk Resale Only)	575.00
8" Meter	1,060.80
10" Meter	1,524.90
12" Meter	2,850.90

ISSUED BY:

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 Avondale, AZ 85392

Applies to all WATER service areas
PART ONE
STATEMENT OF CHARGES FOR WATER SERVICE

B. Commodity Rates

The rate for use in addition to the minimum stated above shall be at the following rates per 1,000 gallons:

<u>Meter Size</u>	<u>Consumption</u>	<u>Rate</u>
5/8" x 3/4" Meter and 3/4" Meter (Residential)	0 to 3,000	\$0.750
	3,001 to 10,000	1.950
	10,001 to 20,000	2.950
	Over 20,000	3.456
1" Meter (Residential)	0 to 5,000	0.750
	5,001 to 19,000	1.950
	19,001 to 30,000	2.950
	Over 30,000	3.456
5/8" x 3/4" and 3/4" Meter (Commercial and Irrigation)	0 to 9,000	1.950
	Over 9,000	3.456
1" Meter (All Classes except Residential)	0 to 20,000	1.950
	Over 20,000	3.456
1 1/2" Meter (All Classes)	0 to 40,000	1.950
	Over 40,000	3.456
2" Meter (All Classes)	0 to 60,000	1.950
	Over 60,000	3.456

Applies to all WATER service areas
PART ONE
STATEMENT OF CHARGES FOR WATER SERVICE

Section I.B continued

<u>Meter Size</u>	<u>Consumption</u>	<u>Rate</u>
3" Meter (All Classes)	0 to 120,000	\$1.950
	Over 120,000	3.456
4" Meter (All Classes)	0 to 180,000	1.950
	Over 180,000	3.456
6" Meter (All Classes)	0 to 360,000	1.950
	Over 360,000	3.456
8" Meter (All Classes)	0 to 650,000	1.950
	Over 650,000	3.456
8" Meter (Bulk Resale Only)	All Gallons	1.650
10" Meter (All Classes)	0 to 940,000	1.950
	Over 940,000	3.456
12" Meter (All Classes)	0 to 1,248,000	1.950
	Over 1,248,000	3.456
Construction Water – Hydrants*	All Gallons	3.456

*There is no monthly minimum for hydrant meters.

ISSUED BY:

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 Liberty Utilities (Litchfield Park Water & Sewer) Corp.
 12725 W. Indian School Road, Suite D-101
 Avondale, AZ 85392

Applies to all WATER service areas
PART ONE
STATEMENT OF CHARGES FOR WATER SERVICE

C. Service Line and Meter Installation Charges
(Refundable Pursuant to A.A.C. R14-2-405)

<u>Meter Size</u>	<u>Line</u>	<u>Meter</u>	<u>Total</u>
5/8 x 3/4" Meter	\$445.00	\$155.00	\$600.00
3/4" Meter	445.00	255.00	700.00
1" Meter	495.00	315.00	810.00
1 1/2" Meter	550.00	525.00	1,075.00
2" Turbine Meter	830.00	1,045.00	1,875.00
2" Compound Meter	830.00	1,890.00	2,720.00
3" Turbine Meter	At Cost	At Cost	At Cost
3" Compound Meter	At Cost	At Cost	At Cost
4" Turbine Meter	At Cost	At Cost	At Cost
4" Compound Meter	At Cost	At Cost	At Cost
6" Turbine Meter	At Cost	At Cost	At Cost
6" Compound Meter	At Cost	At Cost	At Cost
8" Meter & Larger Meters	At Cost	At Cost	At Cost

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 12725 W. Indian School Road, Suite D-101
 Avondale, AZ 85392

Applies to all WATER service areas
PART ONE
STATEMENT OF CHARGES FOR WATER SERVICE

D. Miscellaneous Service Charges

<u>Service</u>	<u>Charge</u>
Establishment	\$20.00
Re-Establishment (Within 12 Months)	(a)
Reconnection	\$20.00
Meter Test (if correct)	25.00
Meter Re-Read (if correct)	5.00
Fire Hydrant Meter Relocation	50.00
Fire Hydrant Meter Repair	At Cost
Deposit	(b)
Deposit Interest	6.00%
NSF Check	\$25.00
Deferred Payment, Per Month	1.50%
Late Charge	(c)
After Hours Service Calls*	\$40.00

(a) Number of full months off the system times the monthly minimum, per A.A.C. R14-2-403(D).

(b) Per Rule R14-2-403(B). Residential – two times the average monthly bill. Non-residential – Two and one half times the average monthly bill.

(c) Greater of \$5.00 or 1.50% of unpaid balance.

* For After Hours Service Calls for work performed on the customer's property after hours, at customer's request. In addition to the charge for any utility service provided.

ISSUED BY:

Greg Sorensen, President - Arizona
 Liberty Utilities (Litchfield Park Water & Sewer) Corp.
 12725 W. Indian School Road, Suite D-101
 Avondale, AZ 85392

Applies to all WATER service areas
PART ONE
STATEMENT OF CHARGES FOR WATER SERVICE

Section I.D continued

*Hydrant Meter Deposit	
5/8 x 3/4" Meter	\$ 135.00
3/4" Meter	215.00
1" Meter	255.00
1 1/2" Meter	465.00
2" Turbine Meter	965.00
2" Compound Meter	1,690.00
3" Turbine Meter	1,470.00
3" Compound Meter	2,265.00
4" Turbine Meter	2,350.00
4" Compound Meter	3,245.00
6" Turbine Meter	4,545.00
6" Compound Meter	6,280.00
8" Meter & Larger	At Cost

* Shall have a non-interest bearing deposit of the amount indicated, refundable in its entirety upon return of the meter in good condition and payment of final bill.

ISSUED BY:

Greg Sorensen, President - Arizona
 Liberty Utilities (Litchfield Park Water & Sewer) Corp.
 12725 W. Indian School Road, Suite D-101
 Avondale, AZ 85392

Applies to all WATER service areas
PART ONE
STATEMENT OF CHARGES FOR WATER SERVICE

II. TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-409(D)(5).

Applies to all WATER service areas
PART ONE
STATEMENT OF CHARGES FOR WATER SERVICE

III. PERMITTED COSTS

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at cost, costs shall include labor, materials, other charges incurred, and overhead not to exceed 10%. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
- C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
- D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the provision of the service or after the Company's receipt of invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date. However, if the actual cost is more than five percent (5%) greater than the total amount paid, the customer will only be required to pay five percent (5%) more than the total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the total amount paid was made.
- E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.
- F. Permitted costs shall include any Federal, State or local taxes that are or may be payable by the Company as a result of any tariff or contract for water facilities under which the Customer advances or contributes funds or facilities to the Company.

ISSUED BY:

Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Applies to all WATER service areas
PART TWO
STATEMENT OF TERMS AND CONDITIONS FOR WATER SERVICE

CROSS-CONNECTION OR BACKFLOW TARIFF

PURPOSE:

The purpose of this tariff is to protect Liberty Utilities (Litchfield Park Water & Sewer) Corp. (the "Company") water from the possibility of contamination caused by backflow of contaminants that may be present on the customer's premises by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code ("A.A.C.") R14-2-405.B.6. and A.A.C. R18-4-215.

REQUIREMENTS:

In compliance with the Rules and Regulations of the Arizona Corporation Commission ("Commission") and the Arizona Department of Environmental Quality ("ADEQ"), specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-215 relating to backflow prevention:

1. The Company may require a customer to pay for and have installed, and to maintain, test and repair a backflow-prevention assembly if A.A.C. R18-4-215.B or C applies.
2. A backflow-prevention assembly required to be installed by the customer under Paragraph 1 of this tariff shall comply with the requirements set forth in A.A.C. R18-4-215.D and E.
3. Subject to the provisions of A.A.C. R14-2-407 and 410, and in accordance with Paragraphs 1 and 7 of this tariff, the Company may terminate service or deny service to a customer who fails to install a backflow-prevention assembly as required by this tariff.
4. The Company shall give any existing customer who is required to install a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a is not applicable, the customer shall be given thirty (30) days from the time such written notice is received in which to comply with this notice. If the customer can show good cause as to why he cannot install the backflow-prevention assembly within thirty (30) days, the Company or Commission Staff may suspend this requirement for a reasonable period of time.

Applies to all WATER service areas
PART TWO
STATEMENT OF TERMS AND CONDITIONS FOR WATER SERVICE

5. Testing shall be in conformance with the requirements of A.A.C. R18-4-215.F. The Company may require the customer to pay to have the backflow-prevention assembly tested as long as the Company does not require an unreasonable number of tests.
6. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:
 - a. assembly identification number and description;
 - b. location;
 - c. date(s) of test(s);
 - d. description of repairs and recommendations for repairs made by tester;
 - e. tester's name and certificate number; and
 - f. tester's field test kit certification documentation.
7. In the event the backflow-prevention assembly does not function properly or fails any test, and an obvious hazard as contemplated under A.A.C. R14-2-410.B.1.a. exists, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be repaired or replaced by the customer and retested.
8. In the event the backflow-prevention assembly does not function properly or fails any test, or in the event that a customer fails to comply with the testing requirement, and A.A.C. R14-2-410.B.1.a. is not applicable, the backflow-prevention assembly shall be repaired or replaced within fourteen (14) days of the initial discovery of the deficiency in the assembly or its function. Failure to remedy the deficiency of dysfunction of the assembly, or failure to retest, shall be grounds for termination of water service in accordance with A.A.C. R14-2-410.

ISSUED BY:

Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Applies to all WATER service areas
PART TWO
STATEMENT OF TERMS AND CONDITIONS FOR WATER SERVICE

I. INTERRUPTIBLE SERVICE; COMPANY'S LIABILITY LIMITATIONS

The Company will supply only such water at such pressures as may be available from time to time as a result of the normal operation of its water system. The Company will maintain a minimum water pressure of 20 p.s.i. and will not guarantee a specific gallons per minute flow rate at any public fire hydrants or fire sprinkler service. In the event service is interrupted, irregular or defective, or fails from causes beyond the Company's control or through ordinary negligence of its employees or agents, the Company will not be liable for any injuries or damages arising therefrom.

Applies to all WATER service areas
PART TWO
STATEMENT OF TERMS AND CONDITIONS FOR WATER SERVICE

II. RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-401 through A.A.C. R14-2-411 will be controlling of Company procedures, unless specific Commission Order(s) provide otherwise.

Applies to all WATER service areas
PART TWO
STATEMENT OF TERMS AND CONDITIONS FOR WATER SERVICE

III. CURTAILMENT PLAN

ADEQ Public Water System Number: 07-046

Liberty Utilities (Litchfield Park Water & Sewer) Corp. ("Company") is authorized to curtail water service to all customers, residential and commercial, within its certified area under the following terms and conditions:

Stage 1 Exists When:

Company is able to maintain water storage in the system at 100 percent of demand and there are no known problems with its well production or water storage in the system.

Restrictions: Under Stage 1, Company is deemed to be operating normally and no curtailment is necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

Stage 2 Exists When:

- a. Company's water storage or well production has been less than 80 percent of demand for at least 48 consecutive hours, and
- b. Company has identified issues such as steadily declining water table, an increased draw-down threatening pump operations, poor water production, or electrical/ mechanical equipment failures, etc., creating a reasonable belief the Company will be unable to meet anticipated water demands in the system.

Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

ISSUED BY:

Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Applies to all WATER service areas
PART TWO
STATEMENT OF TERMS AND CONDITIONS FOR WATER SERVICE

Stage 3 Exists When:

- a. Company's total water storage or well production has been less than 50 percent of demand for at least 24 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, poor water production, or electrical/ mechanical equipment failure, etc., creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 3, the Company shall request the customer to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent. All outside watering should be eliminated, except livestock and indoor water conservation techniques should be employed whenever possible.

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Beginning with Stage 3, Company shall post at least two (2) signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to the major subdivision served by the Company.
3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 3.

Once Stage 3 has been reached, the Company must begin to augment the supply of water by either hauling or through an emergency interconnect with an approved water supply in an attempt to maintain the curtailment at a level no higher than stage three until a permanent solution has been implemented.

ISSUED BY:

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Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Applies to all WATER service areas
PART TWO
STATEMENT OF TERMS AND CONDITIONS FOR WATER SERVICE

Stage 4 Exists When:

- a. Company's total water storage or well production has been less than 25 percent of demand for at least 12 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, poor water production, or electrical/ mechanical equipment failure, etc., creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 4, Company shall inform the customers of a mandatory restriction to employee water conservation measures to reduce daily consumption. Failure to comply will result in customer disconnection. The following uses of water shall be prohibited:

- Irrigation of outdoor lawns, trees, shrubs, or any plant life is prohibited
- Washing of any vehicle is prohibited
- The use of water for dust control or any outdoor cleaning uses is prohibited
- The use of drip or misting systems of any kind is prohibited
- The filling of any swimming pool, spas, fountains or ornamental pools is prohibited
- Restaurant patrons shall be served water only upon request
- Any other water intensive activity is prohibited

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Company shall post at least two (2) signs showing curtailment stage. Signs shall be posted at noticeable locations like at the well sites and at the entrance to the major subdivision served by the Company.
3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 4.

ISSUED BY:

Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
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Avondale, AZ 85392

Applies to all WATER service areas
PART TWO
STATEMENT OF TERMS AND CONDITIONS FOR WATER SERVICE

Customers who fail to comply with cessation of the above Restrictions will be given a written notice to end all outdoor use. Failure to comply within two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply in an attempt to maintain the supply until a permanent solution has been implemented.

Note: If the Company loses all production and has no storage facilities, the Company must rely on emergency hauling or must otherwise provide emergency drinking water for its customers.

Applies to all WASTEWATER service areas
PART THREE
STATEMENT OF CHARGES FOR WASTEWATER SERVICE

I. RATES

In Decision No. 74437, dated April 18, 2014, the Commission authorized the following rates and charges to become effective May 1, 2014:

A. Monthly Usage Charge

Meter Size	Minimum Charge Per Month
Residential Service	\$40.35
Low Income Residential Service	34.30
Multiple Unit Housing – Monthly Per Unit	37.46
Small Commercial Service – Monthly	68.24
Regular Domestic – Monthly Service Charge	38.20
Restaurants, Motels,* Grocery Store, Dry Cleaning Estab. – Monthly Service Charge	38.20
Wigwam Resort Monthly Rate – Per Room	37.46
Wigwam Resort Main Hotel Facilities – Per Month	1,483.47
Elementary Schools	1,008.75
Middle & High Schools	1,186.77
Community College	1,839.50
Effluent Sales Charge Per 1,000 gallons	**

*Motels without restaurants charges Multi-Unit Housing – Monthly Unit rate

**Market Rate – Maximum effluent rate shall not exceed \$430 per acre foot based on a potable water rate of \$1.32 per thousand gallons.

ISSUED BY:

Greg Sorensen, President - Arizona
 Liberty Utilities (Litchfield Park Water & Sewer) Corp.
 12725 W. Indian School Road, Suite D-101
 Avondale, AZ 85392

Applies to all WASTEWATER service areas
PART THREE
STATEMENT OF CHARGES FOR WASTEWATER SERVICE

B. Commodity Charge

(per 1,000 gallons of water)	
Regular Domestic	\$3.33
Restaurants, Motels, Grocery Store, Dry Cleaning Estab.	4.45

ISSUED BY:

Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Applies to all WASTEWATER service areas
PART THREE
STATEMENT OF CHARGES FOR WASTEWATER SERVICE

C. Miscellaneous Service Charges

<u>Service</u>	<u>Charge</u>
Establishment	\$20.00
Re-Establishment (within 12 months)	(a)
Reconnection	\$20.00
NSF Check	25.00
Deferred Payment (per month)	1.50%
After Hours Service Calls*	\$40.00
Deposit	(b)
Deposit Interest	6.00%
Late Charge	(c)
Service Lateral Connection Charge – All Sizes	(d)
Main Extension Tariff	(e)

(a) Number of full months off the system times the minimum charge, per A.A.C. R14-2-603(D).

(b) Per Rule R14-2-603(B). Residential – two times the average monthly bill. Non-residential – two and one half times the average monthly bill.

(c) Greater of \$5.00 or 1.50% of unpaid balance.

(d) At cost. Customer/Developer shall install or cause to be installed all Service Laterals as a non-refundable contributions in aid of construction.

(e) Per A.A.C. R14-2606(b). All Main Extensions shall be completed at cost and shall be treated as non-refundable contribution-in-aid of construction.

*For After Hours Service Calls for work performed on the customer's property after hours, at customer's request. In addition to the charge for an utility service provided.

ISSUED BY:

Greg Sorensen, President - Arizona
 Liberty Utilities (Litchfield Park Water & Sewer) Corp.
 12725 W. Indian School Road, Suite D-101
 Avondale, AZ 85392

Applies to all WASTEWATER service areas
PART THREE
STATEMENT OF CHARGES FOR WASTEWATER SERVICE

II. TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-608(D)(5).

ISSUED BY:

Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Applies to all WASTEWATER service areas
PART THREE
STATEMENT OF CHARGES FOR WASTEWATER SERVICE

III. PERMITTED COSTS

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at cost, costs shall include labor, materials, other charges incurred, and overhead. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
- C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
- D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date.
- E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.
- F. Permitted costs shall include any Federal, State or local taxes that are or may be payable by the Company as a result of any tariff or contract for wastewater facilities under which the Customer advances or contributes funds or facilities to the Company.

ISSUED BY:

Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Applies to all **WASTEWATER** service areas
PART FOUR
STATEMENT OF TERMS AND CONDITIONS FOR WASTEWATER SERVICE

I. CUSTOMER DISCHARGE TO SYSTEM

A. Service Subject to Regulation

The Company provides wastewater service using treatment and collection facilities that are regulated by numerous county, state and federal Statutes and Regulations. Those Regulations include limitations as to domestic strength wastewater and the type of wastewater that may be discharged into the system by any person directly or indirectly connected to the plant.

B. Waste Limitations

The Company has established the permissible limits of concentration as domestic strength wastewater and will limit concentration for various specific substances, materials, waters, or wastes that can be accepted in the sewer system, and to specify those substances, materials, waters, or wastes that are prohibited from entering the sewer system. Each permissible limit so established shall be placed on file in the business office of the Company, with a copy filed with the Commission. No person shall discharge, or cause to be discharged, any new sources of inflow including, but not limited to, storm water, surface water, groundwater, roof runoffs, subsurface drainage, cooling water, or polluted industrial process waters into the sanitary sewer. The Company will require an affidavit from all commercial and industrial customers, and their professional engineer, stating that the wastewater discharged to the system does not exceed domestic strength.

C. Inspection and Right of Entry

Every facility that is involved directly or indirectly with the discharge of wastewater to the Treatment Plant may be inspected by the Company as it deems necessary. These facilities shall include but not be limited to sewer; sewage pumping plants; all processes; devices and connection sewer; and all similar sewerage facilities. Inspections may be made to determine that such facilities are maintained and operated properly and are adequate to meet the provisions of these rules. Inspections may include the collection of samples. Authorized personnel of the Company shall be provided immediate access to all of the above facilities or to other facilities directly or indirectly connected to the Treatment Plant at all reasonable times including those occasioned by emergency conditions. Any permanent or temporary obstruction to easy access to the user's facility to be inspected shall promptly be removed by the facility user or owner at

Applies to all WASTEWATER service areas
PART FOUR
STATEMENT OF TERMS AND CONDITIONS FOR WASTEWATER SERVICE

the written or verbal request of the Company and shall not be replaced. No person shall interfere with, delay, resist or refuse entrance to an authorized Company representative attempting to inspect any facility involved directly or indirectly with a discharge of wastewater to the Treatment Plant. Adequate identification shall be provided by the Company for all inspectors and other authorized personnel and these persons shall identify themselves when entering any property for inspection purposes or when inspecting the work of any contractor.

All transient motor homes, travel trailers and other units containing holding tanks must arrive at the Company's service area in an empty condition. Inspection will be required of said units prior to their being allowed to hookup to the wastewater system.

D. Termination of Water Service for Violation of Wastewater Rules and Regulations

The Company is authorized to discontinue water service to any person connected to both its water and sewer systems who violates the Company's wastewater terms and conditions as set forth in this PART FOUR or in any way creates a public health hazard or the likelihood of such a public health hazard. This termination authority does not apply to non-payment for water or wastewater services.

ISSUED BY:

Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Applies to all WASTEWATER service areas
PART FOUR
STATEMENT OF TERMS AND CONDITIONS FOR WASTEWATER SERVICE

II. RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-601 through A.A.C. R14-2-609 will be controlling of Company procedures, unless specifically approved tariffs or Commission Order(s) provide otherwise.

Applies to all **WATER** and **WASTEWATER** service areas
PART FIVE
ALTERNATE RATES FOR WATER AND WASTEWATER (ARWW)
DOMESTIC SERVICE – SINGLE FAMILY ACCOMMODATION

APPLICABILITY

Applicable to residential water and wastewater service for domestic use rendered to low-income households where the customer meets all the program qualifications and special conditions of this rate schedule.

TERRITORY

Within all customer service areas served by Liberty Utilities (Litchfield Park Water & Sewer) Corp. ("Liberty Utilities").

RATES

Thirty percent (30%) discount applied to the regular filed tariff.

PROGRAM QUALIFICATIONS

1. The Liberty Utilities bill must be in your name and the address must be your primary residence or you must be a tenant receiving water service by a sub-metered system.
2. You may not be claimed as a dependent on another person's tax return.
3. You must reapply each time you move residences.
4. You must renew your application once every two (2) years, or sooner, if requested.
5. You must recertify each year by submitting a declaration attesting to your continuing eligibility, and provide one of the following items as proof of eligibility: 1) copy of tax return from prior year; or 2) copy of W2 form from prior year; or 3) copy of welfare / food stamp cards.
6. You must notify Liberty Utilities within thirty (30) days if you become ineligible for ARWW.
7. Your total gross annual income of all persons living in your household cannot exceed the income levels below:

ISSUED BY:

Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Applies to all WATER and WASTEWATER service areas
PART FIVE
ALTERNATE RATES FOR WATER AND WASTEWATER (ARWW)
DOMESTIC SERVICE – SINGLE FAMILY ACCOMMODATION

Effective January 1, 2014

<u>No. of Person in Household</u>	<u>Total Gross Annual Income</u>
1	\$17,505
2	\$23,595
3	\$29,685
4	\$35,775
5	\$41,865
6	\$47,955

For each additional person residing in the household, add \$6,090

For the purpose of the program the “gross household income” means all money and non cash benefits, available for living expenses, from all sources, both taxable and non taxable, before deductions for all people who live in your home. This includes, but is not limited to:

Wages or salaries	Social Security, SSI, SSP	Rental or royalty income
Interest or dividends from:	Scholarships, grants, or other aid	Profit from self-employment
Savings account, stocks or bonds	used for living expenses	(IRS form Schedule C, Line 29)
Unemployment benefits	Disability payments	Worker’s Compensation
TANF (AFDC)	Food Stamps	Child Support
Pensions	Insurance settlements	Spousal Support
Gifts		

ISSUED BY:

Greg Sorensen, President - Arizona
 Liberty Utilities (Litchfield Park Water & Sewer) Corp.
 12725 W. Indian School Road, Suite D-101
 Avondale, AZ 85392

Applies to all **WATER** and **WASTEWATER** service areas
PART FIVE
ALTERNATE RATES FOR WATER AND WASTEWATER (ARWW)
DOMESTIC SERVICE – SINGLE FAMILY ACCOMMODATION

SPECIAL CONDITIONS

1. **Application:** An application on a form authorized by the Commission is required for each request for service under this schedule. A customer must reapply every two (2) years.
2. **Recertification:** A customer enrolled in the ARWW program must, each year, recertify by submitting a declaration attesting to continuing eligibility, and provide one of the following items as proof of eligibility: 1) copy of tax return from prior year, or 2) copy of W2 form from prior year; or 3) copy of welfare / food stamp cards.
3. **Commencement of Rate:** Eligible customers whose applications have been approved shall be billed on this schedule commencing with the next regularly scheduled billing period that follows receipt of application by Liberty Utilities.
4. **Verification:** Information provided by the applicant is subject to verification by Liberty Utilities. Refusal or failure of a customer to provide documentation of eligibility acceptable to Liberty Utilities, upon request by Liberty Utilities, shall result in removal from this rate schedule.
5. **Notice from Customer:** It is the customer's responsibility to notify Liberty Utilities if there is a change of eligibility status.
6. **Rebilling:** Customers may be re-billed retroactively for periods of ineligibility under the applicable rate schedule.
7. **Master-metered:** A reduction will be calculated in the bill of master-metered customers, who have sub-metered tenants that meet the income eligibility criteria, so an equivalent discount (30%) can be passed through to eligible customer(s).
8. **Participation Cap:** The ARWW program is limited to 5,000 water division customers and 5,000 wastewater division customers. Applications will be reviewed and approved on a first come, first served basis. Applicants will be placed on a waiting list if the participation cap has been met.

ISSUED BY:

Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

**Application for
Alternate Rates for Water and Wastewater (ARWW)**

To qualify for Liberty Utilities ARWW please check (✓) all that apply:

- I am a Liberty Utilities residential customer and the Liberty Utilities account is in my name.
- I am a sub-metered tenant within the Liberty Utilities service area.
- My household income is at or below the income level in the listing below.

Household Size	Total Gross Annual Income from All Sources
1	\$17,505
2	\$23,595
3	\$29,685
4	\$35,775
5	\$41,865
6	\$47,955

For each additional person residing in the household, add \$4,020.

The definition of "gross household income" (before taxes) is all money and non cash benefits available for living expenses from all sources, both taxable and non taxable, before deductions, including expenses, for all people who live in your home. **This includes, but is not limited to the following (please check (✓) all that apply):**

- Wages, salaries or profit from self-employment
- Disability and/or Workers' Compensation payments
- Insurance and/or legal settlements
- Pensions
- Spousal and/or child support
- Scholarships, grants, or other aid used for living
- Interest/dividends from: savings, stocks, bonds, or retirement accounts
- Social Security, SSI or SSP
- Food Stamps
- TANF (AFDC)
- Veterans Affairs benefits
- Unemployment benefits
- Rental and/or royalty income
- Cash, gifts and/or other income

Please print the following information. **Incomplete information will delay your discount.** The name used to apply for the discount must be the same as the name on the Liberty Utilities statement.

PLEASE PRINT LEGIBLY												
Liberty Utilities Account Number (As shown on statement)												
Total No. of persons living in household:			Household's Total Gross Annual Income: \$				Contact Phone Number					
Name as shown on Liberty Utilities statement												
Liberty Utilities Service Address												
City			State				Zip Code					

Please attach one of the items listed as proof of income for eligibility verification: Copy of tax return from prior year, or copy of W2 from prior year, or copy of welfare / food stamp cards.

By signing below, I certify under penalty of perjury that this information is true and correct under the laws of the State of Arizona. I will provide proof of income and I will notify Liberty Utilities of any changes that affect my eligibility. I understand that if I receive the discount without meeting the qualifications for it, I may be required to pay back the discount I received.

Customer Signature _____ Date _____

Note: An Application for ARWW must be submitted every two years. A Declaration of Eligibility must be submitted annually for verification. Please allow 30-45 days for processing.

Office Use Only: Date Verified _____ Verified By _____ Expires _____

ISSUED BY:

Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

**Declaration of Eligibility
Alternate Rates for Water and Wastewater (ARWW)**

To recertify enrollment in the ARWW Program please fill out the following attesting to continuing eligibility:

PLEASE PRINT LEGIBLY												
Name as shown on Liberty Utilities statement												
Liberty Utilities Account Number (As shown on statement)												
Liberty Utilities Service Address												
City	State						Zip Code					
Contact Phone Number						Work Phone Number						

I,

Your Name (Please Print)

Last submitted an Application for Alternative Rates (ARWW)
on

_____ (dd/mm/yyyy)

and hereby confirm my eligibility for the year ending

_____ (dd/mm/yyyy)

Please attach one of the items listed below as proof of income for eligibility verification:

**Copy of tax return from prior year,
or copy of W2 form from prior year,
or copy of welfare / food stamp cards.**

By signing below, I certify under penalty of perjury that this information is true and correct under the laws of the State of Arizona. I will provide proof of income and I will notify Liberty Utilities of any changes that affect my eligibility. I understand that if I receive the discount without meeting the qualifications for it, I may be required to pay back the discount I received.

Customer Signature

Date

Note: An Application for ARWW must be submitted every two years. A Declaration of Eligibility must be submitted annually for verification.

ISSUED BY:

Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

**Liberty Utilities (Litchfield Park Water & Sewer) Corp.
Alternate Rates for Water and Wastewater (ARWW)**

Applicability

Applicable to residential water and wastewater service for domestic use rendered to low-income households where the customer meets all the Program Qualifications and Special Conditions of this rate schedule.

Territory

Within all customer service areas served by Liberty Utilities (Litchfield Park Water & Sewer) Corp.

Discount

Thirty percent (30%) discount applied to the regular filed tariff. The discount will be applied to the customer's total bill before any adjustments and application of any other taxes, credit, penalties or fees.

Program Qualifications

- The Liberty Utilities account must be in your name and the address must be your primary residence in our service area or you must be a tenant receiving water service by a sub-metered system.
- You may not be claimed as a dependent on another person's tax return.
- You must reapply each time you move residences.
- You must renew your application once every two (2) years or sooner if requested.
- You must recertify each year by submitting a declaration attesting to your continuing eligibility, and provide one of the following items as proof of eligibility: 1) copy of tax return from prior year, or 2) copy of W2 form from prior year, or 3) copy of welfare/food stamp cards.
- You must notify Liberty Utilities within thirty (30) days if you become ineligible for ARWW.
- Your total gross annual income of all persons living in your household cannot exceed the income levels provided on the application.

Special Conditions

- You must fill out and sign the ARWW Application completely. Incomplete information will delay your discount. You must reapply every two (2) years.
- You must recertify your enrollment in the ARWW annually by submitting a Declaration of Eligibility and providing one of the following items as proof of eligibility: 1) copy of tax return from prior year, or 2) copy of W2 form from prior year, or 3) copy of welfare/food stamp cards.
- Customers shall be billed on this schedule commencing with the next regularly scheduled billing period that follows the receipt and approval of the application by Liberty Utilities.
- Documentation of your gross annual income must be provided to Liberty Utilities for verification of eligibility for ARWW. Refusal or failure to provide documentation of acceptable eligibility to Liberty Utilities shall result in removal from this rate schedule.
- It is the customer's responsibility to notify Liberty Utilities if there is a change in eligibility status.
- You may be re-billed for any periods of ineligibility under the applicable rate schedule.
- Master-metered customers who have sub-metered tenants will receive a reduction in the billing. Sub-metered tenants must qualify and meet the income eligibility criteria so an equivalent discount (30%) can be passed through to eligible customer(s).
- The ARWW program is limited to 5,000 water division customers and 5,000 wastewater division customers.

How to Submit Completed ARWW Application and/or Declaration of Eligibility

Mail, Fax or Email your ARWW Application and Declaration of Eligibility to:

Liberty Utilities (Litchfield Park Water & Sewer) Corp.

12725 W. Indian School Rd. Ste. D101

Avondale, AZ 85392

Fax: 623-935-1020

Email: customerserviceavondale@libertywater.com

ISSUED BY:

Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

PART SIX
HOOK-UP FEE TARIFF

WATER HOOK-UP FEE

I. Purpose and Applicability

The purpose of the off-site hook-up fees payable to Liberty Utilities (Litchfield Park Water & Sewer) Corp. - Water Division (the "Company") pursuant to this tariff is to equitably apportion the costs of constructing additional off-site facilities necessary to provide water production, delivery, storage and pressure among all new service connections. These charges are applicable to all new service connections undertaken via Main Extension Agreements or requests for service not requiring a Main Extension Agreement entered into after the effective date of this tariff. The charges are one-time charges and are payable as a condition to Company's establishment of service, as more particularly provided below.

II. Definitions

Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission's ("Commission") rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

"Applicant" means any party entering into an agreement with Company for the installation of water facilities to serve new service connections, and may include Developers and/or Builders of new residential subdivisions and/or commercial and industrial properties.

"Company" means Liberty Utilities (Litchfield Park Water & Sewer) Corp. – Water Division.

"Main Extension Agreement" means any agreement whereby an Applicant, Developer and/or Builder agrees to advance the costs of the installation of water facilities necessary to the Company to serve new service connections within a development, or installs such water facilities necessary to serve new service connections and transfers ownership of such water facilities to the Company, which agreement shall require the approval of the Commission pursuant to A.A.C. R-14-2-406, and shall have the same meaning as "Water Facilities Agreement" or "Line Extension Agreement."

"Off-site Facilities" means wells, storage tanks and related appurtenances necessary for proper operation, including engineering and design costs. Off-site facilities may also include booster pumps, pressure tanks, transmission mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of the applicant and will benefit the entire water system.

"Service Connection" means and includes all service connections for single-family residential, commercial, industrial or other uses, regardless of meter size.

III. Water Hook-up Fee

For each new service connection, the Company shall collect an off-site hook-up fee derived from the following table:

Meter Size	Size Factor	Total Fee
5/8" x 3/4"	1	\$1,800
3/4"	1.5	\$2,700
1"	2.5	\$4,500
1-1/2"	5	\$9,000
2"	8	\$14,400
3"	16	\$28,800
4"	25	\$45,000
6"	50	\$90,000
8"	80	\$144,000
10"	115	\$310,500
12"	215	\$967,500

(A) For "Active Adult" communities with demonstrated age-restricted zoning and/or CCRs providing for age-restricted living, the Total Fee shall be Two-Thirds (2/3) of the Total Fee shown above, based on an ERU factor of 190 gallons per day.

IV. Terms and Conditions

(A) Assessment of One Time Off-Site Hook-up Fee: The off-site hook-up fee may be assessed only once per parcel, service connection, or lot within a subdivision (similar to meter and service line installation charge).

(B) Use of Off-Site Hook-up Fee: Off-site hook-up fees may only be used to pay for capital items of Off-site Facilities, or for repayment of loans obtained to fund the cost of installation of off-site facilities. Off-site hook-up fees shall not be used to cover repairs, maintenance, or operational costs. The Company shall record amounts collected under the tariff as CIAC; however, such amounts shall not be deducted from rate base until such amounts have been expended for plant.

(C) Time of Payment:

- 1) For those requiring a Main Extension Agreement: In the event that the person or entity that will be constructing improvements ("Applicant", "Developer" or "Builder") is otherwise required to enter into a Main Extension Agreement, whereby the Applicant, Developer or Builder agrees to advance the costs of installing mains, valves, fittings, hydrants and other on-site improvements in order to extend service in accordance with R-14-2-406(B), payment of the Hook-Up Fees required hereunder shall be made by the Applicant, Developer or Builder no later than within 15 calendar days after receipt of notification from the Company that the Utilities Division of the Arizona Corporation Commission has approved the Main Extension Agreement in accordance with R-14-2-406(M).

ISSUED BY:

Greg Sorensen, President - Arizona
 Liberty Utilities (Litchfield Park Water & Sewer) Corp.
 12725 W. Indian School Road, Suite D-101
 Avondale, AZ 85392

- 2) For those connecting to an existing main: In the event that the Applicant, Developer or Builder for service is not required to enter into a Main Extension Agreement, the Hook-Up Fee charges hereunder shall be due and payable at the time the meter and service line installation fee is due and payable.
- (D) Off-Site Facilities Construction By Developer: Company and Applicant, Developer, or Builder may agree to construction of off-site facilities necessary to serve a particular development by Applicant, Developer or Builder, which facilities are then conveyed to Company. In that event, Company shall credit the total cost of such off-site facilities as an offset to off-site hook-up fees due under this Tariff. If the total cost of the off-site facilities constructed by Applicant, Developer or Builder and conveyed to Company is less than the applicable off-site hook-up fees under this Tariff, Applicant, Developer or Builder shall pay the remaining amount of off-site hook-up fees owed hereunder. If the total cost of the off-site facilities contributed by Applicant, Developer or Builder and conveyed to Company is more than the applicable off-site hook-up fees under this Tariff, Applicant, Developer or Builder shall be refunded the difference upon acceptance of the off-site facilities by the Company.
- (E) Failure to Pay Charges; Delinquent Payments: The Company will not be obligated to make an advance commitment to provide or actually provide water service to any Developer, Builder or other applicant for service in the event that the Developer, Builder or other applicant for service has not paid in full all charges hereunder. Under no circumstances will the Company set a meter or otherwise allow service to be established if the entire amount of any payment due hereunder has not been paid.
- (F) Large Subdivision/Development Projects: In the event that the Applicant, Developer or Builder is engaged in the development of a residential subdivision and/or development containing more than 150 lots, the Company may, in its reasonable discretion, agree to payment of off-site hook-up fees in installments. Such installments may be based on the residential subdivision and/or development's phasing, and should attempt to equitably apportion the payment of charges hereunder based on the Applicant's, Developer's or Builder's construction schedule and water service requirements. In the alternative, the Applicant, Developer, or Builder shall post an irrevocable letter of credit in favor of the Company in a commercially reasonable form, which may be drawn by the Company consistent with the actual or planned construction and hook up schedule for the subdivision and/or development.
- (G) Off-Site Hook-Up Fees Non-refundable: The amounts collected by the Company as Hook-Up Fees pursuant to the off-site hook-up fee tariff shall be non-refundable contributions in aid of construction.
- (H) Use of Off-Site Hook-Up Fees Received: All funds collected by the Company as off-site hook-up fees shall be deposited into a separate interest bearing trust account and used solely for the purposes of paying for the costs of installation of off-site facilities, including repayment of loans obtained for the installation of off-site facilities that will benefit the entire water system.
- (I) Off-Site Hook-up Fee in Addition to On-site Facilities: The off-site hook-up fee shall be in addition to any costs associated with the construction of on-site facilities under a Main Extension Agreement.

(J) Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the off-site hook-up fees, or if the off-site hook-up fee has been terminated by order of the Arizona Corporation Commission, any funds remaining in the trust shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

(K) Fire Flow Requirements: In the event the applicant for service has fire flow requirements that require additional facilities beyond those facilities whose costs were included in the off-site hook-up fee, and which are contemplated to be constructed using the proceeds of the off-site hook-up Fee, the Company may require the applicant to install such additional facilities as are required to meet those additional fire flow requirements, as a non-refundable contribution, in addition to the off-site hook-up fee.

(L) Status Reporting Requirements to the Commission: The Company shall submit a calendar year Off-Site Hook-Up Fee status report each January to Docket Control for the prior twelve (12) month period, beginning January 2015, until the hook-up fee tariff is no longer in effect. This status report shall contain a list of all customers that have paid the hook-up fee tariff, the amount each has paid, the physical location/address of the property in respect of which such fee was paid, the amount of money spent from the account, the amount of interest earned on the funds within the tariff account, and a list of all facilities that have been installed with the tariff funds during the 12 month period.

ISSUED BY:

Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

PART SIX
HOOK-UP FEE TARIFF

WASTEWATER HOOK-UP FEE

I. Purpose and Applicability

The purpose of the off-site facilities hook-up fees payable to Liberty Utilities (Litchfield Park Water & Sewer) Corp. – Wastewater Division (the “Company”) pursuant to this tariff is to equitably apportion the costs of constructing additional off-site facilities to provide wastewater treatment and disposal facilities among all new service laterals. These charges are applicable to all new service laterals undertaken via Collection Main Extension Agreements, or requests for service not requiring a Collection Main Extension Agreement, entered into after the effective date of this tariff. The charges are one-time charges and are payable as a condition to Company’s establishment of service, as more particularly provided below.

II. Definitions

Unless the context otherwise requires, the definitions set forth in R-14-2-601 of the Arizona Corporation Commission’s (“Commission”) rules and regulations governing sewer utilities shall apply interpreting this tariff schedule.

“Applicant” means any party entering into an agreement with Company for the installation of wastewater facilities to serve new service laterals, and may include Developers and/or Builders of new residential subdivisions, and industrial or commercial properties.

“Company” means Liberty Utilities (Litchfield Park Water & Service) Corp. – Wastewater Division.

“Collection Main Extension Agreement” means an agreement whereby an Applicant, Developer and/or Builder agrees to advance the costs of the installation of wastewater facilities necessary to serve new service laterals, or install wastewater facilities to serve new service laterals and transfer ownership of such wastewater facilities to the Company, which agreement does not require the approval of the Commission pursuant to A.A.C. R-14-2-606, and shall have the same meaning as “Wastewater Facilities Agreement.”

“Off-site Facilities” means the wastewater treatment plant, sludge disposal facilities, effluent disposal facilities and related appurtenances necessary for proper operation, including engineering and design costs. Offsite facilities may also include lift stations, force mains, transportation mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of the applicant and benefit the entire wastewater system.

“Service Lateral” means and includes all service laterals for single-family residential, commercial, industrial or other uses.

III. Wastewater Hook-up Fee

For each new residential service lateral, the Company shall collect a Hook-Up Fee of \$1,800 based on the Equivalent Residential Unit ("ERU") of 320 gallons per day. Commercial and industrial applicants shall pay based on the total ERUs of their development calculated by dividing the estimated total daily wastewater capacity usage needed for service using standard engineering standards and criteria by the ERU factor of 320 gallons per day. For "Active Adult" communities with demonstrated age-restricted zoning and/or CCRs providing for age-restricted living, the Hook-Up Fee shall be \$1,070, based on an ERU factor of 190 gallons per day.

IV. Terms and Conditions

(A) Assessment of One Time Off-Site Facilities Hook-up Fee: The off-site facilities hook-up fee may be assessed only once per parcel, service lateral, or lot within a subdivision (similar to a service lateral installation charge).

(B) Use of Off-Site Facilities Hook-up Fee: Off-site facilities hook-up fees may only be used to pay for capital items of Off-site Facilities, or for repayment of loans obtained to fund the cost of installation of off-site facilities. Off-site hook-up fees shall not be used to cover repairs, maintenance, or operational costs. The Company shall record amounts collected under the tariff as CIAC; however, such amounts shall not be deducted from rate base until such amounts have been expended for plant.

(C) Time of Payment:

(1) In the event that the person or entity that will be constructing improvements ("Applicant", "Developer" or "Builder") is otherwise required to enter into a Collection Main Extension Agreement, payment of the fees required hereunder shall be made by the Applicant, Developer or Builder within 15 days of execution of a Main Extension Agreement.

(2) In the event that the Applicant, Developer or Builder for service is not required to enter into a Collection Main Extension Agreement, the Hook-Up Fee charges hereunder shall be due and payable at the time wastewater service is requested for the property.

(D) Off-Site Facilities Construction by Developer: Company and Applicant, Developer, or Builder may agree to construction of off-site facilities necessary to serve a particular development by Applicant, Developer or Builder, which facilities are then conveyed to Company. In that event, Company shall credit the total cost of such off-site facilities as an offset to off-site hook-up fees due under this Tariff. If the total cost of the off-site facilities constructed by Applicant, Developer or Builder and conveyed to Company is less than the applicable off-site hook-up fees under this Tariff, Applicant, Developer or Builder shall pay the remaining amount of off-site hook-up fees owed hereunder. If the total cost of the off-site facilities contributed by Applicant, Developer or Builder and conveyed to Company is more than the applicable off-site hook-up fees under this Tariff, Developer or Builder shall be refunded the difference upon acceptance of the off-site facilities by the Company.

(E) Failure to Pay Charges; Delinquent Payments: The Company will not be obligated to make an advance commitment to provide or actually provide wastewater service to any Developer, Builder or other applicant for service in the event that the Developer, Builder or other applicant for service has not paid in full all charges hereunder. Under no circumstances will the Company connect service or otherwise allow service to be established if the entire amount of any payment has not been paid.

(F) Large Subdivision and/or Development Projects: In the event that the Applicant, Developer or Builder is engaged in the development of a residential subdivision and/or development containing more than 150 lots, the Company may, in its reasonable discretion, agree to payment of off-site hook-up fees in installments. Such installments may be based on the residential subdivision and/or development's phasing, and should attempt to equitably apportion the payment of charges hereunder based on the Applicant's, Developer's or Builder's construction schedule and water service requirements. In the alternative, the Applicant, Developer, or Builder shall post an irrevocable letter of credit in favor of the Company in a commercially reasonable form, which may be drawn by the Company consistent with the actual or planned construction and hook up schedule for the subdivision and/or development.

(G) Off-Site Hook-Up Fees Non-refundable: The amounts collected by the Company pursuant to the off-site facilities hook-up fee tariff shall be non-refundable contributions in aid of construction.

(H) Use of Off-Site Hook-Up Fees Received: All funds collected by the Company as off-site facilities hook-up fees shall be deposited into a separate account and bear interest and shall be used solely for the purposes of paying for the costs of installation of off-site facilities, including repayment of loans obtained for the installation of off-site facilities.

(I) Off-Site Facilities Hook-up Fee in Addition to On-site Facilities: The off-site facilities hook-up fee shall be in addition to any costs associated with the construction of on-site facilities under a Collection Main Extension Agreement.

(J) Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the off-site facilities hook-up fees, or if the off-site facilities hook-up fee has been terminated by order of the Arizona Corporation Commission, any funds remaining in the trust shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

(K) Status Reporting Requirements to the Commission: The Company shall submit a calendar year Off-Site Facilities Hook-Up Fee status report each January to Docket Control for the prior twelve (12) month period, beginning January 2015, until the hook-up fee tariff is no longer in effect. This status report shall contain a list of all customers that have paid the hook-up fee tariff, the amount each has paid, the physical location/address of the property in respect of which such fee was paid, the amount of money spent from the account, the amount of interest earned on the funds within the tariff account, and an itemization of all facilities that have been installed using the tariff funds during the 12 month period.