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Attorneys for Liberty Utilities (Litchfield Park Water & Sewer) Corp.

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF
LIBERTY UTILITIES (LITCHFIELD PARK
WATER & SEWER) CORP. FOR APPROVAL
OF AGREEMENT WITH THE CENTRAL
ARIZONA WATER CONSERVATION
DISTRICT AND EFFLUENT TARIFF.

DOCKET NO: SW-01428A-14-0369
W-01427A-14-0369

**SUPPLEMENTAL NOTICE OF
COMPLIANCE REGARDING
PROPOSED SPECIAL CONTRACT
TARIFF**

In accordance with Decision No. 74993 (March 16, 2015), Liberty Utilities (Litchfield Park Water & Sewer) Corp. hereby submits a revised version of the Special Effluent Recharge Tariff (attached as **Exhibit A**) for review and approval by Commission Staff. This version replaces that filed on May 14, 2015.

RESPECTFULLY SUBMITTED this 6th day of July, 2015.

SHAPIRO LAW FIRM, P.C.

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EXHIBIT A

SPECIAL EFFLUENT RECHARGE TARIFF

I. PURPOSE AND AVAILABILITY.

A. Effluent Recharge Project.

The Central Arizona Water Conservation District ("CAWCD") and Liberty Utilities (Litchfield Park Water & Sewer) Corp. – Wastewater Division ("Company") propose to construct an underground effluent storage facility to be located within Company's service area defined by its Certificate of Convenience and Necessity ("CC&N"), capable of recharging at least 5,000 acre-feet ("AF") of effluent annually ("Effluent Recharge Project").

B. Applicability of Tariff.

This tariff applies only to the sale and disposal of effluent to CAWCD pursuant to the Effluent Entitlement under the Effluent Recharge Project Agreement. This tariff does not apply to any other effluent sales by Company, which shall be governed by the Company's Effluent Sales Charge tariff approved by the Commission.

II. DEFINITIONS.

Unless the context otherwise requires, the definitions set forth in Rule R-14-2-601 of the Commission's rules and regulations governing sewer utilities shall apply in interpreting this tariff schedule.

"CAWCD" means the Central Arizona Water Conservation District, a multi-county water conversation district organized and existing under the laws of the State of Arizona.

"CAWCD Effluent Entitlement Rate" means the per AF charge applicable to sales of effluent to CAWCD under this tariff.

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

"CPI-U" means the Consumer Price Index—All Urban Customers.

"Effluent" means wastewater that is treated or reclaimed so that it is suitable for underground storage pursuant to A.R.S. Titles 45 and 49. Effluent includes treated wastewater that is produced now or in the future from PVWRF, including any future expansions thereof, and effluent produced at any other wastewater treatment plant that may be owned or controlled by Company.

"Effluent Entitlement" means the annual entitlement to 2,400 acre-feet of effluent for a period of 100 years to be granted to CAWCD by Company pursuant to the terms of the Effluent Recharge Project Agreement.

“Effluent Recharge Project” means the facility to be located within Company’s CC&N capable of recharging at least 5,000 acre-feet of effluent annually to be constructed pursuant to the Effluent Recharge Project Agreement between the Company and CAWCD.

“Effluent Recharge Project Agreement” means the Agreement for Development of Effluent Recharge Facility, Effluent Disposal and Purchase and Sale of Effluent between Company and CAWCD dated February 6, 2014.

“Effluent Sales Charge Tariff” means the per 1,000 gallon effluent sales charge contained in Company’s existing ACC-approved tariffs.

“PVWRF” means the Palm Valley Water Reclamation Facility located at 14222 W. McDowell in Goodyear, Arizona.

III. CAWCD EFFLUENT ENTITLEMENT RATE.¹

In Decision No. 74993, dated March 16, 2015, the Commission authorized Company to sell all or any excess amount of effluent to CAWCD at a rate not to exceed Company’s Commission authorized rate, currently set at \$430.00 per AF, unless approved to do so by the Commission.

Company is authorized to charge a per-AF delivery charge to reimburse Company for incremental costs incurred by Company in delivering and disposing of Effluent on behalf of CAWCD. The initial delivery charge shall be \$27.16/AF (expressed in 2014 values) which consists of \$19.16 per AF for power costs and \$8.00 per AF as a pipeline maintenance fee. The power cost component is subject to a yearly reconciliation based on actual power and pumping costs. The pipeline maintenance fee is not subject to reconciliation with actual costs, but is subject to yearly CPI-U adjustments. The delivery charge shall apply only to delivery of Effluent to the Effluent Recharge Project pursuant to the Effluent Recharge Project Agreement. Company shall bill CAWCD on a monthly basis. There is to be no incremental profit accruing to Company from this provision.

IV. TAXES AND ASSESSMENTS.

In addition to all other rates and charges authorized herein, Company shall collect from CAWCD 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).

¹ This rate is in addition to the minimum \$4.8 million paid by CAWCD to the Company for construction of the Effluent Recharge Project.