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**Effective:** November 1, 2016

**Issued By:**
Matthew Garlick, President
Liberty Utilities (Bella Vista Water) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392
Decision No. XXXXX

**APPROVED FOR FILING**

**Decision #: 75809**
Applies to all service areas

PART ONE

STATEMENT OF CHARGES

I. RATES

In Decision No. ______, issued ________, the Commission approved the following rates and charges effective November 1, 2016:

A. Monthly Usage Charges

<table>
<thead>
<tr>
<th>Meter Size (All Classes)</th>
<th>Charge¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; x 3/4&quot; Meter</td>
<td>$ 16.89</td>
</tr>
<tr>
<td>3/4&quot; Meter</td>
<td>25.34</td>
</tr>
<tr>
<td>1&quot; Meter</td>
<td>42.23</td>
</tr>
<tr>
<td>1 1/2&quot; Meter</td>
<td>84.45</td>
</tr>
<tr>
<td>2&quot; Meter</td>
<td>135.12</td>
</tr>
<tr>
<td>3&quot; Meter</td>
<td>270.24</td>
</tr>
<tr>
<td>4&quot; Meter</td>
<td>422.25</td>
</tr>
<tr>
<td>6&quot; Meter</td>
<td>844.50</td>
</tr>
<tr>
<td>8&quot; Meter</td>
<td>1,351.20</td>
</tr>
<tr>
<td>10&quot; Meter</td>
<td>1,942.35</td>
</tr>
<tr>
<td>12&quot; Meter</td>
<td>3,631.35</td>
</tr>
<tr>
<td>Fire Lines up to 8 inch (R14-2-408.B)</td>
<td>Per Rule*</td>
</tr>
<tr>
<td>Fire Lines 10 inch (R14-2-408.B)</td>
<td>Per Rule*</td>
</tr>
<tr>
<td>Fire Lines 12 inch (R14-2-408.B)</td>
<td>Per Rule*</td>
</tr>
</tbody>
</table>

* Note 1: 2% of the equivalent monthly meter size or $10 whichever is greater for all meter sizes.

¹ Low Income Tariff – A 15% discount is available on monthly minimum and commodity charges to qualified residential customers meeting the low income qualifications.

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PART ONE

STATEMENT OF CHARGES

B. Commodity Rates

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

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Consumption</th>
<th>Charge²</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; x 3/4&quot; Meter – Residential</td>
<td>0 to 4,000 gallons</td>
<td>$1.84</td>
</tr>
<tr>
<td></td>
<td>4,001 to 10,000 gallons</td>
<td>2.84</td>
</tr>
<tr>
<td></td>
<td>Over 10,000 gallons</td>
<td>3.59</td>
</tr>
<tr>
<td>5/8&quot; x 3/4&quot; Meter – Commercial</td>
<td>0 to 4,000 gallons</td>
<td>2.84</td>
</tr>
<tr>
<td></td>
<td>Over 4,000 gallons</td>
<td>3.59</td>
</tr>
<tr>
<td>3/4&quot; Meter – Residential</td>
<td>0 to 4,000 gallons</td>
<td>1.84</td>
</tr>
<tr>
<td></td>
<td>4,001 to 10,000 gallons</td>
<td>2.84</td>
</tr>
<tr>
<td></td>
<td>Over 10,000 gallons</td>
<td>3.59</td>
</tr>
<tr>
<td>3/4&quot; Meter – Commercial</td>
<td>0 to 4,000 gallons</td>
<td>2.84</td>
</tr>
<tr>
<td></td>
<td>Over 4,000 gallons</td>
<td>3.59</td>
</tr>
<tr>
<td>1&quot; Meter – All Classes (except standpipe)</td>
<td>0 to 10,000 gallons</td>
<td>2.84</td>
</tr>
<tr>
<td></td>
<td>Over 10,000 gallons</td>
<td>3.59</td>
</tr>
<tr>
<td>1 1/2&quot; Meter – All Classes (except standpipe)</td>
<td>0 to 26,000 gallons</td>
<td>2.84</td>
</tr>
<tr>
<td></td>
<td>Over 26,000 gallons</td>
<td>3.59</td>
</tr>
<tr>
<td>2&quot; Meter – All Classes (except standpipe)</td>
<td>0 to 45,000 gallons</td>
<td>2.84</td>
</tr>
<tr>
<td></td>
<td>Over 45,000 gallons</td>
<td>3.59</td>
</tr>
<tr>
<td>3&quot; Meter – All Classes (except standpipe)</td>
<td>0 to 98,000 gallons</td>
<td>2.84</td>
</tr>
<tr>
<td></td>
<td>Over 98,000 gallons</td>
<td>3.59</td>
</tr>
</tbody>
</table>

² Low income Tariff – A 15% discount is available on monthly minimum and commodity charges to qualified residential customers meeting the low income qualifications.

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PART ONE

STATEMENT OF CHARGES

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Consumption</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>4” Meter – All Classes (except standpipe)</td>
<td>0 to 158,000 gallons</td>
<td>$2.84</td>
</tr>
<tr>
<td></td>
<td>Over 158,000 gallons</td>
<td>3.59</td>
</tr>
<tr>
<td>6” Meter – All Classes (except standpipe)</td>
<td>0 to 327,000 gallons</td>
<td>2.84</td>
</tr>
<tr>
<td></td>
<td>Over 327,000 gallons</td>
<td>3.59</td>
</tr>
<tr>
<td>8” Meter – All Classes (except standpipe)</td>
<td>0 to 584,000 gallons</td>
<td>2.84</td>
</tr>
<tr>
<td></td>
<td>Over 584,000 gallons</td>
<td>3.59</td>
</tr>
<tr>
<td>10” Meter – All Classes (except standpipe)</td>
<td>0 to 870,000 gallons</td>
<td>2.84</td>
</tr>
<tr>
<td></td>
<td>Over 870,000 gallons</td>
<td>3.59</td>
</tr>
<tr>
<td>12” Meter – All Classes (except standpipe)</td>
<td>0 to 1,500,000 gallons</td>
<td>2.84</td>
</tr>
<tr>
<td></td>
<td>Over 1,500,000 gallons</td>
<td>3.59</td>
</tr>
<tr>
<td>Standpipe (hydrant, bulk)</td>
<td>All gallons</td>
<td>3.59</td>
</tr>
</tbody>
</table>

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PART ONE

STATEMENT OF CHARGES

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

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Service Line</th>
<th>Meter</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 x 3/4&quot; Meter</td>
<td>At Cost</td>
<td>At Cost</td>
<td>At Cost</td>
</tr>
<tr>
<td>3/4&quot; Meter</td>
<td>At Cost</td>
<td>At Cost</td>
<td>At Cost</td>
</tr>
<tr>
<td>1&quot; Meter</td>
<td>At Cost</td>
<td>At Cost</td>
<td>At Cost</td>
</tr>
<tr>
<td>1 1/2&quot; Meter</td>
<td>At Cost</td>
<td>At Cost</td>
<td>At Cost</td>
</tr>
<tr>
<td>2&quot; Meter/Turbine</td>
<td>At Cost</td>
<td>At Cost</td>
<td>At Cost</td>
</tr>
<tr>
<td>2&quot; Meter/Compound</td>
<td>At Cost</td>
<td>At Cost</td>
<td>At Cost</td>
</tr>
<tr>
<td>3&quot; Meter/Turbine</td>
<td>At Cost</td>
<td>At Cost</td>
<td>At Cost</td>
</tr>
<tr>
<td>3&quot; Meter/Compound</td>
<td>At Cost</td>
<td>At Cost</td>
<td>At Cost</td>
</tr>
<tr>
<td>4&quot; Meter/Turbine</td>
<td>At Cost</td>
<td>At Cost</td>
<td>At Cost</td>
</tr>
<tr>
<td>4&quot; Meter/Compound</td>
<td>At Cost</td>
<td>At Cost</td>
<td>At Cost</td>
</tr>
<tr>
<td>6&quot; Meter/Turbine</td>
<td>At Cost</td>
<td>At Cost</td>
<td>At Cost</td>
</tr>
<tr>
<td>6&quot; Meter/Compound</td>
<td>At Cost</td>
<td>At Cost</td>
<td>At Cost</td>
</tr>
<tr>
<td>8&quot; Meter &amp; Larger</td>
<td>At Cost</td>
<td>At Cost</td>
<td>At Cost</td>
</tr>
</tbody>
</table>

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12725 W. Indian School Road, Suite D-101
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DECISION #: 75809
Applies to all service areas

PART ONE

STATEMENT OF CHARGES

D. Service Charges

<table>
<thead>
<tr>
<th>Service</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishment</td>
<td>$25.00</td>
</tr>
<tr>
<td>Re-Establishment (within 12 months)</td>
<td>(a)</td>
</tr>
<tr>
<td>Re-Connection (Delinquent)</td>
<td>$20.00</td>
</tr>
<tr>
<td>Meter Test (if correct)</td>
<td>30.00</td>
</tr>
<tr>
<td>Meter Re-Read (if correct)</td>
<td>20.00</td>
</tr>
<tr>
<td>Deposit</td>
<td>(c)</td>
</tr>
<tr>
<td>Deposit Interest</td>
<td>6.00% (c)</td>
</tr>
<tr>
<td>NSF Check</td>
<td>$10.00</td>
</tr>
<tr>
<td>Late Payment Penalty</td>
<td>1.5% per month</td>
</tr>
<tr>
<td>Deferred Payment (A.A.C. R14-2-409.G)</td>
<td>1.5% per month</td>
</tr>
<tr>
<td>After Hours Service Charge (d)</td>
<td>$50.00</td>
</tr>
<tr>
<td>Moving meter at customer request (A.A.C. R14-2-405.B)</td>
<td>At Cost</td>
</tr>
<tr>
<td>Off-site Facilities Hook-Up Fee</td>
<td>Per Hook-Up Fee Tariff</td>
</tr>
</tbody>
</table>

(a) Minimum charge times number of full months off the system per A.A.C. R14-2-403(D).

(b) Intentionally left blank.

(c) Per Commission Rule A.A.C. R14-2-403(B):
   Residential - two times the average bill.
   Commercial - two and one-half times the average bill.

(d) At customer's request. No charge for service during normal working hours.

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PART ONE

STATEMENT OF CHARGES

II. TAXES AND ASSESSMENTS

In addition to the collection of regular rates, the Company will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax, per Commission Rule 14-2-409(D)(5).
Applies to all service areas
PART TWO
STATEMENT OF TERMS AND CONDITIONS

I. 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.

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PART TWO

STATEMENT OF TERMS AND CONDITIONS

II. 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.

III. 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's procedures, unless specific Commission Order(s) provide otherwise.

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PART THREE
CROSS-CONNECTION OR BACKFLOW TARIFF

PURPOSE:

The purpose of this tariff is to protect Liberty Utilities (Bella Vista Water) Corp. ("Company") from the possibility of contamination caused by the backflow of contaminates 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 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 install a backflow-prevention assembly if A.A.C. R18-4-215.B or C applies.

2. Any 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 provision 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 may 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 she or he cannot install the device within thirty (30) days, the Company or Commission Staff may suspend this requirement for a reasonable period of time.

5. Testing shall be in conformance with the requirement 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. The Company may also require the customer to pay for repairs to a backflow-prevention assembly.

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Applies to all service areas

PART THREE
CROSS-CONNECTION OR BACKFLOW TARIFF

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; and
   e. the tester’s name and certification number.

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 before service is restored.

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 or 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.
Applies to all service areas

PART FOUR

CURTAILMENT PLAN FOR

LIBERTY UTILITIES (BELLA VISTA WATER) CORP.

Bella Vista City
ADEQ Public Water System Number: 02-010

Bella Vista South
ADEQ Public Water System Number: 02-007

Northern Sunrise (Coronado/Sierra Sunset)
ADEQ Public Water System Number: 02-013

Northern Sunrise (Mustang/Crystal)
ADEQ Public Water System Number: 02-054

Southern Sunrise (Cochise)
ADEQ Public Water System Number: 02-011

Southern Sunrise (Miracle Valley)
ADEQ Public Water System Number: 02-023

Liberty Utilities (Bella Vista Water) Corp. ("Company") is authorized to curtail water service to all customers within its certified area under the terms and conditions listed in this tariff.

This curtailment plan shall become part of the Arizona Department of Environmental Quality Emergency Operations Plan for the Company.

The Company shall notify its customers of this new tariff as part of its next regularly scheduled billing after the effective date of the tariff or no later than sixty (60) days after the effective date of the tariff.

The Company shall provide a copy of the curtailment tariff to any customer, upon request.

Stage 1 Exists When:

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

Restrictions: Under Stage 1, the 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 capacity for at least 48 consecutive hours, and

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PART FOUR
CURTAILMENT PLAN FOR
LIBERTY UTILITIES (BELLA VISTA WATER) CORP.

b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

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.

Stage 3 Exists When:

a. Company’s total water storage or well production has been less than 50 percent of capacity 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, or poor water production, 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. Standpipe service shall be suspended.

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, the 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 major subdivisions served by the Company.

3. The Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 3.
Applies to all service areas

PART FOUR

CURTAILMENT PLAN FOR

LIBERTY UTILITIES (BELLA VISTA WATER) CORP.

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 3 until a permanent solution has been implemented.

Stage 4 Exists When:

a. Company’s total water storage or well production has been less than 25 percent of capacity 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, or poor water production, 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 employ 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
- The use of construction water is prohibited
- Restaurant patrons shall be served water only upon request
- Any other water intensive activity is prohibited

The Company’s operation of its standpipe service is prohibited. The addition of new service lines and meter installations 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 major subdivisions 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: October 31, 2016

Matthew Garlick, President
Liberty Utilities (Bella Vista Water) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85322
Decision No. XXXXX

Effective: November 1, 2016

APPROVED FOR FILING

DECISION #: 15809
Applies to all service areas

PART FOUR
CURTAILMENT PLAN FOR
LIBERTY UTILITIES (BELLA VISTA WATER) CORP.

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 or must otherwise provide emergency drinking water for its customers until a permanent solution has been implemented.

Customers who fail to comply with 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.

Issued: October 31, 2016

Matthew Garlick, President
Liberty Utilities (Bella Vista Water) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392
Decision No. XXXXX

Effective: November 1, 2016

APPROVED FOR FILING
DECISION #: 75809
APPLIES TO ALL SERVICE AREAS

PART FIVE

HOOK UP FEES

LIBERTY UTILITIES (BELLA VISTA WATER) CORP.
WATER HOOK-UP FEE TARIFF

I. Purpose and Applicability

The purpose of the off-site hook-up fees payable to Liberty Utilities (Bella Vista Water) Corp. ("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 non-residential properties.

"Company" means Liberty Utilities (Bella Vista Water) Corp.

"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 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. Offsite 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.

Issued: October 31, 2016

Matthew Garlick, President
Liberty Utilities (Bella Vista Water) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85322
Decision No. XXXXX

Effective: November 1, 2016

APPROVED FOR FILING
DECISION #: 75809
Applies to all service areas

PART FIVE

HOOK UP FEES

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:

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Size Factor</th>
<th>Total Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; x 3/4&quot;</td>
<td>1</td>
<td>$1,600</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>1.5</td>
<td>$2,400</td>
</tr>
<tr>
<td>1&quot;</td>
<td>2.5</td>
<td>$4,000</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>5</td>
<td>$8,000</td>
</tr>
<tr>
<td>2&quot;</td>
<td>8</td>
<td>$12,800</td>
</tr>
<tr>
<td>3&quot;</td>
<td>16</td>
<td>$25,600</td>
</tr>
<tr>
<td>4&quot;</td>
<td>25</td>
<td>$40,000</td>
</tr>
<tr>
<td>6&quot; or larger</td>
<td>50</td>
<td>$80,000</td>
</tr>
</tbody>
</table>

IV. Terms and Conditions

(A) Assessment of One Time Off-Site Hook-up Fee: The off-site facilities hook-up fee may be assessed only once per parcel, service connection, or lot within a subdivision. If a development or subdivision is upsized by Applicant, Builder and/or Developer after assessment of Hook-Up fee by Company, Company may charge additional hook-up fees for such upsizing or expansion by Applicant based on the fee table above.

(B) Use of Off-Site Facilities Hook-up Fee: The 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 this 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...
Applies to all service areas

PART FIVE

HOOK UP FEES

2) 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), or as otherwise mutually agreement between Applicant and Company.

3) 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 Projects: In the event that the Applicant, Developer or Builder is engaged in the development of a residential subdivision containing more than 150 lots, the Company may, in its discretion, agree to payment of off-site hook-up fees in installments. Such installments may be based on the residential subdivision 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.

(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 (“CIAC”).

(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 unaffiliated third-party interest bearing bank 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.

Issued: October 31, 2016

Effective: November 1, 2016

Matthew Garlick, President
Liberty Utilities (Bella Vista Water) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392
Decision No. XXXXX

APPROVED FOR FILING
DECISION #: 753609
Applies to all service areas

PART FIVE

HOOK UP FEES

(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 unaffiliated third-party interest bearing bank account 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 2017, 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 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.

Issued: October 31, 2016

ISSUED BY:

Matthew Garlick, President
Liberty Utilities (Bella Vista Water) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392
Decision No. XXXXXX

Effective: November 1, 2016

APPROVED FOR FILING

DECISION #: 75809
APPLICABILITY

Applicable to all customers of the Company not participating in the Alternate Rates for Water (ARW) program, through which residential water service for domestic use is rendered to low income households where the customer meets all the ARW program qualifications and special conditions of the ARW rate schedule.

TERRITORY

Within all customer service areas served by the Company.

RATES

A surcharge of $0.03 will be applied each month to the bills of non-participating customers for recovery of the costs (discounts, direct costs, and carrying charges) associated with the ARW program. The surcharge is the amount resulting from dividing the total program costs by the number of bills issued to non-participating customers in the past 12-month tracking period.
APPLICABILITY

Applicable to all customers of the Company not participating in the Alternate Rates for Water and Wastewater (ARWW) program, through which residential water and wastewater service for domestic use is rendered to low income households where the customer meets all the ARWW program qualifications and special conditions of the ARWW rate schedule.

TERRITORY

Within all customer service areas served by the Company.

RATES

Water Division

A surcharge of $0.25 will be applied each month to the bills of non-participating water division customers for recovery of the costs (discounts, direct costs, and carrying charges) associated with the ARWW program. The surcharge is the amount resulting from dividing the total program costs by the number of bills issued to non-participating water division customers in the past 12-month tracking period.

Wastewater Division

A surcharge of $0.70 will be applied each month to the bills of non-participating wastewater division customers for recovery of the costs (discounts, direct costs, and carrying charges) associated with the ARWW program. The surcharge is the amount resulting from dividing the total program costs by the number of bills issued to non-participating wastewater division customers in the past 12-month tracking period.

Issued: January 31, 2019
Effective: February 1, 2019

ISSUED BY:

Matthew Garlick, President
Liberty Utilities (Rio Rico Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392
Decision No. 75809 (November 21, 2016)
APPLICABILITY

Applicable to residential water 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 (Bella Vista Water) Corp. ("Liberty Bella Vista" or "Company").

RATES

Fifteen percent (15%) discount applied to the regular filed tariff.

PROGRAM QUALIFICATIONS

1. Liberty Bella Vista 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 Bella Vista within thirty (30) days if you become ineligible for ARW.
7. Your total gross annual income of all persons living in your household cannot exceed the income levels below:

Issued: October 31, 2016

Effective: November 1, 2016

Matthew Garlick, President
Liberty Utilities (Bella Vista Water) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85329
Decision No. XXXXX

APPROVED FOR FILING

DECISION #: 25309
**APPLIES TO ALL SERVICE AREAS**

**PART SIX**

**ALTERNATE RATES FOR WATER (ARW)**

**DOMESTIC SERVICE – SINGLE FAMILY ACCOMMODATION**

**Effective: January 25, 2016**

<table>
<thead>
<tr>
<th>No. of Person in Household</th>
<th>Total Gross Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$17,820</td>
</tr>
<tr>
<td>2</td>
<td>24,030</td>
</tr>
<tr>
<td>3</td>
<td>30,240</td>
</tr>
<tr>
<td>4</td>
<td>36,450</td>
</tr>
<tr>
<td>5</td>
<td>42,660</td>
</tr>
<tr>
<td>6</td>
<td>48,870</td>
</tr>
</tbody>
</table>

For each additional person residing in the household, add $6,240

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

**Issued: October 31, 2016**

**ISSUED BY:**

Matthew Garlick, President
Liberty Utilities (Bella Vista Water) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392
Decision No. XXXX

**Effective: November 1, 2016**

**APPROVED FOR FILING**

**DECISION #: 75809**
Applies to all service areas
PART SIX
ALTERNATE RATES FOR WATER
DOMESTIC SERVICE – SINGLE FAMILY ACCOMMODATION

SPECIAL CONDITIONS

1. Application and Eligibility Declaration: An application and eligibility declaration 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 ARW 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 Bella Vista.

4. Verification: Information provided by the applicant is subject to verification by Liberty Bella Vista. Refusal or failure of a customer to provide documentation of eligibility acceptable to Liberty Bella Vista, upon request by Liberty Bella Vista, shall result in removal from this rate schedule.

5. Notice from Customer: It is the customer's responsibility to notify Liberty Bella Vista 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 (15%) can be passed through to eligible customer(s).

8. Participation Cap: The ARW program is limited to 2,400 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: October 31, 2016

Effective: November 1, 2016

Matthew Garlick, President
Liberty Utilities (Bella Vista Water) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392
Decision No. XXXXXX

APPROVED FOR FILING
DECISION #: 75809
Applies to all service areas

PART SIX

ALTERNATE RATES FOR WATER
DOMESTIC SERVICE – SINGLE FAMILY ACCOMMODATION

RECOVERY OF COST OF LOW INCOME TARIFF AND CUSTOMER SURCHARGE

Under the terms of Company’s Alternate Rates for Water (ARW) Domestic Service, qualifying low-income customers receive a 15 percent discount applied to the Company’s regular filed tariff rates for water service. The cost of the ARW tariff shall be recovered by Company from a monthly low income tariff surcharge on all residential and non-residential water customers who are not participating in the ARW program. Specifically, Company is entitled to seek recovery of direct costs (i.e., those costs directly associated with the program, and would not be incurred in the absence of the program). Company shall account for those direct costs separately from other operating costs.

Company shall be entitled to implement a monthly low income tariff surcharge on non-participating residential and non-residential water customers as follows.

- For customers participating in ARW, the Company shall maintain a separate balancing account for water customers detailing the beginning and ending balance of the cumulative unrecovered program costs each month.

- Company’s authorized rate of return shall be applied monthly to the average of the beginning balance of the cumulative unrecovered program costs for water service and included in the beginning balances for the following month.

- Using the separate balancing account for water customers, Company shall calculate a monthly surcharge for water customers. The water surcharge shall be calculated as follows:

  (Ending Balance for Low-Income Tariff Balancing Account including amortized carrying costs during recovery period/ Active water and wastewater connections at year end)/12

- The ending balance in the balancing account shall equal the beginning balancing plus discounts allowed on bills for the twelve month tracking period, plus direct program costs incurred in the twelve month period plus carrying charges less surcharge fees billed in the twelve month tracking period.

- Company shall implement a monthly water surcharge for the ARW program for each twelve month period of the ARW Program. Company shall calculate the monthly water surcharge each year based on the active number of water connections as of December 31 of the prior year. Company shall file notice of the water surcharge, along with a report on the ARW Program, with the Arizona Corporation Commission on or before January 31 and the surcharges shall be implemented on customer bills in February of each year with the recovery period ending in January of the following year.

Issued: October 31, 2016

Matthew Garlick, President
Liberty Utilities (Bella Vista Water) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392
Decision No. XXXXXX

Effective: November 1, 2016

APPROVED FOR FILING

DECISION #: T5 829
Application for Alternate Rates for Water (ARW)

To qualify for Liberty Bella Vista ARW please check (✓) all that apply:

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

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Total Gross Annual Income from All Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$17,820</td>
</tr>
<tr>
<td>2</td>
<td>$24,030</td>
</tr>
<tr>
<td>3</td>
<td>$30,240</td>
</tr>
<tr>
<td>4</td>
<td>$36,450</td>
</tr>
<tr>
<td>5</td>
<td>$42,660</td>
</tr>
<tr>
<td>6</td>
<td>$48,870</td>
</tr>
</tbody>
</table>

For each additional person residing in the household, add $6,240.

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 local 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 Bella Vista statement.

<table>
<thead>
<tr>
<th>PLEASE PRINT LEGIBLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberty Bella Vista Account Number (As shown on statement)</td>
</tr>
<tr>
<td>Total No. of persons living in household:</td>
</tr>
<tr>
<td>Household's Total Gross Annual Income: $</td>
</tr>
<tr>
<td>Contact Phone Number</td>
</tr>
<tr>
<td>Name as shown on Liberty Bella Vista statement</td>
</tr>
<tr>
<td>Liberty Bella Vista Service Address</td>
</tr>
<tr>
<td>City State Zip Code</td>
</tr>
</tbody>
</table>

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 Bella Vista 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 __________

Issued: October 31, 2016

ISUED BY:

Matthew Garlick, President
Liberty Utilities (Bella Vista Water) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392
Decision No. XXXXXX

Effective: November 1, 2016

APPROVED FOR FILING

DECISION #: 75809
LIBERTY UTILITIES (BELLA VISTA WATER) CORP.

Note: An Application for ARW 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: October 31, 2016

ISSUED BY:
Matthew Garlick, President
Liberty Utilities (Bella Vista Water) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85322
Decision No. XXXXX

Effective: November 1, 2016

APPROVED FOR FILING
DECISION #: 75809
**Declaration of Eligibility**
Alternate Rates for Water (ARW)

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

<table>
<thead>
<tr>
<th>PLEASE PRINT LEGIBLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name as shown on Liberty Utilities (Bella Vista Water) Corp. statement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liberty Bella Vista Account Number (As shown on statement)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liberty Bella Vista Service Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
</tr>
<tr>
<td>------</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contact Phone Number</th>
<th>Work Phone Number</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>I,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Name (Please Print)</td>
</tr>
<tr>
<td>--------------------------</td>
</tr>
</tbody>
</table>

Last submitted an Application for Alternative Rates (ARW) 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 Bella Vista 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 ARW must be submitted every two years. A Declaration of Eligibility must be submitted annually for verification.

Issued: October 31, 2016

**ISSUED BY:**

Matthew Garlick, President
Liberty Utilities (Bella Vista Water) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85322
Decision No. XXXXX

Effective: November 1, 2016

**APPROVED FOR FILING**

**DECISION #: 75609**
Liberty Utilities (Bella Vista Water) Corp. Alternate Rates for Water (ARW)

Applicability
Applicable to residential water 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 (Bella Vista Water) Corp.

Discount
Fifteen percent (15%) 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 Bella Vista 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 W-2 form from prior year; or 3) copy of welfare/food stamps card.
- You must notify Liberty Bella Vista within thirty (30) days if you become ineligible for ARW.
- 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 ARW Application completely. Incomplete information will delay your discount. You must reapply every two (2) years.
- You must recertify your enrollment in the ARW 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 W-2 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 Bella Vista.
- Documentation of your gross annual income must be provided to Liberty Bella Vista for verification of eligibility for ARW. Refusal or failure to provide documentation of acceptable eligibility to Liberty Bella Vista shall result in removal from this rate schedule.
- It is the customer's responsibility to notify Liberty Bella Vista 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 (13%) can be passed through to eligible customer(s).
- The ARW program is limited to 2,400 customers.

How to Submit Completed ARW Application and/or Declaration of Eligibility
Mail, Fax or Email your ARW Application and Declaration of Eligibility to:
Liberty Utilities (Bella Vista Water) Corp.
4055 Campus Drive
Sierra Vista, AZ 85635
Fax: 520-469-6680
Email: customerservicessierravista@libertyutilities.com

Issued: October 31, 2016
Effective: November 1, 2016

Matthew Garlick, President
Liberty Utilities (Bella Vista Water) Corp.
12725 W. Indian School Road, Suite E-101
Avondale, AZ 85392
Decision No. XXXXXX

APPROVED FOR FILING
DEcision #: 75809
APPLIES TO ALL SERVICE AREAS

PART SEVEN

PLAN OF ADMINISTRATION FOR PURCHASED POWER ADJUSTMENT MECHANISM

I. GENERAL DESCRIPTION.

This document is the Plan of Administration ("POA") for the Purchased Power Adjustment Mechanism ("PPAM") for Liberty Utilities (Bella Vista Water) Corp. ("Liberty Bella Vista" or "Company") approved by the Arizona Corporation Commission ("Commission") in Decision No. 75809 on November 21, 2016. The PPAM allows Liberty Bella Vista to pass through to its customers the increase or decrease in purchased power costs that result from a rate change for any Commission-regulated electric service provider supplying retail electric service to the Company.

II. PPAM RELATED FILINGS.

A. Within 60 days of the effective date of a Commission Decision authorizing a rate change in the approved tariffs for any Commission-regulated electric service provider supplying retail electric service to the Company, the Company shall file with Docket Control an analysis of the actual impact on the energy portion of the Company's electric service costs.

B. The Company will provide the Commission with spreadsheets detailing exactly how the Company's purchased power expenses were calculated in the time period prior to a change in the rate that the Company must pay for purchased power. These calculations will include basic service charges and rate and volume figures. That is, the Company will break down its total purchased power bill into the amount due to fixed fees, volume of electricity used, and the rates paid per unit of electricity. For the period following the rate change, the Company will provide the same information, then compare the two periods, isolating any change in purchased power cost that is due exclusively to a rate change. The specific intent is to show exactly how much of any increase or decrease is due to changes in rates beyond the Company's control and how much is due to a change in the amount of power that the Company consumes. The Company will only recover increases or refund decreases that are due to changes in rates.

C. All revised schedules filed with the Commission pursuant to the provisions of this PPAM will be accompanied by documentation prepared by the Company in a format approved by Utilities Division Staff of the Commission and will contain sufficient detail to enable the Commission to verify accuracy of the Company's calculations.

D. The surcharges will not become effective until approved by the Commission.

E. The Company will file annually with the Commission a report detailing the Company's purchased power costs and any conservation or power-shifting measures employed by the Company.

F. The Company shall provide notice (in a form acceptable to Staff) of the rate increases to customers with the bill where the rate increase first appears.

Issued: February 9, 2017

Effective: November 1, 2016

Matthew Garlick, President
Liberty Utilities (Bella Vista Water) Corp
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85322

Decision No. 75809 (November 21, 2016)
Applies to all service areas

PART SEVEN

PLAN OF ADMINISTRATION FOR
PURCHASED POWER ADJUSTMENT MECHANISM

III. APPLICATION TO WATER CUSTOMERS.

A. The increase or decrease in purchased power costs that are due to changes in rates at the Company's water facilities will be allocated on a per capita basis.

B. See the following example:

<table>
<thead>
<tr>
<th>Test Year</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased Power Rate</td>
<td>$0.0800</td>
</tr>
<tr>
<td>Kilowatt Hours Used</td>
<td>1,250,000</td>
</tr>
<tr>
<td>Purchased Power Expense</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Year</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Purchased Power Rate</td>
<td>$0.1000</td>
</tr>
<tr>
<td>Kilowatt Hours Used</td>
<td>1,250,000</td>
</tr>
<tr>
<td>Purchased Power Expense</td>
<td>$125,000</td>
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<table>
<thead>
<tr>
<th>Pass Through Calculation</th>
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<td>Current Year Purchased Power Expense</td>
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</tr>
<tr>
<td>Test Year Purchased Power Expense</td>
<td>$100,000</td>
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<tr>
<td>Increase in Purchased Power Expense Due to Rate Increase</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PPAM Charge on Sample Customer Bill</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Increase in Purchased Power Expense Due to Rate Increase</td>
<td>$25,000</td>
</tr>
<tr>
<td>Number of Water Customers</td>
<td>20,000</td>
</tr>
<tr>
<td>PPAM Charge on Sample Customer Bill</td>
<td>$1.25</td>
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</table>