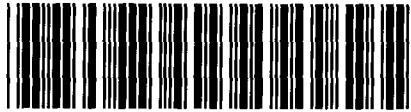


Control Number: 46256



Item Number: 1290

Addendum StartPage: 0

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2016 DEC 21 PM 12:31

APPLICATION OF LIBERTY §
 UTILITIES (WOODMARK SEWER) §
 CORP. AND LIBERTY UTILITIES §
 (TALL TIMBERS SEWER) CORP. TO §
 CHANGE RATES FOR SEWER §
 SERVICES IN SMITH COUNTY, TEXAS §


PUBLIC UTILITY COMMISSION
 OF TEXAS
 FILING CLERK

LIBERTY'S PROOF OF NOTICE BY AFFIDAVIT—INITIAL NOTICE

Come now, Liberty Utilities (Tall Timbers Sewer) Corp. and Liberty Utilities (Woodmark Sewer) Corp. ("Applicants") and file their Proof of Notice by Affidavit—Initial Notice and state as follows.

Under P.U.C. Subst. R. 24.22(d) notice to customers of an application to change rates pursuant to Texas Water Code § 13.1871 shall be by mail, email, or hand delivery. On September 6, 2016 Applicants mailed notice to all affected customers. A copy of the Affidavit of Provision of Notice verifying the mailing of the notices to customers is attached hereto as **Exhibit A**.

Respectfully submitted,

By: 

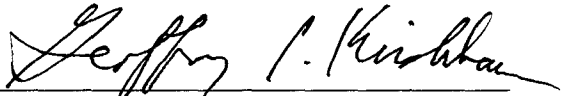
Geoffrey P. Kirshbaum
 State Bar No. 24029665
 TERRILL & WALDROP
 810 West 10th Street
 Austin, Texas 78701
 Tel: (512) 474-9100
 Fax: (512) 474-9888
 gkirshbaum@terriillwaldrop.com

**ATTORNEYS FOR LIBERTY UTILITIES
 (TALL TIMBERS SEWER) CORP. AND
 LIBERTY UTILITIES (WOODMARK SEWER)
 CORP.**

1290

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on December 21, 2016 in accordance with P.U.C. Procedural Rule 22.74.



Geoffrey P. Kirshbaum

AFFIDAVIT

STATE OF ARIZONA

COUNTY OF MARICOPA

I, Todd Wiley being duly sworn, file this **NOTICE OF PROPOSED RATE CHANGE** as Secretary and Treasurer- Liberty Utilities (Tall Timbers Sewer) Corp. and Liberty Utilities (Woodmark Sewer) Corp.

(indicate relationship to Utility, that is, owner, member of partnership, title as officer of corporation, or other authorized representative of Utility); that, in such capacity, I am qualified and authorized to file and verify such NOTICE; and that all statements made and matters set forth herein are true and correct.

I further represent that a copy of the attached NOTICE was provided by _____ first-class mail

to each customer or other affected party on or about September 7, 20 16 (method of delivery)

Todd Wiley

AFFIANT

(Utility's Authorized Representative)

Liberty Utilities (Tall Timbers Sewer) Corp. and
Liberty Utilities (Woodmark Sewer) Corp.

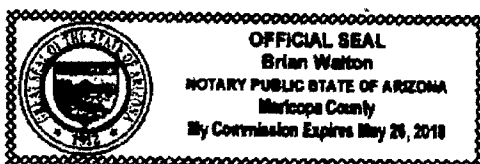
NAME OF UTILITY

If the Affiant to this form is any person other than the sole owner, partner, officer of the Utility, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME,

this the 19th day of DECEMBER, 20 16, to certify
which witness my hand and seal of office.

SEAL



Brian Walton

NOTARY PUBLIC IN AND FOR THE
STATE OF ARIZONA

BRIAN WALTON
PRINT OR TYPE NAME OF NOTARY

05-26-18
MY COMMISSION EXPIRES

P.U.C. DOCKET NO. 46256

NOTICE OF PROPOSED RATE CHANGE PURSUANT TO TEX. WATER CODE § 13.1871

Liberty Utilities (Woodmark Sewer) Corp.
and Liberty Utilities (Tall Timbers Sewer) Corp.
("Liberty Utilities")

CCN No. 20679
CCN No. 20694

Company Name

CCN Number(s)

have filed a rate change application with the Public Utility Commission of Texas (Commission or PUC). The application may be reviewed online at interchange.puc.texas.gov. You may also inspect a copy of the rate change application at your utility's office at the address below or at the Commission's office (1701 N. Congress Ave, Austin, TX 78701). The proposed rates will apply to service received after the effective date provided below, unless modified or suspended by the Commission. If the Commission receives a sufficient number of protests, separately or in a combined protest letter, from at least 10 percent of the utility's customers (over whose rates the Commission has original jurisdiction) or from any affected municipality before the 91st day after the proposed effective date, the matter will be set for hearing. **See the Protest Form on the last page of this notice for instructions on how to protest.**

Liberty Utilities is proposing to increase revenues in two Phases based on combined revenue requirements for the two affected systems. The first Phase increase for wastewater service (\$1,038,363) would be implemented after the effective date shown below for Phase 1. Phase 2 (\$2,002,514) would be implemented on March 1, 2017 or thereafter subject to Phase 2 project completions, determination of actual project costs, and additional notice per 16 TAC §24.34(b).

EFFECTIVE DATE OF PROPOSED REVENUE INCREASES

Phase 1	\$1,038,363	Effective Date: November 1, 2016
Phase 2	\$2,002,514	Effective Date: March 1, 2017 (Estimated)

Please see attached "Notice of Current and Proposed Rates" following Protest Form for complete schedule of current and proposed Phase 1 rates, Phase 2 rates, and Miscellaneous Fees. Please refer to filed rate change application for other proposed service policy updates/revisions for tariff.

(Proposed rates requested by the utility are not final. The Commission may modify the rates and order a refund or credit against future bills all sums collected during the pendency of the rate proceeding in excess of the rate finally ordered plus interest.)

Liberty Utilities' address is 12725 W. Indian School Rd., Ste. D101, Avondale, Arizona 85392. Our telephone number is (800)525-9547.

Total Annual Revenue Increase requested: \$3,040,877 (Phases 1 and 2 Combined)

Date Customer Notice mailed: September 9, 2016

Dates Meter Typically Read: Not applicable; billing period ends last day of month.

This rate increase affects the following systems which are both located in Smith County, Texas:

Liberty Tall Timbers (TPDES Permit No. 13000-001); Date of Last Rate Change: June 1, 2010

Liberty Woodmark (TPDES Permit No. 13168-001); Date of Last Rate Change: September 16, 2013

Reason(s) for proposed Rate Change:

Operating expenses have increased, and Applicants have made significant capital improvements to provide more reliable service to customers necessitating the requested Phase I rate increase. Additional capital improvement projects will necessitate the Phase II rate increase requested to take effect after completion.

Notice of Current and Proposed Rates

Rate Description	Tall Timbers Current Rate (Effective as of 7/1/10)	Woodmark Current Rate (Effective as of 9/16/2013)	Proposed Rate Phase 1	Proposed Rate Phase 2
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Monthly Service Charge Residential

Single Family Residential	\$54.93	\$66.92	\$76.54	\$96.38
Base Equivalent Rate (BER)	\$56.18		\$76.54	\$96.38
Duplex (per unit)	\$34.85	\$66.92	\$76.54	\$96.38
Commercial*		\$153.92	\$176.04	\$221.67
OK Trailer Park*		\$347.98	\$397.99	\$501.15
Donald Donnelly's RV Park		\$700.00	\$800.61	\$1,008.12

*Note these are average rates per class. Actual rates will be determined by rate matrix below.

Other Residential – The monthly rate equals the BER multiplied by the following factors:

Triplexes and Quadplexes	0.68 per unit		0.68 per unit	0.68 per unit
Apartments and condos with 5 or more units	0.52 per unit		0.55 per unit	0.55 per unit
Mobile home park	0.68 per space	0.68 per space	0.68 per space	0.68 per space
Transient mobile home park	0.52 per space	0.55 per space	0.55 per space	0.55 per space

Institutional – The monthly rate equals the BER multiplied by the following factors:

Schools with Showers	1.00 per 12 attendees	1.00 per 12 attendees	1.00 per 12 attendees	1.00 per 12 attendees
Schools without Showers	1.00 per 15 attendees	1.00 per 15 attendees	1.00 per 15 attendees	1.00 per 15 attendees
Hospital	0.89 per bed	0.89 per bed	0.89 per bed	0.89 per bed
Nursing home	0.45 per bed	0.45 per bed	0.45 per bed	0.45 per bed

Commercial – Monthly rate equals the larger of: 1) 80 percent of the actual water meter usage as supplied by the water utility or 2) the BER multiplied by the following factors:

Restaurant (fast food &/or disposal)	1.12 per table	1.12 per table	1.12 per table	1.12 per table
Restaurant (sit down &/or dishwashers)	0.45 per table	0.45 per table	0.45 per table	0.45 per table
Motel without restaurant	0.50 per unit	0.50 per unit	0.50 per unit	0.50 per unit
Motel with restaurant	0.50 per unit plus 0.45 per table	0.50 per unit plus 0.45 per table	0.50 per unit plus 0.45 per table	0.50 per unit plus 0.45 per table
Laundromat	2.00 per washer	2.00 per washer	2.00 per washer	2.00 per washer
Commercial laundry	3.00 per washer	3.00 per washer	3.00 per washer	3.00 per washer
Retail Space	1.50 per space	1.50 per space	1.50 per space	1.50 per space
*Service station without bays	1.50 per facility	1.50 per facility	1.50 per facility	1.50 per facility

Commercial – Monthly rate equals the larger of: 1) 80 percent of the actual water meter usage as supplied by the water utility or 2) the BER multiplied by the following factors:

*Service station with bays	1.50 per facility plus 6.96 per service bay	1.50 per facility plus 6.96 per service bay	1.50 per facility plus 6.96 per service bay	1.50 per facility plus 6.96 per service bay
Grocery without butcher	1.50 per facility	1.50 per facility	1.50 per facility	1.50 per facility
Grocery with butcher	2.00 per facility plus 4.18 per facility	2.00 per facility plus 4.18 per facility	2.00 per facility plus 4.18 per facility	2.00 per facility plus 4.18 per facility
Carwash self-service	1.50 per bay	1.50 per bay	1.50 per bay	1.50 per bay
Churches	1.50 per 200 persons capacity in the main sanctuary or meeting room	1.50 per 200 persons capacity in the main sanctuary or meeting room	1.50 per 200 persons capacity in the main sanctuary or meeting room	1.50 per 200 persons capacity in the main sanctuary or meeting room
Golf course with showers	1.0 per 30 potential golfers during the normal day of 8:00AM to 1:00 with foursomes being dispatched every 10 minutes (120 per day)	1.0 per 30 potential golfers during the normal day of 8:00AM to 1:00 with foursomes being dispatched every 10 minutes (120 per day)	1.0 per 30 potential golfers during the normal day of 8:00AM to 1:00 with foursomes being dispatched every 10 minutes (120 per day)	1.0 per 30 potential golfers during the normal day of 8:00AM to 1:00 with foursomes being dispatched every 10 minutes (120 per day)
Golf course without showers	1.0 per 50 potential golfers during the normal day of 8:00AM to 1:00 with foursomes being dispatched every 10 minutes (120 per day)	1.0 per 50 potential golfers during the normal day of 8:00AM to 1:00 with foursomes being dispatched every 10 minutes (120 per day)	1.0 per 50 potential golfers during the normal day of 8:00AM to 1:00 with foursomes being dispatched every 10 minutes (120 per day)	1.0 per 50 potential golfers during the normal day of 8:00AM to 1:00 with foursomes being dispatched every 10 minutes (120 per day)

* If service station also prepares and serves food, it will pay the highest rate applicable to it.

If there is no water meter data and the commercial enterprise is not expected to generate waterborne waste greater than a normal single-family residence, i.e., a common office not operating a retail sales business with multiple restrooms open to the public, the business will be imputed a service demand factor of 1.0 for every 1 to 19 on-premises employees. This factor will increase to 2.0 on-premises employees 20 to 39.

Industrial or large commercial other than shown – The monthly rate will be individually negotiated based upon quantity and strength of effluent. The lowest rate to be charged these customers will be the retail rate of 1.5.

All Other RV Parks - The single family residential rate multiplied by a factor of 0.55 per average annual occupied space/pad. Average annual occupancy rate to be recalculated annually from information provided by the customer. For the first year of the rate there will be an inputter occupancy rate of 80% to be used until an historic average can be calculated.

Description	Tall Timbers Current Rate (Effective as of 7/1/10)	Woodmark Current Rate (Effective as of 9/16/2013)	Proposed Rate Phase 1	Proposed Rate Phase 2
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Miscellaneous Fees

Tap Fee	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00
Tap Fee (Large Connection Tap)	Actual Cost	Actual Cost	Actual Cost	Actual Cost
Reconnection Fee (Non-payment of Bill)	\$25.00	\$25.00	\$25.00	\$25.00
Reconnection Fee (Customer's request)	\$25.00	\$550.00	\$25.00	\$25.00
Service Relocation Fee	Actual Cost*	Actual Cost*	Actual Cost*	Actual Cost*
Seasonal Reconnection Fee	Base rate times number of months off system**	Base rate times number of months off system**	Base rate times number of months off system**	Base rate times number of months off system**
Transfer Fee	\$25.00	\$50.00	\$50.00	\$50.00
Return Check Charge	\$20.00	\$30.00	\$30.00	\$30.00
Late Charge	\$5.00	\$5.00	\$5.00	\$5.00
Customer Deposit Residential (Maximum \$50)	\$50.00	\$50.00	\$50.00	\$50.00
Commercial and Non-residential Deposit	1/6 estimated annual bill	1/6 estimated annual bill	1/6 estimated annual bill	1/6 estimated annual bill

Regulatory Assessment of 1% is added to base rate. Additional fees and meter sizes may be shown on a separate page.

*Actual cost to relocate that service connection this fee may be charged if a customer requests relocation of an existing service connection.

**Not to exceed six months when leave and return within a twelve month period.

Line Extension and Construction Charges: Refer to section 2.20 Specific Utility Service rules and Section 3.20 Utility Specific Extension Policy for terms, conditions, and charges.

Governmental Testing, Inspection and Costs Surcharge Clause: Increases in inspection fees and water testing costs imposed by state or federal law may be passed through as an adjustment to the monthly base rate charge under the terms and conditions of 16 T.A.C. 24.21 (k) (2) after notice to customers and upon written approval by the TX PUC.

If applicable, list any bill payment assistance programs to low income Ratepayers. Not applicable.

P.U.C. DOCKET NO. 46256

RATEPAYER PROTEST

If you wish to PROTEST the proposed rate change, you must submit this form and 10 copies to:

**Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326**

Unless protests are received from at least 10% of ratepayers or from any affected municipality, or the Commission Staff requests a hearing, no hearing will be held and the rates will be effective as proposed.

CUSTOMER INFORMATION (to be completed by customers submitting protests)

First Name: _____ Last Name: _____

Phone Number: _____ Fax Number: _____

Address, City, State: _____

Location where service is received: _____

(if different from the mailing address)

Please fill out the following:

I wish to PROTEST the following proposed rate action/s:

☐ Water Rate Change ☐ Sewer Rate Change ☐ Both Water and Sewer Rate Change

☐ Other (please specify below)

Signature of Protestant: _____

_____ Date: _____

**Si desea informacion en Espanol, puede llamar al
1-888-782-8477**

**Hearing- and speech-impaired individuals with text telephones may contact the PUC's Customer Assistance
Hotline at
512-936-7136**