

## Notice of Current and Proposed Rates

Rate Description	TT - Tyler Rate (effective as of 11/1/2002)	Proposed Rate Phase 1	Proposed Rate Phase 2
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### Monthly Service Charge Residential

Single Family Residence	\$27.75	\$76.54	\$96.38
Base Equivalent Rate (BER)	\$27.75	\$76.54	\$96.38
Duplex (per unit)		\$76.54	\$76.54

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

2-4 Family Residence	0.68 per unit (Times Tyler Rate)		
Triplexes and Quadplexes		0.68 per unit	0.68 per unit
Apartments and condos with 5 or more units	0.52 per unit (Times Tyler Rate)	0.55 per unit	0.55 per unit
Mobile home park	0.68 per space (Times Tyler Rate)	0.68 per space	0.68 per space
Transient mobile home park	0.52 per space (Times Tyler Rate)	0.55 per space	0.55 per s

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

Schools with Showers	1.00 per 12 attendees (Times Tyler Rate)	1.00 per 12 attendees	1.00 per 12 attendees
Schools without Showers	1.00 per 15 attendees (Times Tyler Rate)	1.00 per 15 attendees	1.00 per 15 attendees
Hospital	0.89 per bed (Times Tyler Rate)	0.89 per bed	0.89 per bed
Nursing home	0.45 per bed (Times Tyler Rate)	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 (Times Tyler Rate)	1.12 per table	1.12 per table
Restaurant (sit down &/or dishwashers)	0.45 per table (Times Tyler Rate)	0.45 per table	0.45 per table
Motel without restaurant	0.50 per unit (Times Tyler Rate)	0.50 per unit	0.50 per unit
Motel with restaurant	0.50 per unit plus 0.45 per table (Times Tyler Rate)	0.50 per unit plus 0.45 per table	0.50 per unit plus 0.45 per table
Laundromat	2.00 per washer (Times Tyler Rate)	2.00 per washer	2.00 per washer
Commercial laundry	3.00 per washer (Times Tyler Rate)	3.00 per washer	3.00 per washer
Retail Space	1.50 per space (Times Tyler Rate)	1.50 per space	1.50 per space

**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 without bays	1.50 per facility (Times Tyler Rate)	1.50 per facility	1.50 per facility
*Service station with bays	1.50 per facility plus 6.96 per service bay (Times Tyler Rate)	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 (Times Tyler Rate)	1.50 per facility	1.50 per facility
Grocery with butcher	2.00 per facility plus 4.18 per facility (Times Tyler Rate)	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 (Times Tyler Rate)	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
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)
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)

\* 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 imputed occupancy rate of 80% to be used until an historic average can be calculated.

Description	TT-Tyler Rate (Effective as of 11/1/2002)	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
Tap Fee (Large Connection Tap)	Actual Cost	Actual Cost	Actual Cost
Reconnection Fee (Non payment of Bill)	\$25.00	\$25.00	\$25.00
Reconnection Fee (Customer's request)	\$25.00	\$25.00	\$25.00
Service Relocation Fee	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**
Transfer Fee	\$50.00	\$50.00	\$50.00
Return Check Charge	\$30.00	\$30.00	\$30.00
Late Charge	\$5.00	\$5.00	\$5.00
Customer Deposit Residential (Maximum \$50)	\$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

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.**

## RATEPAYER PROTEST

If you wish to PROTEST the proposed rate change, you may submit this form to:

**Edward Broussard**  
**City Manager - City of Tyler**  
**212 N. Bonner Ave.**  
**Tyler, Texas, 75702**

### 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:**

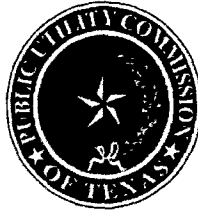
☐ Sewer Rate Change

☐ Other (please specify below)

\_\_\_\_\_

Signature of Protester:

\_\_\_\_\_ Date: \_\_\_\_\_



## SEWER UTILITY TARIFF

**Docket No. 46256**

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

12725 W Indian School Rd. Ste D101  
(Business Address)

Avondale, Arizona 85392  
(City, State, Zip Code)

(800)525-9547  
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificates of Convenience and Necessity:

20679 and 20694

This tariff is effective in the following county: Smith

This tariff is effective for the following systems:

Liberty Tall Timbers (TPDES Permit No. 13000-001) (Outside City of Tyler)  
Liberty Woodmark (TPDES Permit No. 13168-001)

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

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## SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

## Monthly Service Charge

Base Equivalent Rate (BER)	Phase 1 - \$76.54	Phase 2 - \$96.38
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**Residential**

	Phase 1	Phase 2
Single Family Residential	\$76.54	\$96.38
Duplex (per unit)	\$76.54	\$96.38

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

	Phase 1	Phase 2
Triplexes and Quadplexes	0.68 per unit	0.68 per unit
Apartments and condos with 5 or more units	0.55 per unit	0.55 per unit
Mobile home park	0.68 per space	0.68 per space
Transient mobile home park	0.55 per space	0.55 per space

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

	Phase 1	Phase 2
Schools with Showers	1.00 per 12 attendees	1.00 per 12 attendees
Schools without Showers	1.00 per 15 attendees	1.00 per 15 attendees
Hospital	0.89 per bed	0.89 per bed
Nursing Home	0.45 per bed	0.45 per bed

**Commercial** – the 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:

	Phase 1	Phase 2
Restaurant (fast food and/or disposal)	1.12 per table	1.12 per table
Restaurant (sit down and/or dishwashers)	0.45 per table	0.45 per table
Motel without restaurant	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
Laundromat	2.00 per washer	2.00 per washer
Commercial Laundry	3.00 per washer	3.00 per washer
Retail Space	1.50 per space	1.50 per space
Service Station without bays	1.50 per facility	1.50 per facility

Service Station with bays	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
Grocery with butcher	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
Churches	1.50 per 200 person capacity in main sanctuary or meeting room	1.50 per 200 person capacity in 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)
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)

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Visa/Master Card Credit Card/Only;  
Electronic Draft Available Upon Request

(THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE  
USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS. CASH PAYMENTS  
MUST BE MADE AT LOCAL OFFICE.)

REGULATORY ASSESSMENT .....1.0%

THE PUBLIC UTILITY COMMISSION (COMMISSION) RULES REQUIRE THE UTILITY TO COLLECT AND REMIT TO THE TEXAS  
COMMISSION ON ENVIRONMENTAL QUALITY A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

### Section 1.02 - Miscellaneous Fee

TAP FEE.....\$1,100.00

TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COSTS FOR MATERIALS AND LABOR TO INSTALL A  
STANDARD RESIDENTIAL CONNECTION PLUS UNIQUE COSTS AS PERMITTED BY PUC RULE AT COST.

## SECTION 1.0 -- RATE SCHEDULE (continued)

TAP FEE (Large Connection Tap).....Actual Cost

TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

### RECONNECTION FEE:

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

a) Non payment of bill (Maximum \$25.00) ..... \$25.00

b) Customer's request ..... \$25.00

OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

TRANSFER FEE ..... \$50.00

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE ..... \$5.00

A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE ..... \$30.00

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) ..... \$50.00

COMMERCIAL AND NON-RESIDENTIAL DEPOSIT..... 1/6<sup>th</sup> EST. ANNUAL BILL

SERVICE RELOCATION FEE.....Actual Cost to Relocate that Service Connection

THIS FEE MAY BE CHARGED IN A CUSTOMER REQUESTS RELOCATION OF AN EXISTING SERVICE CONNECTION

### SEASONAL RECONNECTION FEE:

BASE RATE TIMES NUMBER OF MONTHS OFF THE SYSTEM 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:

Increase 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 TAC 24.21(k)(2) when authorized by the Commission and after notice to customers.



## SECTION 2.0 — SERVICE RULES AND REGULATIONS

### Section 2.01 – Public Utility Commission of Texas Rules

The utility will have the most current Public Utility Commission of Texas Rules relating to sewer utilities available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

### Section 2.02 - Application for Sewer Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant before sewer service is provided by the utility. A separate application or contract will be made for each service location.

After the applicant has met all the requirements, conditions and regulations for service, the utility will install service connections, which may include a utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Where service has previously been provided, the utility will reconnect the service within one working day after the applicant has met requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service pipe from the connection location to the place of use.

### Section 2.03 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the commission rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

## SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

### Section 2.04–Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant will be required to pay a deposit as provided for in Section 1.02 of this tariff. The utility will keep records of the deposit and credit interest in accordance with Commission rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the residential customer's deposit at any time prior to termination of utility service but must refund the deposit plus interest for any residential customer who has paid 18 consecutive billings without being delinquent.

### Section 2.05–Meter Requirements, Readings, and Testing

It is not a requirement that the utility use meters to measure the quantity of sewage disposed of by individual customers. One connection is required for each residential, commercial, or industrial facility in accordance with Commission rules.

### Section 2.06–Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least twenty (20) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

A late penalty of \$5.00 will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

## SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Each bill will provide all information required by the commission rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) which may be reached by a local call by customers. At the utility's option, a toll-free telephone number or the equivalent may be provided.

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the Commission.

### Section 2.07 - Service Disconnection

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 30 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the commission rules.

Utility service may also be disconnected without notice for reasons as described in the commission rules.

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

### Section 2.08-Reconnection of Service

Service will be reconnected within 24 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

## SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

### Section 2.09–Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

Prorated Bills – If service is interrupted or impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

### Section 2.10 - Quality of Service

The utility will plan, furnish, and maintain and operate a treatment and collection facilities of sufficient size and capacity to provide continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge effluent of the quality required by its discharge permit issued by the TCEQ. Unless otherwise authorized by the TCEQ, the utility will maintain facilities as described in the TCEQ's rules.

### Section 2.11 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the commission's complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with the commission rules to be effective.

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

(continued)

The utility adopts the administrative rules of the Public Utility Commission of Texas, as the same may be amended from time to time, as its company specific service rules and regulations. These rules will be kept on file at the company's offices for customer inspection during regular business hours. In the event of a conflict between the commission's amended rules and the provisions of this tariff, the amended rules shall prevail. Where necessary, any conflicting provision of this tariff shall be deemed to have been superseded by the commission rule in question to the degree that the Utility may conduct its lawful business in conformance with all requirements of said rule.

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

Customer shall be liable for any damage or injury to utility-owned property or personnel shown to be caused by the customer, his invitees, his agents, his employees, or others directly under his control.

Limitation on Product/Service Liability - The utility will not accept liability for any injury or damage to individuals or their property occurring on the customer's premises. The utility makes no representations or warranties (expressed or implied) that customer's appliances will not be damaged by disruptions of or fluctuations in sewer service whatever the cause. The utility will not accept liability for injuries or damages to persons or property due to disruption of sewer service caused by: (1) acts of God, (2) acts of third parties not subject to the control of the utility if the utility has undertaken such preventive measures as are required by commission rules, (3) electrical power failures in sewer systems not required by commission rule to have auxiliary power supplies, or ( 4) termination of sewer service pursuant to the utility's tariff and the commission's rules.

If the services of a registered professional engineer are required as a result of an application for service received by the Utility for service to that applicant's service extension only, such engineer will be selected by the Utility and the applicant, and the applicant shall bear all expenses incurred therein.

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

(continued)

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection. Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction (as may be allowed by commission rule) for the actual costs of any additional facilities required to maintain compliance with the Texas Commission Environmental Quality minimum design criteria for sewer collection, treatment, pumping and discharge.

Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall have the right to appeal such costs to the commission or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Tap fees may be increased by unique costs not normally incurred as may be permitted by 16 TAC 24.86(b)(1)(C).

The Utility adopts the Uniform Plumbing Code pursuant to TCEQ Rule 290.46(i). The piping and other equipment on the premises furnished by the customer will be maintained by the customer at all times in conformity with the requirements of the PUC, TCEQ, the Uniform Plumbing Code, and with the service rules and regulations of the Utility. The customer will bring out his service line to his property line at the point on the customer's property mutually acceptable to the customer and the Utility subject to such requirements as may exist by commission rule.

The utility will have the right of access to the customer's premises at all times reasonable for the purpose of installing, testing, inspecting or repairing sewer mains or other equipment used in connection with its provision of sewer service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations. The customer shall allow the utility and its personnel access to the customer's property to conduct any tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours. The

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (continued)

customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

Threats to or assaults upon utility personnel shall result in criminal prosecution.

Except in cases where the customer has a contract with the utility for reserve or auxiliary service, no other sewer service will be used by the customer on the same installation in conjunction with the utility's service, either by means of a cross-over valve or any other connection. Customer shall not connect, or allow any other person or party to connect, onto any sewer lines on his premises. Two places shall not be permitted to be supplied with one service pipe where there is a sewer main abutting the premises.

No application, agreement or contract for service may be assigned or transferred without the written consent of the utility.

It is agreed and understood that any and all sewer lines and other equipment furnished by the utility (excepting the customer's individual service lines from the point of connection to customer's structures on customer's premises) are and shall remain the sole property of the utility, and nothing contained herein or in a contract/application for service shall be construed to reflect a sale or transfer of any such lines or equipment to any customer. All tap and extension charges shall be for the privilege of connecting to said sewer lines and for installation, not purchase, of said lines.

Service applicants may be required to comply with any pre-condition to receiving service not printed herein as may exist under PUC or TCEQ rule (customer service, health and safety or environmental), USEPA rule, TWDB rule, local regulatory district rule or health department rule. Existing customer shall be required to comply with such rules, including modification of their plumbing and/or consumption patterns, after notice.

The disposal into the utility's sewer collection system of bulk quantities of food or food scraps not previously processed by a grinder or similar garbage disposal unit and grease and oils, except as incidental waste in process or wash water, used in or resulting from food preparation by sewer utility customers engaged in the preparation and/or processing of food for other than domestic consumption for sale to the public shall be prohibited. Specifically included in this prohibition are grease and oils from grease traps to other grease and/or oil storage containers. These substances are defined as

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (continued)

“garbage” under Section 361.003 (12) of the Solid Waste Disposal Act, Texas Health and Safety Code, and are not “sewage” as defined by Section 26.001 (7) of the Texas Water Code. The utility only provides “sewage” collection and disposal service to the public. This service is limited to the collection, treatment and disposal of waterborne human waste and waste from domestic activities such as washing, bathing, and food preparation. This service does not include the collection, treatment or disposal of waste of such high BOD or TSS characteristics that it cannot reasonably be processed by the utility's state-approved waste water treatment plant within the parameters of the utility's state and federal waste water discharge permits. THIS SERVICE DOES NOT INCLUDE THE COLLECTION AND DISPOSAL OF STORM WATERS OR RUN OFF WATERS, WHICH MAY NOT BE DIVERTED INTO OR DRAINED INTO THE UTILITY'S COLLECTION SYSTEM.

Pursuant to PUC Rule 16 TAC 24.87(n), the utility may charge for all labor, material, equipment, and other costs necessary to repair or replace all equipment damaged due to service diversion or the discharge of wastes which the system cannot properly treat. This shall include all repair and clean-up costs associated with discharges of grease and oils, except as incidental waste in process or wash water, used in or resulting from food preparation by sewer utility customers engaged in the preparation and/or processing of food for other than domestic consumption or for sale to the public discharged from grease traps or other grease and/or oil storage containers. The utility may charge for all costs necessary to correct service diversion or unauthorized taps where there is no equipment damage, including incidents where service is reconnected without authority. The utility may not charge any additional penalty or charge other than actual costs unless such penalty has been expressly approved by the regulatory authority having rate/tariff jurisdiction and filed in the utility's tariff.

Pursuant to PUC Rule 16 TAC 24.86(b)(3)(A) and (B), the customer's service line and appurtenances shall be construed in accordance with the laws and regulations of the State of Texas, local plumbing codes, or, in the absence of such local codes, the Uniform Plumbing Code. It shall be the customer's responsibility to maintain the service line and appurtenances in good operating condition, i.e., clear of obstruction, defects, or blockage. If the utility can provide evidence of excessive infiltration or inflow or failure to provide proper pretreatment, the utility may, with the written approval of the Commission, require the customer to repair the line or eliminate the infiltration or inflow or take such actions necessary to correct the problem. If the customer fails to correct the problem within a reasonable time, the utility may disconnect service after proper notice.



## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

(continued)

In accordance with the requirements of Utility's Wastewater discharge Permit, any and all repairs and maintenance of Utility's lines, tanks, pumps and equipment located on Customer's premises shall be performed exclusively by the Utility.

Copies of the utility's state and federal waste water discharge permits shall be available for public inspection and copying in the utility's business office during normal business hours.

Non-residential customers electing the pretreatment option for sewage with non-standard characteristics may be charged those costs set forth in the utility's extension policy if such pretreatment fails or otherwise causes the utility's facilities to violate their waste-water discharge permits.

### RESIDENTIAL SINGLE FAMILY GRINDER/SEWAGE STATIONS

Prior to the installation of a grinder I sewage station, the utility must be given a complete listing of all materials and equipment that will be used.

In order to prevent inflow and infiltration, the materials must comply with standard specifications, approved by the TCEQ.

After the utility has approved the proposed grinder/sewage station, the construction may begin. Once the work has been completed, the utility will do an inspection of the grinder I sewage station to ensure the complete installation was as specified.

The customer will retain ownership of receiving tanks or lift stations on the customer's property, and all maintenance; repairs and replacement are the customer's responsibility. The repairs may be performed by anyone selected by the customer, who is competent to perform such repairs. The utility requires that parts and equipment meet the minimum standards approved by the TCEQ, to insure proper and efficient operation of the sewer system.

### MULTI-FAMILY AND COMMERCIAL RECEIVING TANK/LIFT STATIONS

Prior to the installation of a grinder I sewage station, the utility must be given a complete listing of all materials and equipment that will be used, along with the storage for that development.

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

(continued)

In order to minimize inflow and infiltration into the collection system, the installation and materials must comply with standard specifications approved by the TCEQ.

After the utility has approved the proposed grinder I sewage station, the construction may begin. Once the work has been completed, the utility will do an inspection of the grinder/sewage station to ensure the complete installation was as specified.

Prior to acceptance of an existing receiving tank or lift station that is being used as an interceptor tank for primary treatment, wastewater storage or pump tanks prior to discharge into an alternative or conventional sewage system must be cleaned, inspected, repaired, modified, or replaced if necessary to minimize inflow and infiltration into the collection system.

Existing pumps and tanks must be of adequate size to insure proper pumpage in the event of high flow or if the pump is out of service. If the existing pumps and receiving tanks or lift stations are of inadequate size the utility will not accept liability for backups due to: high flows, one pump out of service, rainfall (causing inflow or infiltration, power outages, lack of proper storage capacity, etc.

If the collection system that discharges into the receiving tank/lift station has an inflow or infiltration problem and collects rainfall discharge, the owner or P.O.A. will correct it within 90 days of written notice from the utility. If no action is taken to correct the problem within 90 days, the utility may take the responsibility to make corrections at the owner's/P.O.A.'s expense. The utility is not responsible for the collection system that discharges into the receiving tank/lift station.

The owner/P.O.A. shall be responsible for the monthly electric bill.

An adequate easement must encompass the receiving tank I lift station by a 15 foot radius and also a 15 foot access easement to the receiving tank/ lift station site. If this easement does not exist, one must be created and filed of record.

## SECTION 3.0 -- EXTENSION POLICY

### Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES: No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

## SECTION 3.0 – EXTENSION POLICY (continued)

The customer will be given an itemized statement of costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The utility will bear the full cost of any oversizing of collection mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional treatment capacity or facilities. Contributions in aid of construction may not be required of individual residential customers for treatment capacity or collection facilities unless otherwise approved by the Commission under this specific extension policy.

**COST UTILITIES SHALL BEAR.** Within its certificate area, the utility will pay the cost of the first 200 feet of any sewer collection line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the Texas Commission on Environmental Quality's Rules.

### Section 3.02 – Specific Utility Extension Policies

This section contains the utility's specific extension policy which complies with the requirements already stated under Section 3.01. It must be reviewed and approved by the Commission and in compliance with Commission Rules to be effective.

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest collection line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the full cost of extending service to and throughout their property, including the cost of all necessary treatment capacity necessary to meet the service demands anticipated to be created by that property.

### SECTION 3.0 – EXTENSION POLICY (continued)

Developers will be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with Texas Commission on Environmental Quality's minimum design criteria for facilities used in collecting, treating, transmitting, and discharging of wastewater effluent. For purposes of this subsection, a developer is one who subdivides or requests more than two connections on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

The utility adopts the administrative rules of the Public Utility Commission of Texas, as amended from time to time, as its company specific extension policy. These rules will be kept on file at the company's business office for customer inspection during normal business hours.

Non-residential customers generating sewage creating unique or non-standard treatment demands which might reasonably be expected to cause the utility's treatment facilities to operate outside their current wastewater discharge permit parameters may be charged the cost of all studies, engineering plans, permit costs, and collection treatment or discharge facilities construction or modification costs necessary to enable the utility to treat said sewage within permit limits acceptable to the Texas Commission On Environmental Quality, EPA and other regulatory agencies. In the alternative, the customer may have the option of pretreating said sewage in such a manner to that it may not reasonably be expected to cause the utility's facilities to operate outside their permit parameters. In such case, the customer shall be required to pay the utility's costs of evaluating such pretreatment processes and cost of obtaining regulatory approval of such pretreatment processes. In the event of the pretreatment facilities of a customer making this election fail and cause the utility's facilities to operate outside their permit parameters, the customer shall indemnify the utility for all costs incurred for clean ups or environmental remediation and all fines, penalties, and costs imposed by regulatory or judicial enforcement actions relating to such permit violations.

Non-residential sewer customers producing water borne waste significantly different from waste generated by residential customers may be required to provide a suitable sampling point at the property line for testing the customer's waste for chemicals or substances, e.g., grease, oils; solvents, pesticides, etc., which can reasonably be believed to have an injurious effect on the Utility's plant and/or its ability to treat and dispose of such wastes within the parameters of the Utility's permit. Utility shall have reasonable access to the sampling point at all times.

### SECTION 3.0 – EXTENSION POLICY (continued)

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC 24.86(d) and this tariff. When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge based upon the capacities of collection, transmission, storage, treatment and discharge facilities, compliant with the Texas Commission On Environmental Quality minimum design criteria, which must be committed to such extension. As provided by 16 TAC 24.86(d)(4), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

The imposition of additional extension costs or charges as provided by Sections 2.20 and 3.20 of this tariff shall be subject to appeal as provided in this tariff, PUC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall have the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located. Unless the PUC or other regulatory authority enters interlocutory orders to the contrary, service to the applicant may be delayed until such appeal is resolved.

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service applications forms will be available for applicant pick up at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

The Utility shall serve each qualified service applicant within its certificated service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by PUC rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The PUC service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a "qualified service applicant" as defined herein or by PUC rules.

### SECTION 3.0 – EXTENSION POLICY (continued)

The Utility is not required to extend service to any applicant outside of its certificated service area and will only do so, at the Utility's sole option, under terms and conditions mutually agreeable to the Utility and the applicant and upon extension of the Utility's certificated service area boundaries by the PUC. Service applicants may be required to bear the cost of the service area amendment.

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements of service contained in this tariff, PUC rules and/or PUC order, (2) has made all payments for tap fees and extension charges, (3) has provided all necessary easements and rights-of-way necessary to provide service to the requested location, including staking said easements or rights-of-way where necessary, and (4) has executed a customer service application for each location to which service is being requested.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. The tap request must be accompanied with a plat, map, diagram or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the connection is to be installed, along the applicant's property line. The actual point of connection must be readily accessible to Utility personnel for inspection, servicing and testing while being reasonably secure from damage by vehicles and mowers. If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's near service main with adequate capacity to service the applicant's full potential service demand. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, applicant may refer the matter to the PUC for resolution. Unless otherwise ordered by the PUC, the tap or service connection will not be made until the location dispute is resolved.

The Utility shall require a developer (as defined by PUC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property. The Developer shall be required to obtain all necessary easements and rights-of-way required to extend the Utility's existing service facilities from their nearest point with adequate service capacity (as prescribed by PUC rules and local service conditions) to and throughout the Developer's property. The easements shall be sufficient to allow the construction, installation, repair, maintenance, testing, and replacement of any and all utility plant necessary to provide continuous and adequate service to each and every potential service location within the property at full occupancy. Unless otherwise restricted by law, sewage treatment, holding tank sites, lift station sites shall convey with all

### SECTION 3.0 – EXTENSION POLICY (continued)

permanent easements and buffers required by PUC rules. Unless otherwise agreed to by the Utility, pipe line right-of-way easements must be at least 15 feet wide to allow adequate room to facilitate backhoe and other heavy equipment operation and meters. Easements must be provided for all storage, treatment, pressurization and disposal sites which are sufficient to construct and maintain all weather roads as prescribed by commission rules. All easements shall be evidenced, at Developer's expense, by recorded county-approved subdivision plat or by specific assignment supported by metes and bounds survey from a surveyor licensed by the State of Texas.

Prior to the extension of utility service to developers (as defined by PUC rules) or new subdivisions, the Developer shall comply with the following;

- (a) The Developer shall make a written request for service to property that is to be subdivided and developed. The Developer shall submit to the Utility a proposed plat on a scale of one inch (1 11) to two hundred feet (200') for review and determination of required easements, utility plant, and plant location. If sewer service is requested, the plat must contain elevation data. A reconcilable deposit in an amount set by the Utility may be required to cover preliminary engineering, legal and copy cost to be incurred by the Utility in reviewing and planning to meet this service request. The plat and/or accompanying information shall identify the type, location and number of houses and other planned structures that will be requiring utility service. If other than residential structures are to be located on the property, all other types of anticipated businesses and their service demands shall be identified with specificity. All areas requiring special irrigation and/or other unique water demands must be identified. To the extent reasonably possible, this information must be precise so that adequate facilities can be designed and constructed to meet all future service demands without hazard to the public, other utility customers and/or the environment.
- (b) After the requirements of easements and rights-of-way have been determined, a red line copy will be returned by the Utility to the Developer for final plat preparation.
- (c) Copies of all proposed plats and plans must be submitted to the Utility prior to their submission to the county for approval to insure that they are compatible with the adequate long-term utility needs of potential service customers. Copies will be returned after review by the Utility so that necessary changes may be incorporated into the Developer's final submitted plat(s) and plans.

- (d) The Utility shall be provided with three (3) certified copies of the final plat(s) approved by the County Commissioners Court. At this time, the Utility will begin engineering the facilities necessary to serve the property. Plans and specifications will be prepared and submitted to the TCEQ by the Utility, if required by law. If further plat or plans changes are necessary to accommodate the specific service needs of the property and the anticipated customer demands, the Developer will be so notified. Plat amendments must be obtained by the Developer. The Developer shall be notified when all required TCEQ or other governmental approvals or permits have been received. No construction of utility plant which requires prior TCEQ plans approval shall be commenced until that approval has been received by the Utility and any conditions imposed by the TCEQ in association with its approvals have been satisfied.
- (e) The Developer shall be required to post bond or escrow the funds necessary to construct all required utility plant, except individual sewer connections, required to serve the property. Construction shall not commence until funds are available. If the construction is to be done in coordination with the phased development of the property, funds must be provided in advance which are sufficient to complete each phase. No phase or facilities for any phase shall be constructed prior to the bonding or escrowing of all funds associated with that phase.
- (f) At the sole option of the Utility, the Developer may be required to execute a Developer Extension Contract setting forth all terms and conditions of extending service to their property including all contributions-in-aid of construction and developer reimbursements, if any.
- (g) The Utility may require the Developer to commence construction of subdivision improvements within three (3) months of utility plans approval or the Utility may abate its construction activities until full development construction begins. If the Developer stops construction of subdivision improvements for any purpose, the Utility may abate its construction for a similar period.
- (h) As soon as the roads are rough cut and prior to paving, extension lines will need to be constructed at each road crossing. The Developer must notify the Utility sufficiently in advance of this development stage to allow for the necessary utility construction without disruption to other service operations of the Utility. Failure to provide adequate advance notice and cooperation in the construction of necessary utility plant may result in additional delays in obtaining service to the property. The Developer shall be required to pay for all additional costs of road boring or other remedial construction necessary to install adequate utility plant throughout the affected property.



### SECTION 3.0 – EXTENSION POLICY (continued)

Within its certificated area, the Utility shall bear the cost of the first 200 feet of any water main or sewer collection line necessary to extend service to an individual residential service applicant within a platted subdivision unless the Utility can document:

- (a) that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the Utility's approved extension policy after receiving a written request from the Utility; or,
- (b) that the Developer defaulted on the terms and conditions of a written agreement or contract existing between the utility and the developer or the terms of this tariff regarding payment for services, extensions, or other requirements; or in the event the Developer declared bankruptcy and was therefore unable to meet obligations; and,
- (c) that the residential service applicant purchased the property from the Developer after the Developer was notified of the need to provide facilities to the utility. A residential service applicant may be charged the remaining costs of extending service to his property; provided, however, that the residential service applicant may only be required to pay the cost equivalent to the cost of extending the nearest water main or wastewater collection line, whether or not that line has adequate capacity to serve that residential service applicant. The following criteria shall be considered to determine the residential service applicant's cost for extending service:
  - (a) the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.
  - (b) Exceptions may be granted by the TCEQ Executive Director or PUC if:
    - (1) adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
    - (2) larger minimum line sizes are required under subdivision platting requirements or applicable building codes.

### SECTION 3.0 – EXTENSION POLICY (continued)

- (c) If an exception is granted, the Utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certificated area, industrial, and wholesale customers shall be treated as developers.



**Liberty Utilities**

## Application and Agreement

### For Residential Water/Wastewater Service

The undersigned "Customer" requests utility service at the described service address ("premise") from "Company" (Liberty Utilities) and agrees to be governed by and comply with all applicable laws, rules, regulations, tariffs and orders governing such services as they may be, from time to time, amended. Customer also agrees:

1. To assume responsibility for installing, inspecting, maintaining and repairing any piping or other water facilities on Customer's side of the meter; to make certain all water-using facilities are turned off before water service is started; to safeguard all Company property installed in or on premises; to ensure all Company property (including meter) in or on the premises is unobstructed and accessible to Company.
2. Company is not responsible for any damages to the premises from flooding due to condition of water facilities or appliances on Customer's side of meter or for negligence of third person or forces beyond the control of Company resulting in any interruption of service or damages to Customer or Customer's premises. Company does not guarantee uninterrupted service or service at a specific water pressure or gallons per minute flow rate.
3. Meters will be read and bills rendered monthly. Bills are due when rendered. Failure to receive bills or notices shall not prevent such bills from becoming delinquent, nor relieve the Customer of his obligations.
4. Deposit is required before service can be provided. (Cash, Check, Money Order, or Credit Card accepted).

#### PLEASE PRINT

Date Applied \_\_\_\_\_ (m/d/y) Service Start Date \_\_\_\_\_ (m/d/y) Owner \_\_\_\_\_ Tenant \_\_\_\_\_

Name (Last) \_\_\_\_\_ (First) \_\_\_\_\_

Spouse \_\_\_\_\_ Co-applicant \_\_\_\_\_

Place of Employment \_\_\_\_\_

Telephone #'s: Home \_\_\_\_\_ Work \_\_\_\_\_

Cell \_\_\_\_\_

Date of Birth \_\_\_\_\_ (m/d/y)

Driver's License # \_\_\_\_\_ State \_\_\_\_\_

Service Address \_\_\_\_\_

City \_\_\_\_\_ Zip Code \_\_\_\_\_

Mailing Address (if different) \_\_\_\_\_

City \_\_\_\_\_ Zip Code \_\_\_\_\_

Email address \_\_\_\_\_

I would like my monthly bill to be delivered by: Paperless Billing (E-Bill) \_\_\_\_\_ Paper Bill \_\_\_\_\_

E-Bill, our paperless billing program, is a way to electronically receive your bill each month. An email will be sent to the email address you provided above to notify you when your bill is available for secure viewing online.

Under penalties of perjury, I declare that to the best of my knowledge and belief, the above information is true, correct and complete.

CUSTOMER'S SIGNATURE X \_\_\_\_\_

OFFICE USE ONLY: WATER \_\_\_\_\_ WASTEWATER \_\_\_\_\_ BOTH \_\_\_\_\_

CUSTOMER DEPOSIT (refundable) \$ \_\_\_\_\_

SERVICE ESTABLISHMENT FEE (non-refundable) \$ \_\_\_\_\_

RECEIVED BY \_\_\_\_\_ \$ \_\_\_\_\_

# SEWER UTILITY TARIFF

Liberty Utilities (Tall Timbers Sewer) Corp.  
(Utility Name)

12725 W Indian School Rd. Ste D101  
(Business Address)

Avondale, Arizona 85392  
(City, State, Zip Code)

(800) 525-9547  
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificates of Convenience and Necessity:

20694

This tariff is effective in the following county: Smith

This tariff is effective in the following cities or unincorporated towns (if any):

City of Tyler

This tariff is effective for the following systems:

Liberty Tall Timbers (TPDES Permit No. 13000-001) (inside City of Tyler only)

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

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## SECTION 1.0 -- RATE SCHEDULE

### Section 1.01 - Rates

#### Monthly Service Charge

Base Equivalent Rate (BER)	Phase 1 - \$76.54	Phase 2 - \$96.38
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#### **Residential**

	Phase 1	Phase 2
Single Family Residential	\$76.54	\$96.38
Duplex (per unit)	\$76.54	\$96.38

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

	Phase 1	Phase 2
Triplexes and Quadplexes	0.68 per unit	0.68 per unit
Apartments and condos with 5 or more units	0.55 per unit	0.55 per unit
Mobile home park	0.68 per space	0.68 per space
Transient mobile home park	0.55 per space	0.55 per space

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

	Phase 1	Phase 2
Schools with Showers	1.00 per 12 attendees	1.00 per 12 attendees
Schools without Showers	1.00 per 15 attendees	1.00 per 15 attendees
Hospital	0.89 per bed	0.89 per bed
Nursing Home	0.45 per bed	0.45 per bed

Commercial – the 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:

	Phase 1	Phase 2
Restaurant (fast food and/or disposal)	1.12 per table	1.12 per table
Restaurant (sit down and/or dishwashers)	0.45 per table	0.45 per table
Motel without restaurant	0.50 per unit	0.50 per unit
Motel with restaurant	0.50 per table plus 0.45 per unit	0.50 per table plus 0.45 per unit
Laundromat	2.00 per washer	2.00 per washer
Commercial Laundry	3.00 per washer	3.00 per washer
Retail Space	1.50 per space	1.50 per space
Service Station without bays	1.50 per facility	1.50 per facility

Service Station with bays	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
Grocery with butcher	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
Churches	1.50 per 200 person capacity in main sanctuary or meeting room	1.50 per 200 person capacity in 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)
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)

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Visa/Master Card Credit Card/Only;  
Electronic Drafts Available Upon Request

(THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE  
 USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS. CASH PAYMENTS  
 MUST BE MADE AT LOCAL OFFICE.)

REGULATORY ASSESSMENT ..... 1.0%

THE PUBLIC UTILITY COMMISSION (COMMISSION) RULES REQUIRE THE UTILITY TO COLLECT AND REMIT TO THE TEXAS  
 COMMISSION ON ENVIRONMENTAL QUALITY A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

### Section 1.02 - Miscellaneous Fees

TAP FEE..... \$1,100.00

TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COSTS FOR MATERIALS AND LABOR TO INSTALL A  
 STANDARD RESIDENTIAL CONNECTION PLUS UNIQUE COSTS AS PERMITTED BY PUC RULE AT COST.

TAP FEE (Large Connection Tap).....Actual Cost  
TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

SECTION 1.0 -- RATE SCHEDULE (continued)

RECONNECTION FEE:  
THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

a) Non payment of bill (Maximum \$25.00) .....	..... <u>\$25.00</u>
b) Customer's request .....	..... <u>\$25.00</u>

OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

TRANSFER FEE ..... \$50.00  
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE..... \$5.00  
A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE ..... \$30.00

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) ..... \$50.00

COMMERCIAL AND NON-RESIDENTIAL DEPOSIT..... 1/6<sup>th</sup> EST. ANNUAL BILL

SERVICE RELOCATION FEE.....Actual Cost to Relocate that Service Connection  
THIS FEE MAY BE CHARGED IN A CUSTOMER REQUESTS RELOCATION OF AN EXISTING SERVICE CONNECTION

SEASONAL RECONNECTION FEE:  
BASE RATE TIMES NUMBER OF MONTHS OFF THE SYSTEM 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:  
Increase 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 TAC 24.21(k)(2) when authorized by the Commission and after notice to customers.

## SECTION 2.0 — SERVICE RULES AND REGULATIONS

### Section 2.01 – Public Utility Commission of Texas Rules

The utility will have the most current Public Utility Commission of Texas Rules relating to sewer utilities available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

### Section 2.02 - Application for Sewer Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant before sewer service is provided by the utility. A separate application or contract will be made for each service location.

After the applicant has met all the requirements, conditions and regulations for service, the utility will install service connections, which may include a utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Where service has previously been provided, the utility will reconnect the service within one working day after the applicant has met requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service pipe from the connection location to the place of use.

### Section 2.03 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the commission rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.



## SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

### Section 2.04–Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant will be required to pay a deposit as provided for in Section 1.02 of this tariff. The utility will keep records of the deposit and credit interest in accordance with Commission rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the residential customer's deposit at any time prior to termination of utility service but must refund the deposit plus interest for any residential customer who has paid 18 consecutive billings without being delinquent.

### Section 2.05–Meter Requirements, Readings, and Testing

It is not a requirement that the utility use meters to measure the quantity of sewage disposed of by individual customers. One connection is required for each residential, commercial, or industrial facility in accordance with Commission rules.

### Section 2.06–Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least twenty (20) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

A late penalty of \$5.00 will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

## SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Each bill will provide all information required by the commission rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) which may be reached by a local call by customers. At the utility's option, a toll-free telephone number or the equivalent may be provided.

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the Commission.

### Section 2.07 - Service Disconnection

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 30 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the commission rules.

Utility service may also be disconnected without notice for reasons as described in the commission rules.

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

### Section 2.08-Reconnection of Service

Service will be reconnected within 24 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

## SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

### Section 2.09–Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

Prorated Bills – If service is interrupted or impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

### Section 2.10 - Quality of Service

The utility will plan, furnish, and maintain and operate a treatment and collection facilities of sufficient size and capacity to provide continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge effluent of the quality required by its discharge permit issued by the TCEQ. Unless otherwise authorized by the TCEQ, the utility will maintain facilities as described in the TCEQ's rules.

### Section 2.11 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the commission's complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with the commission rules to be effective.

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

(continued)

The utility adopts the administrative rules of the Public Utility Commission of Texas, as the same may be amended from time to time, as its company specific service rules and regulations. These rules will be kept on file at the company's offices for customer inspection during regular business hours. In the event of a conflict between the commission's amended rules and the provisions of this tariff, the amended rules shall prevail. Where necessary, any conflicting provision of this tariff shall be deemed to have been superseded by the commission rule in question to the degree that the Utility may conduct its lawful business in conformance with all requirements of said rule.

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

Customer shall be liable for any damage or injury to utility-owned property or personnel shown to be caused by the customer, his invitees, his agents, his employees, or others directly under his control.

Limitation on Product/Service Liability - The utility will not accept liability for any injury or damage to individuals or their property occurring on the customer's premises. The utility makes no representations or warranties (expressed or implied) that customer's appliances will not be damaged by disruptions of or fluctuations in sewer service whatever the cause. The utility will not accept liability for injuries or damages to persons or property due to disruption of sewer service caused by: (1) acts of God, (2) acts of third parties not subject to the control of the utility if the utility has undertaken such preventive measures as are required by commission rules, (3) electrical power failures in sewer systems not required by commission rule to have auxiliary power supplies, or (4) termination of sewer service pursuant to the utility's tariff and the commission's rules.

If the services of a registered professional engineer are required as a result of an application for service received by the Utility for service to that applicant's service extension only, such engineer will be selected by the Utility and the applicant, and the applicant shall bear all expenses incurred therein.

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

(continued)

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection. Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction (as may be allowed by commission rule) for the actual costs of any additional facilities required to maintain compliance with the Texas Commission Environmental Quality minimum design criteria for sewer collection, treatment, pumping and discharge.

Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall have the right to appeal such costs to the commission or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Tap fees may be increased by unique costs not normally incurred as may be permitted by 16 TAC 24.86(b)(1)(C).

The Utility adopts the Uniform Plumbing Code pursuant to TCEQ Rule 290.46(i). The piping and other equipment on the premises furnished by the customer will be maintained by the customer at all times in conformity with the requirements of the PUC, TCEQ, the Uniform Plumbing Code, and with the service rules and regulations of the Utility. The customer will bring out his service line to his property line at the point on the customer's property mutually acceptable to the customer and the Utility subject to such requirements as may exist by commission rule.

The utility will have the right of access to the customer's premises at all times reasonable for the purpose of installing, testing, inspecting or repairing sewer mains or other equipment used in connection with its provision of sewer service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations. The customer shall allow the utility and its personnel access to the customer's property to conduct any tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours. The

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (continued)

customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

Threats to or assaults upon utility personnel shall result in criminal prosecution.

Except in cases where the customer has a contract with the utility for reserve or auxiliary service, no other sewer service will be used by the customer on the same installation in conjunction with the utility's service, either by means of a cross-over valve or any other connection. Customer shall not connect, or allow any other person or party to connect, onto any sewer lines on his premises. Two places shall not be permitted to be supplied with one service pipe where there is a sewer main abutting the premises.

No application, agreement or contract for service may be assigned or transferred without the written consent of the utility.

It is agreed and understood that any and all sewer lines and other equipment furnished by the utility (excepting the customer's individual service lines from the point of connection to customer's structures on customer's premises) are and shall remain the sole property of the utility, and nothing contained herein or in a contract/application for service shall be construed to reflect a sale or transfer of any such lines or equipment to any customer. All tap and extension charges shall be for the privilege of connecting to said sewer lines and for installation, not purchase, of said lines.

Service applicants may be required to comply with any pre-condition to receiving service not printed herein as may exist under PUC or TCEQ rule (customer service, health and safety or environmental), USEPA rule, TWDB rule, local regulatory district rule or health department rule. Existing customer shall be required to comply with such rules, including modification of their plumbing and/or consumption patterns, after notice.

The disposal into the utility's sewer collection system of bulk quantities of food or food scraps not previously processed by a grinder or similar garbage disposal unit and grease and oils, except as incidental waste in process or wash water, used in or resulting from food preparation by sewer utility customers engaged in the preparation and/or processing of food for other than domestic consumption for sale to the public shall be prohibited. Specifically included in this prohibition are grease and oils from grease traps to other grease and/or oil storage containers. These substances are defined as

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

(continued)

“garbage” under Section 361.003 (12) of the Solid Waste Disposal Act, Texas Health and Safety Code, and are not “sewage” as defined by Section 26.001 (7) of the Texas Water Code. The utility only provides “sewage” collection and disposal service to the public. This service is limited to the collection, treatment and disposal of waterborne human waste and waste from domestic activities such as washing, bathing, and food preparation. This service does not include the collection, treatment or disposal of waste of such high BOD or TSS characteristics that it cannot reasonably be processed by the utility's state-approved waste water treatment plant within the parameters of the utility's state and federal waste water discharge permits. THIS SERVICE DOES NOT INCLUDE THE COLLECTION AND DISPOSAL OF STORM WATERS OR RUN OFF WATERS, WHICH MAY NOT BE DIVERTED INTO OR DRAINED INTO THE UTILITY'S COLLECTION SYSTEM.

Pursuant to PUC Rule 16 TAC 24.87(n), the utility may charge for all labor, material, equipment, and other costs necessary to repair to replace all equipment damaged due to service diversion or the discharge of wastes which the system cannot properly treat. This shall include all repair and clean -up costs associated with discharges of grease and oils, except as incidental waste in process or wash water, used in or resulting from food preparation by sewer utility customers engaged in the preparation and/or processing of food for other than domestic consumption or for sale to the public discharged from grease traps or other grease and/or oil storage containers. The utility may charge for all costs necessary to correct service diversion or unauthorized taps where there is no equipment damage, including incidents where service is reconnected without authority. The utility may not charge any additional penalty or charge other than actual costs unless such penalty has been expressly approved by the regulatory authority having rate/tariff jurisdiction and filed in the utility's tariff.

Pursuant to PUC Rule 16 TAC 24.86(b)(3)(A) and (B), the customer's service line and appurtenances shall be construed in accordance with the laws and regulations of the State of Texas, local plumbing codes, or, in the absence of such local codes, the Uniform Plumbing Code. It shall be the customer's responsibility to maintain the service line and appurtenances in good operating condition, i.e., clear of obstruction, defects, or blockage. If the utility can provide evidence of excessive infiltration or inflow or failure to provide proper pretreatment, the utility may, with the written approval of the Commission, require the customer to repair the line or eliminate the infiltration or inflow or take such actions necessary to correct the problem. If the customer falls to correct the problem within a reasonable time, the utility may disconnect service after proper notice.

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

(continued)

In accordance with the requirements of Utility's Wastewater discharge Permit, any and all repairs and maintenance of Utility's lines, tanks, pumps and equipment located on Customer's premises shall be performed exclusively by the Utility.

Copies of the utility's state and federal waste water discharge permits shall be available for public inspection and copying in the utility's business office during normal business hours.

Non-residential customers electing the pretreatment option for sewage with non-standard characteristics may be charged those costs set forth in the utility's extension policy if such pretreatment fails or otherwise causes the utility's facilities to violate their waste-water discharge permits.

### RESIDENTIAL SINGLE FAMILY GRINDER/SEWAGE STATIONS

Prior to the installation of a grinder I sewage station, the utility must be given a complete listing of all materials and equipment that will be used.

In order to prevent inflow and infiltration, the materials must comply with standard specifications, approved by the TCEQ.

After the utility has approved the proposed grinder/sewage station, the construction may begin. Once the work has been completed, the utility will do an inspection of the grinder I sewage station to ensure the complete installation was as specified.

The customer will retain ownership of receiving tanks or lift stations on the customer's property, and all maintenance; repairs and replacement are the customer's responsibility. The repairs may be performed by anyone selected by the customer, who is competent to perform such repairs. The utility requires that parts and equipment meet the minimum standards approved by the TCEQ, to insure proper and efficient operation of the sewer system.

### MULTI-FAMILY AND COMMERCIAL RECEIVING TANK/LIFT STATIONS

Prior to the installation of a grinder I sewage station, the utility must be given a complete listing of all materials and equipment that will be used, along with the storage for that development.



## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

(continued)

In order to minimize inflow and infiltration into the collection system, the installation and materials must comply with standard specifications approved by the TCEQ.

After the utility has approved the proposed grinder I sewage station, the construction may begin. Once the work has been completed, the utility will do an inspection of the grinder/sewage station to ensure the complete installation was as specified.

Prior to acceptance of an existing receiving tank or lift station that is being used as an interceptor tank for primary treatment, wastewater storage or pump tanks prior to discharge into an alternative or conventional sewage system must be cleaned, inspected, repaired, modified, or replaced if necessary to minimize inflow and infiltration into the collection system.

Existing pumps and tanks must be of adequate size to insure proper pumpage in the event of high flow or if the pump is out of service. If the existing pumps and receiving tanks or lift stations are of inadequate size the utility will not accept liability for backups due to: high flows, one pump out of service, rainfall (causing inflow or infiltration, power outages, lack of proper storage capacity, etc.

If the collection system that discharges into the receiving tank/lift station has an inflow or infiltration problem and collects rainfall discharge, the owner or P.O.A. will correct it within 90 days of written notice from the utility. If no action is taken to correct the problem within 90 days, the utility may take the responsibility to make corrections at the owner's/P.O.A.'s expense. The utility is not responsible for the collection system that discharges into the receiving tank/lift station.

The owner/P.O.A. shall be responsible for the monthly electric bill.

An adequate easement must encompass the receiving tank I lift station by a 15 foot radius and also a 15 foot access easement to the receiving tank/ lift station site. If this easement does not exist, one must be created and filed of record.

## SECTION 3.0 -- EXTENSION POLICY

### Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES: No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

### SECTION 3.0 – EXTENSION POLICY (continued)

The customer will be given an itemized statement of costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The utility will bear the full cost of any oversizing of collection mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional treatment capacity or facilities. Contributions in aid of construction may not be required of individual residential customers for treatment capacity or collection facilities unless otherwise approved by the Commission under this specific extension policy.

**COST UTILITIES SHALL BEAR.** Within its certificate area, the utility will pay the cost of the first 200 feet of any sewer collection line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the Texas Commission on Environmental Quality's Rules.

#### Section 3.02 – Specific Utility Extension Policies

This section contains the utility's specific extension policy which complies with the requirements already stated under Section 3.01. It must be reviewed and approved by the Commission and in compliance with Commission Rules to be effective.

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest collection line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the full cost of extending service to and throughout their property, including the cost of all necessary treatment capacity necessary to meet the service demands anticipated to be created by that property.

### SECTION 3.0 – EXTENSION POLICY (continued)

Developers will be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with Texas Commission on Environmental Quality's minimum design criteria for facilities used in collecting, treating, transmitting, and discharging of wastewater effluent. For purposes of this subsection, a developer is one who subdivides or requests more than two connections on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

The utility adopts the administrative rules of the Public Utility Commission of Texas, as amended from time to time, as its company specific extension policy. These rules will be kept on file at the company's business office for customer inspection during normal business hours.

Non-residential customers generating sewage creating unique or non-standard treatment demands which might reasonably be expected to cause the utility's treatment facilities to operate outside their current wastewater discharge permit parameters may be charged the cost of all studies, engineering plans, permit costs, and collection treatment or discharge facilities construction or modification costs necessary to enable the utility to treat said sewage within permit limits acceptable to the Texas Commission On Environmental Quality, EPA and other regulatory agencies. In the alternative, the customer may have the option of pretreating said sewage in such a manner to that it may not reasonably be expected to cause the utility's facilities to operate outside their permit parameters. In such case, the customer shall be required to pay the utility's costs of evaluating such pretreatment processes and cost of obtaining regulatory approval of such pretreatment processes. In the event of the pretreatment facilities of a customer making this election fail and cause the utility's facilities to operate outside their permit parameters, the customer shall indemnify the utility for all costs incurred for clean ups or environmental remediation and all fines, penalties, and costs imposed by regulatory or judicial enforcement actions relating to such permit violations.

Non-residential sewer customers producing water borne waste significantly different from waste generated by residential customers may be required to provide a suitable sampling point at the property line for testing the customer's waste for chemicals or substances, e.g., grease, oils, solvents, pesticides, etc., which can reasonably be believed to have an injurious effect on the Utility's plant and/or its ability to treat and dispose of such wastes within the parameters of the Utility's permit. Utility shall have reasonable access to the sampling point at all times.

### SECTION 3.0 – EXTENSION POLICY (continued)

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC 24.86(d) and this tariff. When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge based upon the capacities of collection, transmission, storage, treatment and discharge facilities, compliant with the Texas Commission On Environmental Quality minimum design criteria, which must be committed to such extension. As provided by 16 TAC 24.86(d)(4), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

The imposition of additional extension costs or charges as provided by Sections 2.20 and 3.20 of this tariff shall be subject to appeal as provided in this tariff, PUC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall have the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located. Unless the PUC or other regulatory authority enters interlocutory orders to the contrary, service to the applicant may be delayed until such appeal is resolved.

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service applications forms will be available for applicant pick up at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

The Utility shall serve each-qualified service applicant within its certificated service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by PUC rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The PUC service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a "qualified service applicant" as defined herein or by PUC rules.

### SECTION 3.0 – EXTENSION POLICY (continued)

The Utility is not required to extend service to any applicant outside of its certificated service area and will only do so, at the Utility's sole option, under terms and conditions mutually agreeable to the Utility and the applicant and upon extension of the Utility's certificated service area boundaries by the PUC. Service applicants may be required to bear the cost of the service area amendment.

A “qualified service applicant” is an applicant who has: (1) met all of the Utility's requirements of service contained in this tariff, PUC rules and/or PUC order, (2) has made all payments for tap fees and extension charges, (3) has provided all necessary easements and rights-of-way necessary to provide service to the requested location, including staking said easements or rights-of-way where necessary, and (4) has executed a customer service application for each location to which service is being requested.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. The tap request must be accompanied with a plat, map, diagram or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the connection is to be installed, along the applicant's property line. The actual point of connection must be readily accessible to Utility personnel for Inspection, servicing and testing while being reasonably secure from damage by vehicles and mowers. If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's near service main with adequate capacity to service the applicant's full potential service demand. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, applicant may refer the matter to the PUC for resolution. Unless otherwise ordered by the PUC, the tap or service connection will not be made until the location dispute is resolved.

The Utility shall require a developer (as defined by PUC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property. The Developer shall be required to obtain all necessary easements and rights-of-way required to extend the Utility's existing service facilities from their nearest point with adequate service capacity (as prescribed by PUC rules and local service conditions) to and throughout the Developer's property. The easements shall be sufficient to allow the construction, Installation, repair, maintenance, testing, and replacement of any and all utility plant necessary to provide continuous and adequate service to each and every potential service location within the property at full occupancy. Unless otherwise restricted by law, sewage treatment, holding tank sites, lift station sites shall convey with all

### SECTION 3.0 – EXTENSION POLICY (continued)

permanent easements and buffers required by PUC rules. Unless otherwise agreed to by the Utility, pipe line right-of-way easements must be at least 15 feet wide to allow adequate room to facilitate backhoe and other heavy equipment operation and meters. Easements must be provided for all storage, treatment, pressurization and disposal sites which are sufficient to construct and maintain all weather roads as prescribed by commission rules. All easements shall be evidenced, at Developer's expense, by recorded county-approved subdivision plat or by specific assignment supported by metes and bounds survey from a surveyor licensed by the State of Texas.

Prior to the extension of utility service to developers (as defined by PUC rules) or new subdivisions, the Developer shall comply with the following;

- (a) The Developer shall make a written request for service to property that is to be subdivided and developed. The Developer shall submit to the Utility a proposed plat on a scale of one inch (1 11) to two hundred feet (200') for review and determination of required easements, utility plant, and plant location. If sewer service is requested, the plat must contain elevation data. A reconcilable deposit in an amount set by the Utility may be required to cover preliminary engineering, legal and copy cost to be incurred by the Utility in reviewing and planning to meet this service request. The plat and/or accompanying information shall identify the type, location and number of houses and other planned structures that will be requiring utility service. If other than residential structures are to be located on the property, all other types of anticipated businesses and their service demands shall be identified with specificity. All areas requiring special irrigation and/or other unique water demands must be identified. To the extent reasonably possible, this information must be precise so that adequate facilities can be designed and constructed to meet all future service demands without hazard to the public, other utility customers and/or the environment.
- (b) After the requirements of easements and rights-of-way have been determined, a red line copy will be returned by the Utility to the Developer for final plat preparation.
- (c) Copies of all proposed plats and plans must be submitted to the Utility prior to their submission to the county for approval to insure that they are compatible with the adequate long-term utility needs of potential service customers. Copies will be returned after review by the Utility so that necessary changes may be incorporated into the Developer's final submitted plat(s) and plans.

### SECTION 3.0 – EXTENSION POLICY (continued)

- (d) The Utility shall be provided with three (3) certified copies of the final plat(s) approved by the County Commissioners Court. At this time, the Utility will begin engineering the facilities necessary to serve the property. Plans and specifications will be prepared and submitted to the TCEQ by the Utility if required by law. If further plat or plans changes are necessary to accommodate the specific service needs of the property and the anticipated customer demands, the Developer will be so notified. Plat amendments must be obtained by the Developer. The Developer shall be notified when all required TCEQ or other governmental approvals or permits have been received. No construction of utility plant which requires prior TCEQ plans approval shall be commenced until that approval has been received by the Utility and any conditions imposed by the TCEQ in association with its approvals have been satisfied.
- (e) The Developer shall be required to post bond or escrow the funds necessary to construct all required utility plant, except individual sewer connections, required to serve the property. Construction shall not commence until funds are available. If the construction is to be done in coordination with the phased development of the property, funds must be provided in advance which are sufficient to complete each phase. No phase or facilities for any phase shall be constructed prior to the bonding or escrowing of all funds associated with that phase.
- (f) At the sole option of the Utility, the Developer may be required to execute a Developer Extension Contract setting forth all terms and conditions of extending service to their property including all contributions-in-aid of construction and developer reimbursements, if any.
- (g) The Utility may require the Developer to commence construction of subdivision improvements within three (3) months of utility plans approval or the Utility may abate its construction activities until full development construction begins. If the Developer stops construction of subdivision improvements for any purpose, the Utility may abate its construction for a similar period.
- (h) As soon as the roads are rough cut and prior to paving, extension lines will need to be constructed at each road crossing. The Developer must notify the Utility sufficiently in advance of this development stage to allow for the necessary utility construction without disruption to other service operations of the Utility. Failure to provide adequate advance notice and cooperation in the construction of necessary utility plant may result in additional delays in obtaining service to the property. The Developer shall be required to pay for all additional costs of road boring or other remedial construction necessary to install adequate utility plant throughout the affected property.

### SECTION 3.0 – EXTENSION POLICY (continued)

Within its certificated area, the Utility shall bear the cost of the first 200 feet of any water main or sewer collection line necessary to extend service to an individual residential service applicant within a platted subdivision unless the Utility can document:

- (a) that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the Utility's approved extension policy after receiving a written request from the Utility; or,
- (b) that the Developer defaulted on the terms and conditions of a written agreement or contract existing between the utility and the developer or the terms of this tariff regarding payment for services, extensions, or other requirements; or in the event the Developer declared bankruptcy and was therefore unable to meet obligations; and,
- (c) that the residential service applicant purchased the property from the Developer after the Developer was notified of the need to provide facilities to the utility. A residential service applicant may be charged the remaining costs of extending service to his property; provided, however, that the residential service applicant may only be required to pay the cost equivalent to the cost of extending the nearest water main or wastewater collection line, whether or not that line has adequate capacity to serve that residential service applicant. The following criteria shall be considered to determine the residential service applicant's cost for extending service:
  - (a) the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.
  - (b) Exceptions may be granted by the TCEQ Executive Director, PUC, or other regulatory authority if:
    - (1) adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
    - (2) larger minimum line sizes are required under subdivision platting requirements or applicable building codes.



### SECTION 3.0 – EXTENSION POLICY (continued)

- (c) If an exception is granted, the Utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certificated area, industrial, and wholesale customers shall be treated as developers.



**Liberty Utilities**

## Application and Agreement

### For Residential Water/Wastewater Service

The undersigned "Customer" requests utility service at the described service address ("premise") from "Company" (Liberty Utilities) and agrees to be governed by and comply with all applicable laws, rules, regulations, tariffs and orders governing such services as they may be, from time to time, amended. Customer also agrees:

1. To assume responsibility for installing, inspecting, maintaining and repairing any piping or other water facilities on Customer's side of the meter; to make certain all water-using facilities are turned off before water service is started; to safeguard all Company property installed in or on premises; to ensure all Company property (including meter) in or on the premises is unobstructed and accessible to Company.
2. Company is not responsible for any damages to the premises from flooding due to condition of water facilities or appliances on Customer's side of meter or for negligence of third person or forces beyond the control of Company resulting in any interruption of service or damages to Customer or Customer's premises. Company does not guarantee uninterrupted service or service at a specific water pressure or gallons per minute flow rate.
3. Meters will be read and bills rendered monthly. Bills are due when rendered. Failure to receive bills or notices shall not prevent such bills from becoming delinquent, nor relieve the Customer of his obligations.
4. Deposit is required before service can be provided. (Cash, Check, Money Order, or Credit Card accepted).

#### PLEASE PRINT

Date Applied \_\_\_\_\_ (m/d/y) Service Start Date \_\_\_\_\_ (m/d/y) Owner \_\_\_\_\_ Tenant \_\_\_\_\_

Name (Last) \_\_\_\_\_ (First) \_\_\_\_\_

Spouse \_\_\_\_\_ Co-applicant \_\_\_\_\_

Place of Employment \_\_\_\_\_

Telephone #'s: Home \_\_\_\_\_ Work \_\_\_\_\_

Cell \_\_\_\_\_

Date of Birth \_\_\_\_\_ (m/d/y)

Driver's License # \_\_\_\_\_ State \_\_\_\_\_

Service Address \_\_\_\_\_

City \_\_\_\_\_ Zip Code \_\_\_\_\_

Mailing Address (if different) \_\_\_\_\_

City \_\_\_\_\_ Zip Code \_\_\_\_\_

Email address \_\_\_\_\_

I would like my monthly bill to be delivered by: Paperless Billing (E-Bill) \_\_\_\_\_ Paper Bill \_\_\_\_\_

E-Bill, our paperless billing program, is a way to electronically receive your bill each month. An email will be sent to the email address you provided above to notify you when your bill is available for secure viewing online.

Under penalties of perjury, I declare that to the best of my knowledge and belief, the above information is true, correct and complete.

CUSTOMER'S SIGNATURE X \_\_\_\_\_

OFFICE USE ONLY:

WATER \_\_\_\_\_ WASTEWATER \_\_\_\_\_ BOTH \_\_\_\_\_

CUSTOMER DEPOSIT (refundable) \$ \_\_\_\_\_

SERVICE ESTABLISHMENT FEE (non-refundable) \$ \_\_\_\_\_

RECEIVED BY \_\_\_\_\_ \$ \_\_\_\_\_

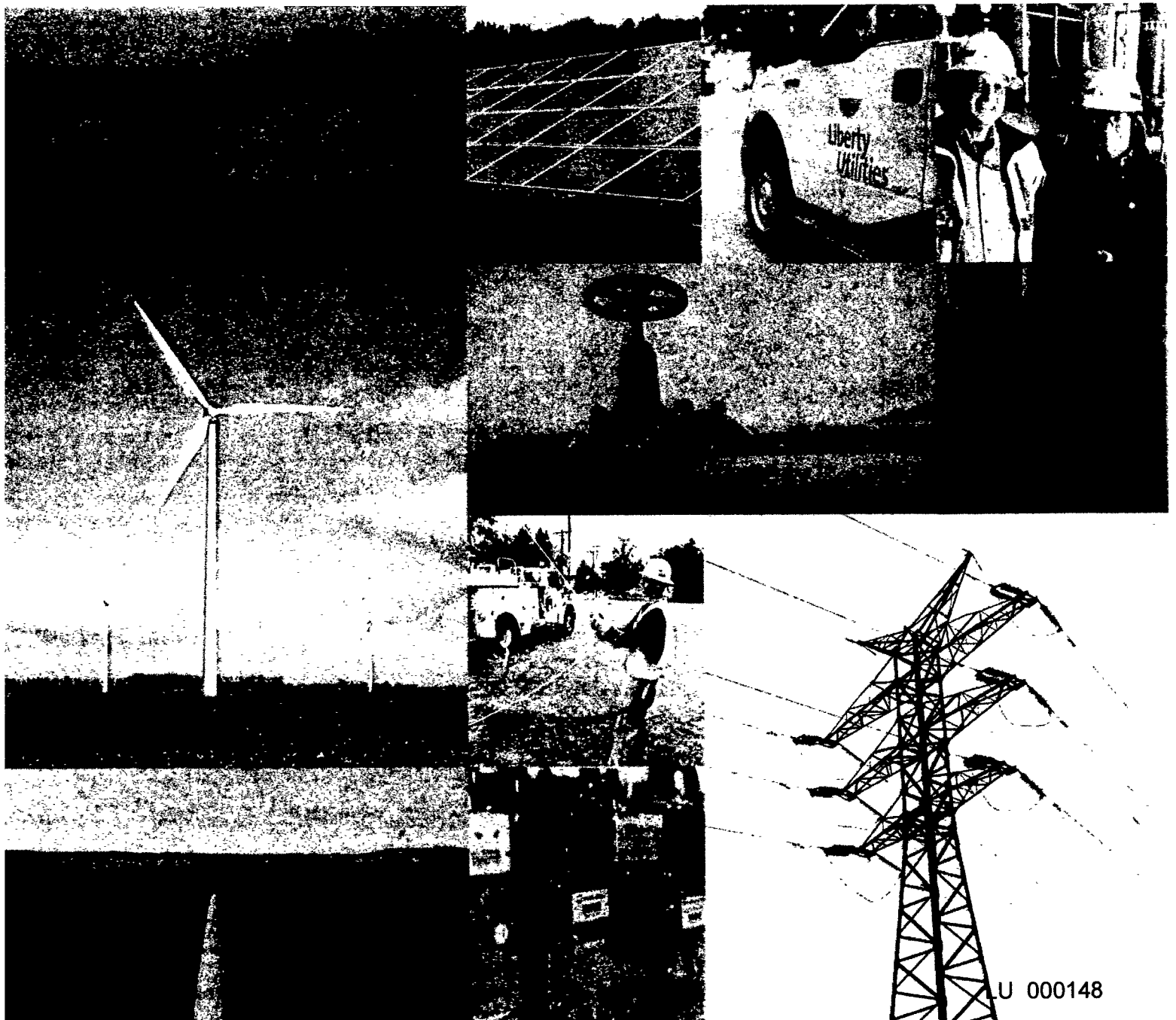
LU 000147

ANNUAL  
REPORT  
2015



**ALGONQUIN**

Power & Utilities Corp.



U 000148

## ALGONQUIN POWER & UTILITIES CORP.

Algonquin is a \$5 billion North American diversified generation, transmission and distribution utility.

**OUR VISION IS CLEAR.** To be most admired by customers, communities and investors for our people, passion and performance.



[WWW.ALGONQUINPOWERANDUTILITIES.COM](http://WWW.ALGONQUINPOWERANDUTILITIES.COM)

TORONTO STOCK EXCHANGE

ALON

LU 000149

## INDEPENDENT AUDITORS' REPORT OF REGISTERED PUBLIC ACCOUNTING FIRM

### To the Board of Directors and Shareholders of Algonquin Power & Utilities Corp.

We have audited the accompanying consolidated financial statements of Algonquin Power & Utilities Corp., which comprise the consolidated balance sheets as at December 31, 2015 and 2014 and the consolidated statements of operations, comprehensive income, equity, and cash flows for each of the years in the two-year period ended December 31, 2015, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

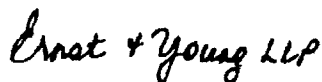
We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Algonquin Power & Utilities Corp. as at December 31, 2015 and 2014, and the consolidated results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

#### Other Matter

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Algonquin Power & Utilities Corp.'s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 10, 2016 expressed an unqualified opinion on Algonquin Power & Utilities Corp.'s internal control over financial reporting.



Chartered Professional Accountants,  
Licensed Public Accountants  
Toronto, Canada  
March 10, 2016

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROLS UNDER STANDARDS OF THE PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD (UNITED STATES)**

**To the Board of Directors and Shareholders of Algonquin Power & Utilities Corp.**

We have audited Algonquin Power & Utilities Corp.'s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Algonquin Power & Utilities Corp.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on Algonquin Power & Utilities Corp.'s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Algonquin Power & Utilities Corp. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria.

We also have audited, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Algonquin Power & Utilities Corp. as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the years in the two-year period ended December 31, 2015 and our report dated March 10, 2016 expressed an unqualified opinion thereon.

*Ernst & Young LLP*

Chartered Professional Accountants,  
Licensed Public Accountants  
Toronto, Canada  
March 10, 2016

# Algonquin Power & Utilities Corp.

## Consolidated Balance Sheets

(thousands of Canadian dollars)

	December 31, 2015	December 31, 2014
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 124,353	\$ 9,273
Accounts receivable, net (note 4)	186,681	188,573
Natural gas in storage (note 1(h))	28,502	31,550
Regulatory assets (note 7)	32,213	61,645
Prepaid expenses	18,409	10,431
Derivative instruments (note 24)	15,039	10,688
Other current assets	18,537	15,359
	423,734	327,519
Property, plant and equipment, net (note 5)	3,873,684	3,278,422
Intangible assets, net (note 6)	77,963	54,011
Goodwill (note 6)	110,493	92,328
Regulatory assets (note 7)	213,102	185,627
Derivative instruments (note 24)	73,322	31,782
Long-term investments (note 8)	174,802	43,279
Deferred income taxes (note 19)	18,109	64,275
Other assets (note 12)	26,516	25,605
	\$ 4,991,725	\$ 4,102,848

# Algonquin Power & Utilities Corp.

## Consolidated Balance Sheets

(thousands of Canadian dollars)

	December 31, 2015	December 31, 2014
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 50,428	\$ 68,540
Accrued liabilities	193,320	199,374
Dividends payable (note 16)	41,802	25,395
Regulatory liabilities (note 7)	44,167	20,590
Long-term debt (note 9)	8,945	9,130
Other long-term liabilities and deferred credits (note 13)	36,621	49,303
Other liabilities	16,593	10,234
	391,876	382,566
Long-term debt (note 9)	1,477,850	1,262,589
Regulatory liabilities (note 7)	131,180	101,166
Deferred income taxes (note 19)	175,799	134,460
Derivative instruments (note 24)	106,628	40,088
Pension and other post-employment benefits (note 10)	150,094	138,602
Other long-term liabilities (note 13)	223,135	177,235
Preferred shares, Series C (note 11)	17,548	17,608
	2,282,234	1,871,748
Redeemable non-controlling interest (note 3(e))	25,751	12,146
Equity:		
Preferred shares (note 14(b))	213,805	213,805
Common shares (note 14(a))	1,808,894	1,633,262
Subscription receipts (note 14(a)(ii))	110,503	110,503
Additional paid-in capital	38,241	33,068
Deficit	(523,116)	(505,305)
Accumulated other comprehensive income (note 15)	286,737	34,213
Total Equity attributable to shareholders of Algonquin Power & Utilities Corp.	1,935,064	1,519,546
Non-controlling interests	356,800	316,842
Total Equity	2,291,864	1,836,388
Commitments and contingencies (note 22)		
Subsequent events (notes 3(a) and (b), 8(e), 9, 14(a)(iii) and 25)		
	\$ 4,991,725	\$ 4,102,848

See accompanying notes to consolidated financial statements



# Algonquin Power & Utilities Corp.

## Consolidated Statements of Operations

(thousands of Canadian dollars, except per share amounts)

	Year ended December 31	
	2015	2014
<b>Revenue</b>		
Regulated electricity distribution	\$ 224,110	\$ 204,721
Regulated gas distribution	464,767	446,025
Regulated water reclamation and distribution	78,467	66,419
Non-regulated energy sales	222,581	202,300
Other revenue	37,930	22,149
	<b>1,027,855</b>	<b>941,614</b>
<b>Expenses</b>		
Operating expenses	278,561	234,038
Regulated electricity purchased	131,647	120,506
Regulated gas purchased	217,236	261,116
Non-regulated energy purchased	27,990	39,264
Administrative expenses	40,675	34,692
Depreciation and amortization	149,806	114,047
Gain on foreign exchange	(2,631)	(1,112)
	<b>843,284</b>	<b>802,551</b>
<b>Operating income from continuing operations</b>	<b>184,571</b>	<b>139,063</b>
Interest expense	65,993	62,418
Interest, dividend, equity and other income	(9,095)	(7,758)
Other gains	(5,110)	—
Acquisition-related costs	1,832	2,552
Write-down of long-lived assets and loss on disposal	2,890	8,027
Loss (gain) on derivative financial instruments (note 24(b)(iv))	(2,188)	1,375
	<b>54,322</b>	<b>66,614</b>
<b>Earnings from continuing operations before income taxes</b>	<b>130,249</b>	<b>72,449</b>
<b>Income tax expense (note 19)</b>		
Current	7,310	3,674
Deferred	36,403	13,133
	<b>43,713</b>	<b>16,807</b>
Earnings from continuing operations	86,536	55,642
Loss from discontinued operations, net of tax	(1,032)	(2,127)
<b>Net earnings</b>	<b>85,504</b>	<b>53,515</b>
Net loss attributable to non-controlling interests (note 18)	(31,976)	(22,186)
<b>Net earnings attributable to shareholders of Algonquin Power &amp; Utilities Corp.</b>	<b>\$ 117,480</b>	<b>\$ 75,701</b>
Series A and D Preferred shares dividend (note 16)	10,400	9,503
<b>Net earnings attributable to common shareholders of Algonquin Power &amp; Utilities Corp.</b>	<b>\$ 107,080</b>	<b>\$ 66,198</b>
Basic net earnings per share from continuing operations (note 20)	\$ 0.43	\$ 0.32
Basic net earnings per share (note 20)	0.42	0.31
Diluted net earnings per share from continuing operations (note 20)	0.42	0.32
Diluted net earnings per share (note 20)	\$ 0.42	\$ 0.31

See accompanying notes to consolidated financial statements

**Algonquin Power & Utilities Corp.**  
**Consolidated Statements of Comprehensive Income**

(thousands of Canadian dollars)

	<b>Year ended December 31</b>	
	<b>2015</b>	<b>2014</b>
Net earnings	\$ 85,504	\$ 53,515
Other comprehensive income:		
Foreign currency translation adjustment, net of tax recovery of \$nil and \$1,049, respectively (notes 1(v), 24(b)(iii) and 24(c))	289,035	104,183
Change in fair value of cash flow hedges', net of tax expense of \$12,010 and \$6,589, respectively (note 24(b)(ii))	16,165	2,799
Change in unrealized appreciation in value of available-for-sale investments	(73)	1
Change in pension and other post-employment benefits, net of tax expense of \$4,923 and tax recovery of \$22,446, respectively (note 10)	7,571	(35,669)
Other comprehensive income, net of tax	312,698	71,314
Comprehensive income	398,202	124,829
Comprehensive income attributable to the non-controlling interests	28,198	7,077
Comprehensive income attributable to shareholders of Algonquin Power & Utilities Corp.	\$ 370,004	\$ 117,752

See accompanying notes to consolidated financial statements

# Algonquin Power & Utilities Corp.

## Consolidated Statement of Equity

(thousands of Canadian dollars)  
For the year ended December 31, 2015

	Algonquin Power & Utilities Corp. Shareholders							
	Common shares	Preferred shares	Subscription receipts	Additional paid-in capital	Accumulated deficit	Accumulated OCI	Non- controlling interests	Total
Balance, December 31, 2014	\$1,633,262	\$213,805	\$ 110,503	\$ 33,068	\$ (505,305)	\$ 34,213	\$316,842	\$1,836,388
Net earnings (loss)	—	—	—	—	117,480	—	(31,976)	85,504
Redeemable non- controlling interests not included in equity	—	—	—	—	—	—	3,571	3,571
Other comprehensive income	—	—	—	—	—	252,524	60,174	312,698
Dividends declared and distributions to non-controlling interests	—	—	—	—	(105,929)	—	(2,626)	(108,555)
Dividends and issuance of shares under dividend reinvestment plan	29,302	—	—	—	(29,302)	—	—	—
Contributions received from non-controlling interests	—	—	—	—	—	—	10,815	10,815
Shares issued pursuant to public offering, net of costs (note 14(a)(i))	144,987	—	—	—	—	—	—	144,987
Issuance of common shares under employee share purchase plan	1,343	—	—	(282)	(60)	—	—	1,001
Share-based compensation	—	—	—	5,455	—	—	—	5,455
Balance, December 31, 2015	\$1,808,894	\$213,805	\$ 110,503	\$ 38,241	\$ (523,116)	\$ 286,737	\$356,800	\$2,291,864

# Algonquin Power & Utilities Corp.

## Consolidated Statement of Equity

(thousands of Canadian dollars)  
For the year ended December 31, 2014

Algonquin Power & Utilities Corp. Shareholders								
	Common shares	Preferred shares	Subscription receipts	Additional paid-in capital	Accumulated deficit	Accumulated OCI	Non-controlling interests	Total
Balance, December 31, 2013	\$1,351,264	\$116,546	\$ —	\$ 7,313	\$ (488,406)	\$ (31,410)	\$510,654	\$1,465,961
Net earnings (loss)	—	—	—	—	75,701	—	(22,186)	53,515
Redeemable non-controlling interests not included in equity	—	—	—	—	—	—	(289)	(289)
Other comprehensive income	—	—	—	—	—	42,051	29,263	71,314
Dividends declared and distributions to non-controlling interests	—	—	—	—	(75,205)	—	(4,738)	(79,943)
Dividends and issuance of shares under dividend reinvestment plan	17,395	—	—	—	(17,395)	—	—	—
Contributions received from non-controlling interests	—	—	—	—	—	—	9,934	9,934
Issuance of subscription receipts (note 14(a)(ii))	—	—	110,503	—	—	—	—	110,503
Shares issued pursuant to public offering, net of costs (note 14(a)(i))	263,869	—	—	—	—	—	—	263,869
Issuance of common shares under employee share purchase plan	734	—	—	—	—	—	—	734
Share-based compensation expense	—	—	—	3,203	—	—	—	3,203
Preferred shares, Series D (note 14(b))	—	97,259	—	—	—	—	—	97,259
Acquisition of non-controlling interest (note 18)	—	—	—	22,552	—	23,572	(205,796)	(159,672)
Balance, December 31, 2014	\$1,633,262	\$213,805	\$ 110,503	\$ 33,068	\$ (505,305)	\$ 34,213	\$316,842	\$1,836,388

See accompanying notes to consolidated financial statements

# Algonquin Power & Utilities Corp.

## Consolidated Statements of Cash Flows

(thousands of Canadian dollars)

	Year ended December 31	
	2015	2014
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
Net earnings from continuing operations	\$ 86,536	\$ 55,642
Adjustments and items not affecting cash:		
Depreciation and amortization	151,627	115,399
Deferred taxes	36,403	13,133
Unrealized loss (gain) on derivative financial instruments	(1,990)	3,046
Share-based compensation expense	5,455	3,203
Cost of equity funds used for construction purposes	(2,424)	(1,910)
Pension and post-employment expense	(3,333)	(2,050)
Write-down of long-lived assets	1,781	8,463
Unrealized gain on disposal of VIE	220	—
Increase in deferred income	550	—
Changes in non-cash operating items (note 23)	(11,149)	(1,790)
Changes in non-cash operating items from discontinued operations	—	1,262
Cash used in discontinued operations	(1,806)	(1,682)
	261,870	192,716
<b>Financing Activities</b>		
Cash dividends on common shares	(79,121)	(57,848)
Cash dividends on preferred shares	(10,400)	(9,503)
Cash contributions from non-controlling interests	15,222	11,845
Production-based cash contributions from non-controlling interest	10,815	8,976
Cash distributions to non-controlling interests	(2,936)	(4,738)
Issuance of common shares, net of costs	144,694	261,452
Proceeds from subscription receipts	—	110,503
Issuance of preferred shares, net of costs	—	96,271
Acquisition of non-controlling interest	—	(127,121)
Increase in long-term debt	248,811	236,528
Decrease in long-term debt	(196,149)	(286,552)
Increase in other long-term liabilities	31,544	18,618
Decrease in other long-term liabilities	(6,182)	(3,091)
	156,298	255,340
<b>Investing Activities</b>		
Increase (decrease) in other assets	281	(13,785)
Distributions received in excess of equity income	1,386	264
Receipt of principal on notes receivable	29,273	280
Additions to property, plant and equipment	(204,195)	(432,373)
Acquisitions of long-term investments	(138,560)	(25,432)
Acquisitions of operating entities	(3,717)	(8,757)
Proceeds from sale of long-lived assets	5,516	26,535
	(310,016)	(453,268)
Effect of exchange rate differences on cash	6,928	646
Increase (decrease) in cash and cash equivalents	115,080	(4,566)
Cash and cash equivalents, beginning of year	9,273	13,839
Cash and cash equivalents, end of year	\$ 124,353	\$ 9,273
<b>Supplemental disclosure of cash flow information:</b>	<b>2015</b>	<b>2014</b>
Cash paid during the year for interest expense	\$ 69,610	\$ 57,098
Cash paid during the year for income taxes	\$ 6,153	\$ 2,571
<b>Non-cash financing and investing activities:</b>		
Property, plant and equipment acquisitions in accruals	\$ 44,834	\$ 25,568
Issuance of common shares under dividend reinvestment plan and share-based compensation plans	\$ 30,645	\$ 18,129

See accompanying notes to consolidated financial statements

**PUC DOCKET NO. 46256**

<b>APPLICATION OF LIBERTY</b>	<b>§</b>	<b>BEFORE THE PUBLIC UTILITY</b>
<b>UTILITIES (WOODMARK SEWER)</b>	<b>§</b>	
<b>CORP. AND LIBERTY UTILITIES</b>	<b>§</b>	
<b>(TALL TIMBERS SEWER) CORP.</b>	<b>§</b>	<b>COMMISSION OF TEXAS</b>
<b>(CCN NOS. 20679 AND 20694) TO</b>	<b>§</b>	
<b>CHANGE RATES FOR SEWER</b>	<b>§</b>	
<b>SERVICE IN SMITH COUNTY, TEXAS</b>	<b>§</b>	

**AFFIDAVIT/CERTIFICATION OF APPLICATION**

STATE OF ARIZONA      §  
   §  
COUNTY OF MARICOPA   §

Matthew Garlick, first being sworn on his oath, states:

I, Matthew Garlick, am the President of Liberty Utilities (Woodmark Sewer) Corp. and Liberty Utilities (Tall Timbers Sewer) Corp ("Liberty Utilities"). I have the authority and have been directed to execute all documents deemed necessary or appropriate in connection with regulatory matters with the Public Utility Commission of Texas on behalf of Liberty Utilities (Woodmark Sewer) Corp. and Liberty Utilities (Tall Timbers Sewer) Corp.

Liberty Utilities (Woodmark Sewer) Corp. and Liberty Utilities (Tall Timbers Sewer) Corp have filed a Rate Application with the Public Utility Commission of Texas. I have reviewed said Rate Application. Based on my knowledge, said Rate Application does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made not misleading, in light of the circumstances under which such statements were made.

Based on my knowledge, the financial information, and other information included in said Rate Application is consistent with the accounting and other records of Liberty Utilities (Woodmark Sewer) Corp. and Liberty Utilities (Tall Timbers Sewer) Corp. for the period presented in the Rate Application.

All other statements contained in said Rate Application are true, and said Rate Application is correct and complete for all information requested and consistent with the books and records of the applicant.

Matthew Garlick  
Matthew Garlick

Subscribed and sworn to before me on this the 31 day of AUGUST, 2016.



Brian Walton BRIAN WALTON  
Notary Public

My commission expires: 5/26/18

**, , PUC DOCKET NO. 46256**

<b>APPLICATION OF LIBERTY</b>	<b>§</b>	<b>BEFORE THE PUBLIC UTILITY</b>
<b>UTILITIES (WOODMARK SEWER)</b>	<b>§</b>	
<b>CORP. AND LIBERTY UTILITIES</b>	<b>§</b>	
<b>(TALL TIMBERS SEWER) CORP.</b>	<b>§</b>	<b>COMMISSION OF TEXAS</b>
<b>(CCN NOS. 20679 AND 20694) TO</b>	<b>§</b>	
<b>CHANGE RATES FOR SEWER</b>	<b>§</b>	
<b>SERVICE IN SMITH COUNTY,</b>	<b>§</b>	
<b>TEXAS</b>	<b>§</b>	

**DIRECT TESTIMONY AND ATTACHMENTS**

**OF**

**MATTHEW GARLICK**

**ON BEHALF OF**

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

**September 2, 2016**



**DIRECT TESTIMONY AND ATTACHMENTS OF**

**MATTHEW GARLICK**

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**ATTACHMENTS:**

MG-1	Woodmark Expansion - Project Cost Estimate
MG-2	Woodmark Expansion - Project Schedule
MG-3	Costs Associated with the Hydraulic Improvement Project

1                                   **DIRECT TESTIMONY OF MATTHEW GARLICK**

2                                   **ON BEHALF OF**

3                                   **LIBERTY UTILITIES (WOODMARK SEWER) CORP. AND**  
4                                   **LIBERTY UTILITIES (TALL TIMBERS SEWER) CORP.**

5  
6                                   **I. INTRODUCTION**

7   **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

8   **A.** My name is Matthew Garlick. My business address is 12725 W. Indian School  
9   Road, Suite D-101, Avondale, Arizona 85392.

10  
11   **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

12   **A.** I have been employed by Liberty Utilities since 2000. On June 1, 2015, I became  
13   President of the Liberty Utilities regulated utilities in Arizona and Texas, including  
14   Liberty Utilities (Woodmark Sewer) Corp. ("Liberty Woodmark") and Liberty  
15   Utilities (Tall Timbers Sewer) Corp. ("Liberty Tall Timbers") (collectively  
16   "Applicants").

17  
18   **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

19   **A.** I'm providing this testimony on behalf of both of the Applicants.  
20

21   **Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AS PRESIDENT OF**  
22   **LIBERTY UTILITIES IN ARIZONA/TEXAS.**

23   **A.** I am responsible for Liberty Utilities' water and sewer operations in Texas and  
24   Arizona.<sup>1</sup> This includes directing the daily operations and administration of all of

---

<sup>1</sup> In Texas, along with Applicants, Liberty Utilities also owns and operates Liberty Utilities (Silverleaf Water) LLC ("Liberty Silverleaf") and the unregulated Liberty Utilities (Seaside Water) LLC ("Liberty Seaside").

1 the utilities, including their financial and operating results, capital and operating  
2 cost budgeting, rate case planning and oversight, and rate setting policies and  
3 procedures. As President, I also oversee customer and development services,  
4 environmental, health and safety, accounting/finance, human resources,  
5 engineering, and conservation planning.

6  
7 **Q. WHAT OTHER POSITIONS HAVE YOU HELD WITH LIBERTY**  
8 **UTILITIES?**

9 **A.** I was hired in January 2000 as a Technical Services Supervisor. In November  
10 2009, I was named Business Manager of Liberty Utilities (Litchfield Park Water &  
11 Sewer) Corp. (formerly known as Litchfield Park Service Company) in Arizona,  
12 and was responsible for operations for approximately 40,000 utility customers. In  
13 March 2012, I assumed the role of Director of Operations – Arizona, and was  
14 responsible for operations throughout Arizona, as well as Texas, Missouri, and  
15 Illinois. In June 2015, I became President of our operating utilities in Arizona and  
16 Texas.

17  
18 **Q. WHAT WAS YOUR EDUCATION AND EMPLOYMENT PRIOR TO**  
19 **LIBERTY UTILITIES?**

20 **A.** For 15 years prior, I was a Senior Project Geologist with an environmental  
21 engineering firm called Environmental Science and Engineering. My role was to  
22 direct and support other project scientists in the daily work activities on various  
23 State of Arizona Water Quality Assurance Revolving Fund (WQARF) groundwater  
24 remedial projects. I earned a Bachelor of Science degree in Earth Science from  
25 Northern Arizona University.

1   **Q.   DO YOU HOLD ANY CERTIFICATIONS?**

2   **A.**   I hold the highest level of Operator Certifications (Grade IV – WD, WP, WWT, and  
3       Grade III in WWC) in Arizona. I am also a certified Backflow Tester.  
4       Additionally, I belong to several professional organizations such as the American  
5       Water Works Association (AWWA), and American Backflow Prevention  
6       Association (ABPA). In addition, I am a board member of Water Utilities  
7       Association of Arizona (WUAA) and Independent Water and Sewer Companies of  
8       Texas (IWSCOT).

9

10   **Q.   HAVE YOU TESTIFIED BEFORE THIS OR ANY OTHER COMMISSION?**

11   **A.**   I have not testified before the Public Utility Commission of Texas or its  
12       predecessors. However, I have testified before the Arizona Corporation  
13       Commission in utility rate cases involving Liberty Utilities subsidiaries.

14

15   **Q.   WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
16       **PROCEEDING?**

17   **A.**   To support Applicants' request for rate relief. Specifically, I will provide general  
18       background on the Liberty Utilities companies, and on Liberty Woodmark and  
19       Liberty Tall Timbers. I will also address Applicants' requests for approval of  
20       various changes that are being proposed to Applicants' tariffs of rates and charges.  
21       Additionally, I signed the Affidavit/Certification of Application on behalf of  
22       Applicants, which is included in the Rate Filing Package, attesting to the accuracy  
23       of the information in this case to the best of my knowledge.

24

25   **Q.   ARE THE DOCUMENTS ATTACHED AS MG-1, MG-2, MG-3 AND THE**  
26       **ALGONQUIN POWER & UTILITIES CORP. 2015 COST ALLOCATION**  
27       **BUSINESS RECORDS OF THE LIBERTY UTILITIES COMPANIES?**

1 A. Yes.

2

3 Q. AS AN EMPLOYEE OF LIBERTY UTILITIES COMPANIES, ARE YOU  
4 FAMILIAR WITH THE MANNER IN WHICH THE RECORDS ARE  
5 CREATED AND MAINTAINED?

6 A. Yes.

7

8 Q. BASED ON LIBERTY UTILITIES COMPANIES REGULAR PRACTICES  
9 WERE THE RECORDS MADE AT OR NEAR THE TIME OF EACH ACT,  
10 EVENT, CONDITION, OPINION, OR DIAGNOSIS SET FORTH IN THE  
11 RECORDS, MADE BY, OR FROM INFORMATION TRANSMITTED BY,  
12 PERSONS WITH KNOWLEDGE OF THE MATTERS SET FORTH, AND  
13 KEPT IN THE COURSE OF REGULARLY CONDUCTED BUSINESS  
14 ACTIVITY?

15 A. Yes.

16

17 Q. ARE THE BUSINESS RECORDS YOU NOTED ABOVE EXACT  
18 DUPLICATES OF THE ORIGINAL RECORDS?

19 A. Yes.

20

21 II. OVERVIEW OF LIBERTY UTILITIES

22 Q. PLEASE PROVIDE AN OVERVIEW OF LIBERTY UTILITIES.

1    A.    Liberty Utilities Co. (“Liberty Utilities”) is a Delaware corporation that operates  
2           regulated gas, water, sewer and electric utilities in eleven states—Arizona,  
3           Arkansas, California, Georgia, Illinois, Iowa, Massachusetts, Missouri, Montana,  
4           New Hampshire and Texas. Liberty Utilities Co. is a subsidiary of Liberty Utilities  
5           (Canada) Corp. (“Liberty Utilities Canada”). The Texas utilities are wholly owned  
6           subsidiaries of Liberty Utilities (Sub) Corp., which is a wholly owned subsidiary of  
7           Liberty Utilities. Algonquin Power & Utilities Corp., or APUC, a publicly traded  
8           member of the Toronto Stock Exchange, ultimately owns all of the Liberty Utilities  
9           entities, including Applicants.

10           APUC is a \$5 billion electric generation, transmission and distribution utility  
11           company based in Oakville, Ontario. APUC is listed on the Toronto Stock  
12           Exchange and is a registrant with the U.S. Security and Exchange Commission.  
13           APUC subsidiaries own and operate regulated utilities in the United States, and own  
14           non-regulated generation facilities and regulated electric transmission and natural  
15           gas pipelines throughout the United States and Canada. The distribution business  
16           group operates in the United States as Liberty Utilities and provides rate-regulated  
17           water, wastewater, electricity and natural gas utility services to over half a million  
18           customers. The electric generation business group operates as Algonquin Power  
19           Co. and owns or has interests in a portfolio of North American based contracted  
20           wind, solar, hydroelectric and natural gas powered generating facilities representing  
21           more than 1,300 MW of installed capacity. The transmission business group  
22           invests in rate regulated electric transmission and natural gas pipeline systems in the  
23           United States and Canada. Common shares and preferred shares of APUC are  
24           traded on the Toronto Stock Exchange under the symbols AQN, AQN.PR.A and  
25           AQN.PR.D. The APUC website is [www.AlgonquinPowerandUtilities.com](http://www.AlgonquinPowerandUtilities.com). The  
26           complete APUC Annual Report 2015 is available at this site. Excerpts from that

report are included in the Rate Filing Package in response to the Commission's Class B Utility Rate Filing Package Form Instruction requirements.

**Q. WHAT IS LIBERTY UTILITIES' OVERALL PHILOSOPHY REGARDING THE OPERATION OF ITS REGULATED UTILITY BUSINESSES?**

**A.** Liberty Utilities promotes a common set of organizational values to help guide day-to-day business decisions. Those organizational values are Quality, Efficiency, and Care. They are the foundation of the Liberty Utilities culture and provide guidance on day-to-day business operations. Overarching all of those organizational values is Safety. Liberty Utilities considers Safety a meta-level value and places safety of customers, employees and community first and foremost. In addition to local operations, strategic oversight and administrative support services are provided centrally from Liberty Utilities Canada and APUC to the local utility businesses. We take this approach because we believe these services can be provided more cost effectively and in a manner that ensures consistent quality across all of our operating utilities if provided on a shared services basis. We strive to ensure, however, that doing so will not detract from the local presence that is valued by our customers and regulators. Customers receive significant benefits from this shared services model and the local approach in the provision of high quality utility service.

**Q. HOW DOES LIBERTY UTILITIES' REGULATORY PHILOSOPHY INFLUENCE THE WAY IN WHICH IT APPROACHES THE MANAGEMENT AND OPERATION OF THE UTILITIES IT OWNS?**

**A.** We believe that there is no adequate substitute for local management, local decision-making and local operational control for a utility that is serious about achieving the highest level of customer satisfaction and maintaining strong

1 regulatory compliance. We believe that utilities can best meet the needs of  
2 customers and regulators when the people making the decisions impacting the  
3 communities they serve are located near those customers and are in easy, regular,  
4 close contact with customers and regulators. In terms of operating its regulated  
5 utilities, Liberty Utilities focuses on local management control and operation.  
6 We operate on the following corporate principles—"Local. Responsive. We  
7 Care." Each state has a President who directs the utilities in that state. I am that  
8 President in Arizona and Texas. The state presidents have local decision making  
9 authority and responsibility, including operational and financial authority. We  
10 have system operators and local customer service representatives to interact with  
11 customers directly. Customers, based on our experience, appreciate the "local"  
12 aspect of our service, and we try to accomplish that wherever reasonably possible.  
13 We have been successful in implementing this local service approach in Texas.  
14

15 **Q. WHAT ROLE DOES LIBERTY UTILITIES PLAY IN THE OPERATION**  
16 **AND MANAGEMENT OF APPLICANTS?**

17 **A.** Liberty Utilities is more than just a holding company—it is the operator of each of  
18 the Applicants. Employees that operate, administer and manage the day-to-day  
19 operations are employed by Liberty Utilities Service Corp. ("LUSC"), a direct  
20 subsidiary of Liberty Utilities. Liberty Utilities is also Applicants' source of  
21 capital for utility plant investment and operations with investment capital ultimately  
22 coming from APUC.  
23

24 **Q. ARE THERE ADVANTAGES TO OPERATING IN THIS MANNER?**

25 **A.** Yes, there are substantial advantages. To start, operating in this manner achieves  
26 economies of scale that allow us to provide great service at a reasonable price. As  
27 stand-alone utilities, Applicants would have to hire and pay full time engineering



1 staff, human resources, safety and rates personnel, repair and maintenance staff,  
2 accounting and billing staff, and customer service and management personnel. In  
3 turn, those stand-alone costs would be incorporated into rates. We all see these  
4 financial realities daily in the hundreds of small water and sewer utilities regulated  
5 by the Commission. In Arizona and Texas, Liberty Utilities currently has over 100  
6 employees working to provide the best possible service at a reasonable cost to the  
7 customers of multiple different regulated water and wastewater utilities.

8  
9 **Q. BUT DO APPLICANTS REALLY NEED THAT MANY FULL-TIME**  
10 **EMPLOYEES TO OPERATE SAFELY AND RELIABLY?**

11 **A.** Neither Applicant has any full-time staff, which illustrates the benefits of Liberty  
12 Utilities' operations model. For example, in Arizona, we currently have a  
13 substantial project for Liberty Black Mountain—the Boulders WWTP  
14 closure—and our engineering and regulatory staff have spent a great deal of time  
15 focused on that project. Several years ago, we had a major plant expansion at the  
16 Liberty Litchfield Park Palm Valley Water Reclamation Facility, and we are  
17 currently constructing another expansion of that plant. We now have a planned  
18 wastewater treatment plant expansion for Liberty Woodmark. Under our structure,  
19 each of our Texas utilities has access to personnel with experience and expertise  
20 available to focus on major capital improvement projects for multiple utilities.  
21 And while the engineers and operators focus on capital improvements and  
22 maintenance of the existing systems, the billing clerks focus on getting bills out and  
23 payments in, and customer service handles customer inquiries. Each of us has a  
24 role in the running of all utility operations and that allows us to have the right people  
25 with the right skills available to do the job for each and any utility as needed. This  
26 operational structure also allows us to share those necessary costs over multiple  
27 entities, in turn reducing service costs and rates for customers.

1 **Q. DOESN'T THIS ARRANGEMENT RESULT IN CONFUSION OVER THE**  
2 **COSTS FOR LIBERTY UTILITIES' VARIOUS TEXAS UTILITIES?**

3 **A.** No. All direct costs related to each utility's specific operations are direct charged.  
4 Common costs are pooled and allocated through a central cost allocation.  
5 Mr. Killeen, Director, Regulatory Strategy for Liberty Utilities (Canada) Corp.,  
6 addresses the corporate cost allocations from APUC and Liberty Utilities Canada in  
7 his direct testimony. All of the costs are scrutinized in the ratemaking process.

8 **III. OVERVIEW OF LIBERTY WOODMARK**

9 **Q. PLEASE PROVIDE AN OVERVIEW OF LIBERTY WOODMARK.**

10 **A.** Liberty Woodmark provided sewer service to approximately 1,660 residential and  
11 commercial customer connections as of the end of 2015. Liberty Woodmark's  
12 certificated service territory is located in Smith County, Texas. Liberty Woodmark  
13 became a Liberty Utilities subsidiary in 2002 through a stock purchase.  
14

15 **Q. PLEASE DESCRIBE LIBERTY WOODMARK'S SEWER SYSTEM**  
16 **RESOURCES.**

17 **A.** The Liberty Woodmark sewer system contains collection lines and lift stations  
18 throughout a service area covering approximately eleven square miles that feed into  
19 a wastewater treatment plant currently permitted under TCEQ Texas Pollutant  
20 Discharge Elimination System ("TPDES") Permit No. WQ13168001. That  
21 wastewater plant is currently permitted to treat and discharge up to 0.4 million  
22 gallons per day ("MGD") (*i.e.*, 400,000 gallons per day) in its final phase. Liberty  
23 Woodmark operates under Certificate of Convenience and Necessity ("CCN") No.  
24 20679. Liberty Woodmark does not provide water service within its CCN. That  
25 service is provided by Southern Utilities.  
26

1 **Q. WHAT IS LIBERTY WOODMARK'S COMPLIANCE STATUS?**

2 **A.** To the best of our knowledge, Liberty Woodmark is currently in general compliance  
3 with the rules and regulations of the Texas Commission on Environmental Quality  
4 ("TCEQ") and the Public Utility Commission of Texas ("PUC"). However, those  
5 rules require expansion planning when a certain percentage of the plant capacity is  
6 being utilized. The Liberty Woodmark wastewater treatment plant has reached  
7 that capacity and is under a compliance mandate to expand. That is why we have  
8 commenced our Liberty Woodmark wastewater treatment plant expansion project.  
9

10 **Q. WHEN DID THE CURRENT RATES GO INTO EFFECT FOR LIBERTY**  
11 **WOODMARK?**

12 **A.** The current sewer rates for Liberty Woodmark were approved in TCEQ Docket No.  
13 2014-0064-UCR, SOAH Docket No. 582-14-2348 in an order dated August 5,  
14 2014. Those rates were based on a test year ending March 31, 2013.  
15

16 **Q. WHAT SIGNIFICANT CAPITAL IMPROVEMENTS HAS LIBERTY**  
17 **WOODMARK MADE SINCE MARCH 31, 2013?**

18 **A.** Liberty Woodmark has completed several expansions of its wastewater treatment  
19 plant from .25 MGD (*i.e.*, 250,000 gallons per day) to .363 MGD (*i.e.*, 363,000  
20 gallons per day) in 2014, and then to .4 MGD in 2015 (*i.e.*, 400,000 gallons per day).  
21 Since the prior test year ending March 31, 2013, approximately \$1.8 M of capital  
22 improvements were made at Liberty Woodmark, including \$.5 M for lift station  
23 improvements which includes \$.17M for our HWY 69 Lift Station rehab, and  
24 approximately \$.2M for a digester at the wastewater treatment plant. These  
25 Woodmark project improvements included a modification of the treatment  
26 technology from a conventional activated sludge system to an integrated fixed film

1 activated sludge system (referred to as IFAS).<sup>1</sup> This technology is especially  
2 effective in providing nutrient removal.

3  
4 **Q. HAVE THERE BEEN ANY NOTEWORTHY CHANGES IN OPERATIONS**  
5 **FOR LIBERTY WOODMARK SINCE THE LAST RATE CASE?**

6 **A.** Yes. TCEQ has required that we expand the Liberty Woodmark wastewater  
7 treatment plant again. That project is currently underway and expected to be  
8 completed by February, 2017.

9  
10 **Q. WHY IS LIBERTY WOODMARK IN NEED OF RATE RELIEF AT THIS**  
11 **TIME?**

12 **A.** Since the last Liberty Woodmark rate case, operating expenses have increased and  
13 Liberty Woodmark has made significant capital improvements to provide more  
14 reliable service to its customers. As a result, Liberty Woodmark is significantly  
15 under earning. The Liberty Woodmark wastewater plant is also undergoing a  
16 required expansion that necessitates increased rates.

17  
18 **IV. OVERVIEW OF LIBERTY TALL TIMBERS**

19 **Q. PLEASE PROVIDE AN OVERVIEW OF LIBERTY TALL TIMBERS.**

20 **A.** Liberty Tall Timbers provided sewer service to approximately 2,079 residential and  
21 commercial customer connections as of the end of 2015. The Liberty Tall Timbers  
22 certificated service territory is located in Smith County, Texas. Part of its service  
23 area is also located within the City of Tyler, Texas. Liberty Tall Timbers became a  
24 Liberty Utilities subsidiary in 2002 through a stock purchase.

1 **Q. PLEASE DESCRIBE THE LIBERTY TALL TIMBERS SEWER SYSTEM**  
2 **RESOURCES.**

3 **A.** The Liberty Tall Timbers sewer system contains collection lines and lift stations  
4 throughout a service area covering approximately thirteen square miles that feed  
5 into a wastewater treatment plant currently permitted under TCEQ Texas Pollutant  
6 Discharge Elimination System ("TPDES") Permit No. WQ13000001. That  
7 wastewater plant is currently permitted to treat and discharge up to 0.445 MGD (*i.e.*,  
8 445,000 gallons per day) in its final phase. Liberty Tall Timbers operates under  
9 Certificate of Convenience and Necessity ("CCN") No. 20694. Liberty Tall  
10 Timbers does not provide water service within its CCN. That service is provided  
11 by City of Tyler in certain areas and Southern Utilities in others.  
12

13 **Q. WHAT IS LIBERTY TALL TIMBERS' COMPLIANCE STATUS?**

14 **A.** To the best of our knowledge, Liberty Tall Timbers is currently in compliance with  
15 the rules and regulations of the TCEQ and PUC.  
16

17 **Q. WHEN DID THE CURRENT RATES GO INTO EFFECT FOR LIBERTY**  
18 **TALL TIMBERS?**

19 **A.** The current Liberty Tall Timbers sewer rates were approved in TCEQ Docket No.  
20 2009-1381-UCR/SOAH Docket No. 582-10-0350 for only its service area outside  
21 the City of Tyler, Texas. Those rates were effective July 2010. The final order  
22 from that case is dated April 21, 2011. That rate case was filed on April 1, 2009  
23 using a test year ending 2008. The current Liberty Tall Timbers sewer rates in  
24 effect within the City of Tyler, Texas, were approved for Tall Timbers Utility  
25 Company, Inc. based on conditions before it became a Liberty Utilities subsidiary.  
26 Those rates were set in TCEQ Docket No. 2003-0153-UCR/SOAH Docket No.  
27 582-03-2283. The final order from that case is dated June 17, 2005 and set rates

1 effective back to November 1, 2002. The test year used in that case was the year  
2 ending December 31, 2001.

3  
4 **Q. WHAT SIGNIFICANT CAPITAL IMPROVEMENTS HAS LIBERTY**  
5 **TALL TIMBERS MADE SINCE 2008?**

6 **A.** Since the prior test year ending December 31, 2008, approximately \$4.1 M of  
7 capital improvements have been made at Liberty Tall Timbers, including \$2.1 M for  
8 an expansion of the Liberty Tall Timbers wastewater treatment plant from .312  
9 MGD (*i.e.*, 312,000 gallons per day) to .455 MGD (*i.e.*, 455,000 gallons per day) in  
10 2014.

11  
12 **Q. HAVE THERE BEEN ANY NOTEWORTHY CHANGES IN OPERATIONS**  
13 **FOR LIBERTY TALL TIMBERS SINCE THE LAST RATE CASE?**

14 **A.** Yes. The Liberty Tall Timbers improvement project, completed around October  
15 2015, included a modification of its biosolids separation and balancing through the  
16 capital additions of a clarifier splitter box, ancillary pumping valves and piping  
17 improvements to re-direct the clarifier flows to the newly constructed splitter box.  
18 These improvements were necessary to maximize the treatment capability of the  
19 existing treatment plant, based on diurnal flows entering the plant.

20  
21 **Q. WHY IS LIBERTY TALL TIMBERS IN NEED OF RATE RELIEF AT THIS**  
22 **TIME?**

23 **A.** Since the last Liberty Tall Timbers rate cases, operating expenses have increased  
24 and Liberty Tall Timbers has made significant capital improvements to provide  
25 more reliable service to its customers. As a result, Liberty Tall Timbers is  
26 significantly under earning. Liberty Tall Timbers also seeks to correct the rate  
27 disparity that exists between its customers within the City of Tyler and those outside

1 in line with more recent cost of service conditions. The Liberty Woodmark  
2 wastewater plant is also undergoing an expansion which will, in part, serve Liberty  
3 Tall Timbers customers and necessitates increased rates.

4  
5 **V. LIBERTY WOODMARK'S PROPOSED WASTEWATER**  
6 **PLANT EXPANSION**

7 **Q. WHAT IS LIBERTY WOODMARK PROPOSING WITH RESPECT TO**  
8 **THE WASTEWATER TREATMENT PLANT EXPANSION PROJECT**  
9 **MENTIONED PREVIOUSLY?**

10 **A.** We are currently expanding the Liberty Woodmark wastewater treatment plant  
11 facility and re-routing 500 Liberty Tall Timbers customers to that facility, which  
12 would utilize .1 MGD (*i.e.*, 100,000 gallons per day). Originally, the plan was to  
13 expand the Liberty Woodmark wastewater treatment plant to .6 MGD (*i.e.*, 600,000  
14 gallons per day). However, that project is needed to maintain compliance whether  
15 we send sewage from the Liberty Tall Timbers service area or not. In January  
16 2016, Liberty Woodmark executed a contract with Capps-Capco Construction, Inc.  
17 for the plant expansion. The expansion project involves expanding the capacity of  
18 the plant to 0.7 million gallons per day (*i.e.*, 700,000 gallons per day) by installing a  
19 new clarifier, a new aeration basin with IFAS media and expanding the chlorine  
20 contact basin. We also are adding one influent pump to the existing influent pump  
21 station, adding an influent pump station splitter box, adding one aeration basin  
22 process blower, adding a scum pumping station, upgrading the chemical feed  
23 equipment and chemical storage, and other items. As designed, expansion of the  
24 Liberty Woodmark plant will avoid a current need to expand the Liberty Tall  
25 Timbers wastewater treatment plant facility and create other operational  
26 efficiencies. The avoided expansion of the Liberty Tall Timbers facility is

1 expected to result in avoided costs of approximately \$3.6 million. Here, the  
2 incremental cost of the additional 100,000 gpd at Liberty Woodmark wastewater  
3 treatment plant expansion is estimated to only cost an additional \$500,000 for a total  
4 of approximately \$3.45M. Our licensed professional engineer has prepared an  
5 estimated project cost estimate and anticipated schedule included as **MG-1<sup>2</sup>** and  
6 **MG-2**. Additional project costs not reflected therein are internal and are not of the  
7 type typically developed by professional engineers. While a collective rate  
8 increase is still needed to cover the project cost for expansion of the Liberty  
9 Woodmark plant, there is an overall cost savings of \$3.1M created by this approach.  
10

11 **Q. ARE THERE ADDITIONAL PROJECTS NECESSARY IN WHOLE OR IN**  
12 **PART TO SUPPORT THE COST SAVING OBJECTIVES OF THE**  
13 **LIBERTY WOODMARK PLANT EXPANSION?**

14 **A.** Yes. The Texas Department of Transportation ("TxDOT") has required the  
15 removal and relocation of our FM-2493 force main to be outside of future roadways  
16 and not underneath the highway. In order to make the most cost effective use of  
17 our regional resources, Liberty Woodmark and Liberty Tall Timbers will use this  
18 opportunity to divert the flows from certain Liberty Tall Timbers to the expanded  
19 Liberty Woodmark WWTP as part of the FM 2493 removal and relocation project.  
20 In tandem with the decision to expand the Woodmark WWTP by an additional  
21 100,000 gpd, this decision will contribute to producing total lower costs for the  
22 customers of both Liberty Woodmark and Liberty Tall Timbers, as described more  
23 fully above, compared with other options. The total cost of the relocation of the  
24 Liberty Tall Timbers force main is approximately \$.89M. Our licensed

---

2 The attached certification by the Professional Engineer is for approximately \$2.71M of the total plant expansion costs of approximately \$3.45M. The difference of \$.74M represent costs for internal labor and AFUDC which are outside the direct control of the engineer and therefore not certifiable by the engineer.



1 professional engineer has prepared an estimated project cost estimate and  
2 anticipated schedule included as **MG-1**<sup>3</sup> and **MG-2**. Additional project costs not  
3 reflected therein are internal and are not of the type typically developed by  
4 professional engineers.

5 In addition to the relocation of the force main, there were hydraulic  
6 improvements of approximately \$0.44M completed for the Liberty Tall Timbers  
7 wastewater treatment plant in 2016 that were also necessary to accomplish the  
8 above costs savings. **MG-3**. This hydraulic improvement program was necessary  
9 for the Liberty Tall Timbers wastewater treatment plant to achieve compliance with  
10 TCEQ regulations.  
11

12 **Q. WHY CONSOLIDATE LIBERTY WOODMARK AND LIBERTY TALL**  
13 **TIMBERS FOR RATEMAKING AND TARIFF PURPOSES?**

14 **A.** Liberty Woodmark and Liberty Tall Timbers are contiguous and substantially  
15 similar or, in some cases, identical in terms of facilities, quality of service, and cost  
16 of service. Liberty Woodmark and Liberty Tall Timbers both provide only sewer  
17 service to their customers, with each having sewer collection systems and a  
18 wastewater treatment plant. Because the Liberty Woodmark and Liberty Tall  
19 Timbers systems are operated by the same employees and management applying the  
20 same set of core values and operating procedures, the quality of service on both  
21 systems is similar. Further, because the Liberty Woodmark and Liberty Tall  
22 Timbers systems are both operated and managed by the same entities, whose costs  
23 are allocated between systems based on the same allocation factors, the cost of  
24 service on the two systems are substantially the same. The costs of service on the

---

3 The attached certification by the Professional Engineer is for approximately \$.68M of the total relocation costs of approximately \$.89M. The difference of \$.21M represent costs for internal labor and AFUDC which are outside the direct control of the engineer and therefore not certifiable by the engineer.

1 two systems would become even more similar if the operations of the systems were  
2 combined to achieve the savings and economies described above.

3 **Q. WHAT ARE SOME OF THE OPERATIONAL EFFICIENCIES CREATED**  
4 **BY SYSTEM CONSOLIDATION?**

5 **A.** Basic services such as maintenance, billing, customer service, and testing are often  
6 duplicated in neighboring systems. For small systems, the technical, managerial,  
7 and financial capabilities required of a modern wastewater treatment system are  
8 often too expensive to afford, resulting in suboptimal quality and service.  
9 Combining the Liberty Woodmark and Liberty Tall Timbers systems will  
10 collectively give a better price to both sets of customers. Generally, larger capacity  
11 systems have improved bargaining power relative to capital improvement and  
12 operational material purchasing needed for construction, maintenance, and  
13 operation. Consolidating equipment reduces maintenance costs and significantly  
14 reduces exposure to safety hazards associated with operation and maintenance of  
15 such equipment. Managing the safety regulatory and environmental requirements  
16 of less facilities reduces safety, regulatory, and environmental risk. In sum,  
17 consolidation creates economies of scale that are beneficial to the utilities and their  
18 customers.

19  
20 **Q. ARE THERE TECHNICAL EFFICIENCIES THAT WILL BE CREATED**  
21 **BY USING THE WOODMARK TREATMENT PLANT TO SERVE SOME**  
22 **TALL TIMBERS CUSTOMERS?**

23 **A.** Yes. The Liberty Woodmark and Liberty Tall Timbers CCNs are adjacent and the  
24 natural slope of the ground slopes from the Liberty Tall Timbers service area  
25 towards the Liberty Woodmark service area. Currently, there are also several lift  
26 stations that pump sewage from areas close to the Liberty Woodmark service area to

1 the Liberty Tall Timbers wastewater treatment plant. Rerouting some of that  
2 territory to the Liberty Woodmark wastewater treatment plant will avoid this  
3 situation and reduce pumping costs.

4 **Q. WHAT ARE SOME OF THE REASONS DRIVING THE NEED TO**  
5 **EXPAND EITHER THE LIBERTY TALL TIMBERS WASTEWATER**  
6 **PLANT OR THE LIBERTY WOODMARK WASTEWATER PLANT?**

7 **A.** Since the Texas Department of Transportation (“TxDOT”) has required the removal  
8 and relocation of our FM-2493 force main, Liberty Woodmark and Liberty Tall  
9 Timbers collectively decided to prepare a design that reverses the flow away from  
10 several subdivisions close to the Liberty Woodmark CCN to the Liberty Woodmark  
11 wastewater treatment plant. This will avoid a current need to expand the Liberty  
12 Tall Timbers wastewater treatment plant to maintain TCEQ compliance. The  
13 Liberty Woodmark wastewater treatment plant expansion project is currently  
14 underway and is expected to be completed in February 2017. Consolidating the  
15 combined capacity of the two treatment plants for the collective benefit of Liberty  
16 Woodmark and Liberty Tall Timbers is expected to increase their collective  
17 treatment capacity and reduce capital/operational costs associated with  
18 construction, permitting, and operating needs for the Tall Timbers wastewater  
19 treatment plant for the next several years.

20  
21 **Q. WHAT IS THE REASON FOR THE PHASE II RATE INCREASE?**

22 **A.** The Liberty Woodmark wastewater treatment plant expansion project, together with  
23 the line relocation and hydraulic improvement projects I have discussed, will  
24 necessitate a rate increase beyond what is reflected in the test year cost of service.  
25 Therefore, a two-step rate increase seemed like the best approach to obtain the

1 revenue level needed while reducing the need for multiple rate cases and the costs  
2 they entail in such a short period of time.

## 3 4 VI. TARIFF CHANGES

5 **Q. DO APPLICANTS PROPOSE ANY CHANGES OR MODIFICATIONS TO**  
6 **TARIFFS?**

7 **A.** Yes. A copy of the proposed tariff is attached to the rate application. Most  
8 significantly, the Liberty Tall Timbers and Liberty Woodmark tariffs are being  
9 combined into a single tariff document.

10  
11 **Q. CAN YOU SUMMARIZE SOME OF THE SPECIFIC CHANGES BEING**  
12 **PROPOSED?**

13 **A.** Yes.

- 14 • Rates: Applicants' proposed consolidated rates have been inserted.
- 15 • Miscellaneous Charges: Applicants propose that Liberty Tall Timbers and  
16 Liberty Woodmark have the same amounts for miscellaneous charges.  
17 Liberty Tall Timbers would have an increase of \$25 from \$25 to \$50 for a  
18 Transfer Fee and an increase of \$10 from \$20 to \$30 for a Return Check Fee.  
19 Liberty Woodmark Reconnection Fee (Customer's request) would be  
20 reduced by \$525 from \$550 to \$25 which is the present charge at Liberty Tall  
21 Timbers. The applicants believe that the existing charge of \$550 for  
22 Reconnection Fee (Customer's request) was approved in error.
- 23 • Service Policies: Applicants are not requesting service policy tariff  
24 revisions other than to update rule and regulatory authority references to  
25 reflect the change in regulatory agencies from the Texas Commission on  
26 Environmental Quality (TCEQ) to the Public Utility Commission of Texas  
27 (PUC) and its rules where applicable.

1 **VII. FINANCING**

2 **Q. IN HIS DIRECT TESTIMONY, MR. FAIRCHILD MENTIONS NEW**  
3 **CAPITAL STRUCTURES EQUAL TO 70 PERCENT EQUITY AND 30**  
4 **PERCENT DEBT. WHY ARE APPLICANTS PROPOSING NEW**  
5 **CAPITAL STRUCTURES?**

6 **A.** Liberty Woodmark and Liberty Tall Timbers presently have capital structures of  
7 100 percent equity. We are seeking to standardize the capital structure of the Texas  
8 operating utilities at 70 percent equity and 30 percent debt in line with our utilities in  
9 other states. So the specific purpose of the debt financing is to infuse more debt  
10 into Applicants' capital structures for ratemaking purposes and bring the debt level  
11 to 30 percent.

12  
13 **Q. WHAT AMOUNT OF DEBT APPROVAL IS BEING REQUESTED?**

14 **A.** The amount of debt would be equal to 30 percent of the amount of rate base being  
15 recognized at each phase requested in this proceeding.

16  
17 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

18 **A.** Yes.



August 25, 2016

Mr. Bhaskar Kolluri, P.E.  
Liberty Utilities  
12725 W. Indian School Road, Suite D101  
Avondale, AZ 85392

**Subject: Sanitary Sewer Relocation Project for the FM 2493 Widening Project**  
FM 2493 (Old Jacksonville Hwy) Corridor from Gresham to Flint, Texas

Mr. Kolluri:

Attached are the associated costs for the FM2493 widening/relocation project broken out into the applicable sections. Along with these costs are the construction schedule for your review.

The breakdown is as follows:

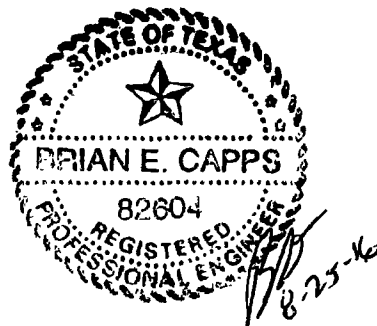
Woodhollow Force Main Reroute	\$82,260.50
Wedgewood Force Main Reroute	\$34,890.00
FM 2493 Force Main and Lift Station	\$462,417.50
Catholic Church Force Main Reroute	\$52,025.00
Civil Engineering for all	\$51,115.00

The total cost for the Reroute work associated with the road widening is **\$682,708**

I appreciate your business and you can call me at my office at 903-531-9670 anytime to discuss this project.

Thank you

Brian E. Capps, P.E.





# CAPPS-CAPCO CONSTRUCTION, INC. BID

FOR

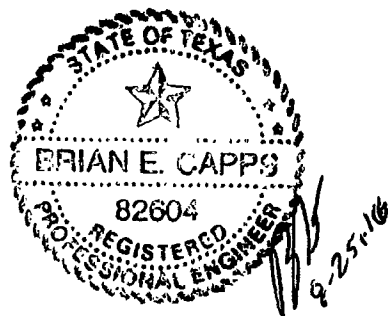
## Liberty Utilities WOODHOLLOW FORCEMAIN

### PROPOSAL

ITEM NO	DESCRIPTION	UNIT OF MEASURE	CONTRACT QUANTITY	UNIT PRICE	EXTENSION
1.00	4" yellowline pipe by bore	LF	1,443.00	\$35.00	\$50,505.00
2.00	4" Forcemain by open cut	LF	177.00	\$17.50	\$3,097.50
3.00	2-4" check valves with vault	LS	1.00	\$5,200.00	\$5,200.00
4.00	4" fittings	EA	12.00	\$300.00	\$3,600.00
5.00	Pavement repair	SY	58.00	\$105.00	\$6,090.00
6.00	New manhole (0-10') depth	EA	1.00	\$5,750.00	\$5,750.00
7.00	Sod	SY	121.00	\$8.00	\$968.00
8.00	locate existing utilities	LS	1.00	\$1,750.00	\$1,750.00
9.00	mobilization, bonds, and insurance	LS	1.00	\$3,800.00	\$3,800.00
10.00	Irrigation repair if needed	LS	1.00	\$1,500.00	\$1,500.00
				<b>TOTAL</b>	<b>\$82,260.50</b>

\*Proposal valid for 30 days.

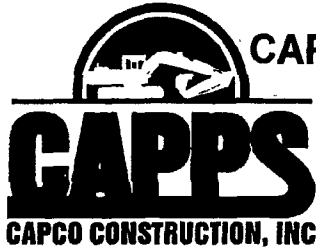
NOTE: If you have any questions feel free to call Mike Lavender 903-705-8581



Capco Capco Construction, Inc.  
11044 CR 102  
Tyler, TX 75703  
903-561-6657  
903-531-9025 fax

8/10/2016

LU 000184



**CAPPS-CAPCO CONSTRUCTION, INC. BID  
FOR**

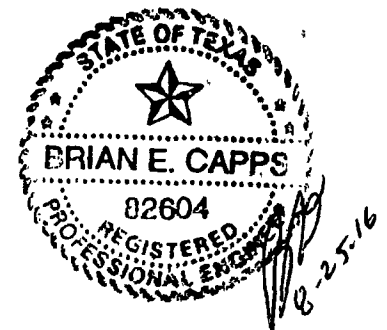
**Liberty Utilities  
WEDGEWOOD FORCEMAIN**

**PROPOSAL**

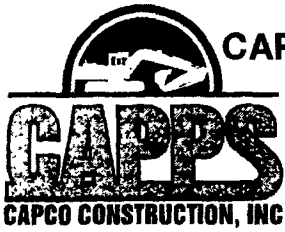
ITEM NO	DESCRIPTION	UNIT OF MEASURE	CONTRACT QUANTITY	UNIT PRICE	EXTENSION
1.00	4" Sewerline by opencut	LF	50.00	\$30.00	\$1,500.00
2.00	4" yellowmine by bore	LF	800.00	\$35.00	\$28,000.00
3.00	4" fittings	EA	6.00	\$300.00	\$1,800.00
4.00	locate existing utilities	LS	1.00	\$1,200.00	\$1,200.00
5.00	sod repair	SY	30.00	\$8.00	\$240.00
6.00	cap existing forcemain	EA	2.00	\$250.00	\$500.00
7.00	mobilization, bonds, insurance	LS	1.00	\$1,650.00	\$1,650.00
				<b>TOTAL</b>	<b>\$34,890.00</b>

\*Proposal valid for 30 days.

NOTE: If you have any questions feel free to call Mike Lavender 903-705-8581







# CAPPS-CAPCO CONSTRUCTION, INC. BID FOR

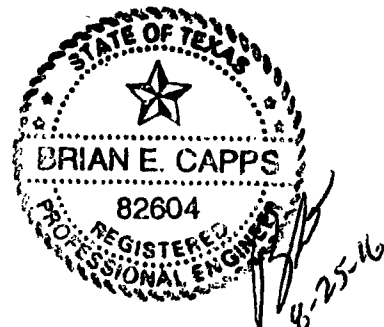
Liberty Utilities  
2493 FORCEMAIN

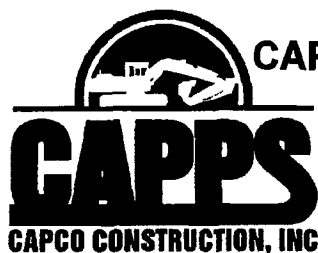
## PROPOSAL

ITEM NO	DESCRIPTION	UNIT OF MEASURE	CONTRACT QUANTITY	UNIT PRICE	EXTENSION
1.00	6" yellowmine pipe by bore	LF	2,250.00	\$38.00	\$85,500.00
2.00	New manhole @ plant (0-6') depth	EA	1.00	\$4,750.00	\$4,750.00
3.00	6" Forcemain by open cut	LF	3,500.00	\$15.50	\$54,250.00
4.00	6" Bends	EA	18.00	\$375.00	\$6,750.00
5.00	Sod Replacement	SY	100.00	\$8.00	\$800.00
6.00	Irrigation Repair if needed	LS	1.00	\$1,500.00	\$1,500.00
7.00	Seed and fertlize	LS	1.00	\$750.00	\$750.00
8.00	Construction staking	LS	1.00	\$1,500.00	\$1,500.00
9.00	12" bore with steel casing	LF	170.00	\$92.00	\$15,640.00
10.00	Air release valve with vault	EA	1.00	\$2,450.00	\$2,450.00
11.00	Connect to existing Forcemain	EA	1.00	\$1,650.00	\$1,650.00
12.00	Abandon existing Forcemain	LF	6,565.00	\$7.00	\$45,955.00
13.00	Mobilization, bonds, and insurance	LS	1.00	\$9,325.00	\$9,325.00
14.00	locate existing utilities	LS	1.00	\$1,750.00	\$1,750.00
15.00	camera abandoned force main for services	LF	6,565.00	\$1.50	\$9,847.50
16.00	LiftStation @ Forest Glen	LS	1.00	\$180,000.00	\$180,000.00
17.00	Contingency	LS	1.00	\$40,000.00	\$40,000.00
				<b>TOTAL</b>	<b>\$462,417.50</b>

\*Proposal valid for 30 days.

NOTE: If you have any questions feel free to call Mike Lavender 903-705-8581





# CAPPS-CAPCO CONSTRUCTION, INC. BID FOR

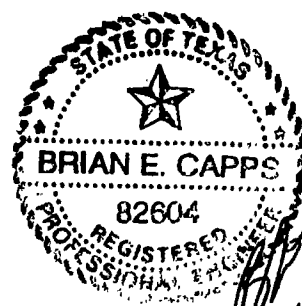
Liberty Utilities  
CATHOLIC CHURCH FORCEMAIN

## PROPOSAL

ITEM NO	DESCRIPTION	UNIT OF MEASURE	CONTRACT QUANTITY	UNIT PRICE	EXTENSION
1.00	2" Sewerline by open cut	LF	2,100.00	\$12.75	\$26,775.00
2.00	2" sch 40 by bore	LF	325.00	\$20.00	\$6,500.00
3.00	2" fittings	EA	6.00	\$75.00	\$450.00
4.00	locate existing utilities	LS	1.00	\$1,200.00	\$1,200.00
5.00	bore with 6" steel casing	LF	200.00	\$60.00	\$12,000.00
6.00	seed and fertilize	LS	1.00	\$450.00	\$450.00
7.00	cap existing forcemain	EA	1.00	\$250.00	\$250.00
8.00	mob; bonds, ins	LS	1.00	\$1,900.00	\$1,900.00
9.00	trench safety	LS	1.00	\$2,500.00	\$2,500.00
				<b>TOTAL</b>	<b>\$52,025.00</b>

\*Proposal valid for 30 days.

NOTE: If you have any questions feel free to call Mike Lavender 903-705-8581



8-25-16



**Liberty Utilities**  
**CHANGE ORDER #1 TO**  
**SHORT FORM OF AGREEMENT**  
**BETWEEN OWNER AND ENGINEER**  
**FOR**  
**PROFESSIONAL SERVICES**

This Change Order is made this 10th day of December, 2015 by and between CAPCO Engineering Inc. (ENGINEER) and Liberty Utilities (Woodmark Sewer) Corp. (OWNER) with regard to the Contract for Design of FM 2493 – Forcemain Relocation Project ("Project") (the "Agreement") dated June 30, 2015.

The parties hereby agree that:

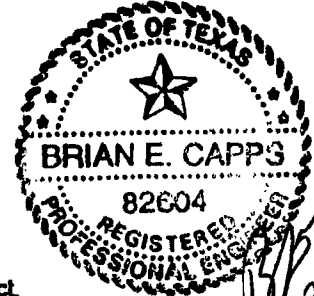
This Change Order is for the following additional scope of services provided by the ENGINEER

- Engineer will provide the Force Main Route Alignment(s), Gravity Plan/Profile design as well as a Preliminary EOPC for accommodating the TxDOT project which will revise a portion of the TallTimbers CCN to the Woodmark CCN for a lump sum price of \$32,285 (not including the additional (services items). – \$28,685
- Force Main Route Alignment for the Outfall to Woodmark WWTP\* – \$13,845

The Contract Amount is hereby amended to the following:

**CONTRACT SUMMARY**

Description	Lump Sum Amount
Original contract	\$ 8,625.00
Change Order #1	\$42,530.00
Total:	\$ 51,155.00



All other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

Agreed and accepted by:

CONTRACTOR: CAPCO Engineering, Inc.

Signature: [Signature]

Printed Name: Brian E. Capps

Title: President

Date Signed: 12-10-15

OWNER: Liberty Utilities (Woodmark Sewer) Corp.

Signature: [Signature]

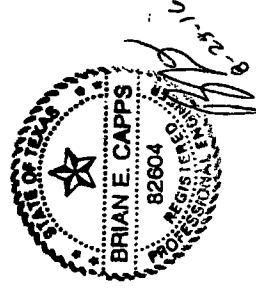
Printed Name: Matthew Garlick

Title: President – Arizona

Date Signed: Jan 4th, 2016

2493 Foremain  
Project Timeline August 16, 2016  
September 5, 2016 - December 31, 2016

WEEK #	9/5	9/12	9/19	9/26	10/3	10/10	10/17	10/24	10/31	11/7	11/14	11/21	11/28	12/5	12/12	12/19	12/26
<b>1 Catholic Church 2" ForceMain</b>																	
1.01 8" Main																	
1.02 Highway Bore																	
1.03 Bores, Piping																	
1.04 Tie Ins after plant complete (3 days)																	
<b>2 Wedgewood ForceMain</b>																	
2.01 Bores, Piping																	
2.02 Tie Ins - 1 week after plant finished																	
<b>3 Wodhollow ForceMain</b>																	
3.01 Piping																	
3.02 Tie Ins - 2 week & cameras																	
<b>4 FM 2493</b>																	
4.01 Bores, Piping																	
4.02 Camera & Tie Ins																	
4.03 Lift Station																	
RAIN DAYS																	



PROJECT:

Liberty Utilities  
Tall Timbers - WWTP  
Hydraulic Improvements  
8300-1501-9-4

APPLICATION NO: #3 (REV)

Distribution to:

- ☐ OWNER  
☐ ARCHITECT  
☐ CONTRACTOR

PERIOD TO:

January 1-31, 2016

ARCHITECT'S

PROJECT NO: 8300-1501-9-4

VIA (ARCHITECT):

FROM (CONTRACTOR):  
Capps-Capeco Construction, Inc.  
13044 CR 192, Tyler TX 75703

CONTRACT DATE:

CONTRACTOR'S APPLICATION FOR PAYMENT

CHANGE ORDER SUMMARY		ADDITIONS	DEDUCTIONS
Change Orders approved in previous months by Owner			
TOTAL			
Number	Date Approved		
1			
2			
3			
4			
5			
6			
7			
TOTALS			

Net change by Change Orders  
The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Owner for work which previous Certificates for Payment were issued and payments received by Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: Robby L. Capps Date: 1/28/2016



Subscribed and sworn to before me this 28th day of JAN. 2016  
Notary Public: Michael R. Capps  
My Commission Expires: 2-15-18  
County of: Smith

Application is made for Payment, as shown below, in connection with the Contract, Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM

2. Net change by Change Orders

3. CONTRACT SUM TO DATE

4. TOTAL COMPLETED & STORED TO DATE

(Column G on G703)

5. RETAINAGE

a. 10 % of Completed Work

(Column D + E on G703)

b. 10 % of Stored Material

(Column F on G703)

Total Retainage (Line 5A + 5b or

Total in Column I of G703)

6. TOTAL EARNED LESS RETAINAGE

(Line 4 less Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR

PAYMENT (Line 6 less Line 7 Total)

8. AMOUNT CERTIFIED DUE

9. PLUS RETAINAGE

10. TOTAL AMOUNT DUE

\$ 259,007.00  
\$ 259,007.00  
\$ 259,007.00

\$ 25,900.70

\$ 233,106.30

\$ 25,900.70

\$ 233,106.30

\$ 233,106.30

\$ 25,900.70

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED

(Attach explanation if amount certified differs from the amount applied for.)

ARCHITECT:

By: \_\_\_\_\_ Date: \_\_\_\_\_

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

02/11/2016

1/28/2016



# CONTINUATION SHEET

AIA Document G702, APPLICATION AND CERTIFICATE FOR PAYMENT, containing Contractor's signed Certification is attached.

In tabulation below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for the line items may apply

AIA DOCUMENT G703

PAGE 2 OF 3 PAGES

APPLICATION NUMBER 3 (RET)

APPLICATION DATE:

PERIOD TO: January 1-31, 2016

ARCHITECT'S PROJECT NO: 6300-15015

A ITEM NO.	B DESCRIPTION OF WORK	UNIT OF MEASURE	CONTR. QNTY	UNIT PRICE	C SCHEDULED VALUE	D WORK COMPLETED FROM PREVIOUS APPLICATION (D+E)	E WORK COMPLETED THIS PERIOD	F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C-G)	I RETAINAGE
									TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G+H)		
1.00	Mobilization, bonds, insurance, etc.	LS	1.00	\$12,350.00	\$12,350.00		\$1,235.00		\$12,350.00	100%	\$0.00	\$0.00
2.00	Yard piping - 8" feed to clarifier #1	LS	1.00	\$11,025.00	\$11,025.00		\$1,102.50		\$11,025.00	100%	\$0.00	\$0.00
	Yard piping - 8" feed to clarifier #2	LS	1.00	\$14,345.00	\$14,345.00		\$1,434.50		\$14,345.00	100%	\$0.00	\$0.00
	Yard piping - 8" feed to clarifier #3	LS	1.00	\$3,040.00	\$3,040.00		\$304.00		\$3,040.00	100%	\$0.00	\$0.00
	Yard piping - 8" suction to clarifier #1	LS	1.00	\$4,230.00	\$4,230.00		\$423.00		\$4,230.00	100%	\$0.00	\$0.00
	Yard piping - 8" suction to clarifier #2	LS	1.00	\$5,025.00	\$5,025.00		\$502.50		\$5,025.00	100%	\$0.00	\$0.00
3.00	Pumps and Pad	LS	1.00	\$67,360.00	\$67,360.00		\$6,736.00		\$67,360.00	100%	\$0.00	\$0.00
4.00	Pump suction piping	LS	1.00	\$18,600.00	\$18,600.00		\$1,860.00		\$18,600.00	100%	\$0.00	\$0.00
5.00	Pump discharge piping	LS	1.00	\$17,420.00	\$17,420.00		\$1,742.00		\$17,420.00	100%	\$0.00	\$0.00
6.00	Weir in existing splitter - weir - stainless	LS	1.00	\$10,875.00	\$10,875.00		\$1,087.50		\$10,875.00	100%	\$0.00	\$0.00
7.00	New splitter box	LS	1.00	\$29,526.00	\$29,526.00		\$2,952.60		\$29,526.00	100%	\$0.00	\$0.00
8.00	Painting	LS	1.00	\$18,111.00	\$18,111.00		\$1,811.10		\$18,111.00	100%	\$0.00	\$0.00
9.00	Electrical - furnish new 200 amp 480 volt panelboard with breakers, furnish pipe and wire for power feed from new pump station control panel, furnish pipe and wire from existing alarm call out system to new pump station control panel, mount and wire new pump station control and control devices, furnish pipe and wire from pump control panel to catchpump station motor, total of 3 to be 7.5HP, Stelling well in each aeration basin for new level transmitter, two new floats switched for each clarifier, furnish pipe and wire to each pkg plant from new pump control panel to each field device, one level signal for level transmitter 120 volt power and one for float switch, all above grade pipe and fitting to be alum, all below grade pipe to be pvc, all wire above grade to be THHN/THWN, all unistrut and straps to be HDG, start up and check out	LS	1.00	\$42,900.00	\$42,900.00		\$4,290.00		\$42,900.00	100%	\$0.00	\$0.00
10.00	Testing - concrete and dirt (if required)	LS	1.00	\$4,200.00	\$4,200.00		\$420.00		\$4,200.00	100%	\$0.00	\$0.00
					\$259,007.00	\$259,007.00	\$25,900.70	\$0.00	\$259,007.00	100%	\$0.00	\$0.00

**AIA DOCUMENT G703 PAGE 3 OF 3 PAGES**

**APPLICATION NUMBER: 3 (RET)**

**APPLICATION DATE:**

PERIOD TO: January 31, 2016

ARCHITECT'S PROJECT NO: 1300-15015

A ITEM NO.	B DESCRIPTION OF WORK	UNIT OF MEASURE	CONTR. QNTY	UNIT PRICE	C SCHEDULED VALUE	D		E WORK COMPLETED THIS PERIOD	F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H BALANCE TO FINISH (C-G)	I RETAINAGE
						FROM PREVIOUS APPLICATION (D - E)	% (G+C)					
					\$259,007.80			\$25,900.78		\$259,807.00	\$9.00	\$8.00

LU 000192



LETTER OF SUBSTANTIAL COMPLETION

DATE: February 10, 2016

Contractor: Capps CAPCO Construction Inc

PROJECT: Tall Timbers- Hydraulic Improvements

PROJECT #: 8300-15019

The work performed under this contract has been reviewed and found, to the Engineer's best knowledge, information and belief to be substantially complete.

Date of substantial completion : January 29,2016.

Liberty Utilities

BY: \_\_\_\_\_

Bhaskar Kolluri, PE



## Invoice

amec foster wheeler



Remittance Address:  
Amec Foster Wheeler Environment & Infrastructure, Inc.  
24376 Network Place  
Chicago, IL 60673-1376

Liberty Utilities Company  
12725 W. Indian School Rd  
Suite D101  
Avondale, AZ 85323

Attention: Bhaskar Kolluri ✓

Re : Lbrty TX Tall Timbers ✓

Invoice # : S41100332B ✓

Invoice Date : 02/26/2016 ✓

Project : 3720151004

For Professional Services Rendered through: 01/30/2016 ✓

WO# 1501-E - \$10,350 ✓

Reference No. 8300-15019 ✓

Project Name: Tall Timbers WWTP Hydraulic Analysis Study & Report

✓ Improvements

Total Project Fee Authorized	10,350.00 ✓
Percent Complete as of 01/30/2016	100.00 ✓
Fee Earned To Date	10,350.00 ✓
Less Previous Billings	6,967.36 ✓
Current Billing Amount	3,382.64
Amount Due this Invoice	<u>3,382.64</u> ✓

Outstanding Invoices for This Project			
Number	Date	Amount	Balance
S41100332B	02/26/2016	3,382.64	3,382.64

Should the remit address or bank account details on this invoice not match those held in your records, and/or you have been notified by our company through phone, email, or letter to change any of our details, please authenticate any change with our Treasury Supervisor at 770-360-0599.

Project Manager : LeClair, Timothy S

Phone : +1 602 733-6125

Terms: Net thirty (30) days (unless otherwise negotiated).  
After thirty (30) days from invoice date a late charge of one and one-half percent (1.5%) per month, or the maximum rate allowed by law may be charged. Credit cards accepted.

Please quote invoice number with remittance.  
Direct all billing inquiries to [timothy.leclair@amecfw.com](mailto:timothy.leclair@amecfw.com).  
Please visit our website at <http://www.amecfw.com>

U.S. Federal Tax ID # 91-1641772

✓ 03/01/2016

RECEIVED  
3/1/16  
VC

10pm  
3/1/16

LU 000194

Liberty Utilities (Tall Timbers Sewer) Corp.  
Tall Timbers WWTP  
Project Progress Table

Project Period: thru January 30, 2016

Project Stages	Task Projection	This Period		% Complete to Date	Prior Invoiced	Total to Date
		% Complete	Amount			
CHANGE ORDER #1 - ADDITIONAL DESIGN/CM EFFORT (WO 1501-E)						
Stage 9 - Additional Design/CM Effort	\$8,850	38%	\$3,383	62%	\$5,467	\$8,850
901 Preliminary Design	\$1,015	0%	\$0	100%	\$1,015	\$1,015
902 Controls Design	\$400	0%	\$0	100%	\$400	\$400
903 Final Design	\$4,052	0%	\$0	100%	\$4,052	\$4,052
904 Construction Engineering Services	\$1,630	100%	\$1,630 ✓	100%	\$0	\$1,630
905 Construction Inspection Services	\$740	100%	\$740 ✓	100%	\$0	\$740
906 Post Construction Phase Services	\$1,013	100%	\$1,013 ✓	100%	\$0	\$1,013
OTHER DIRECT COSTS	\$1,500	0%	\$0	100%	\$1,500	\$1,500
1 Structural Sub-Consultant	\$1,500	0%	\$0	100%	\$1,500	\$1,500
TOTAL	\$10,350	32.7%	\$3,383	100.0%	\$6,967	\$10,350 ✓

Tim LeClair  
Project Manager  
Amec Foster Wheeler

Remaining Budget: \$0 ✓  
Remaining Percent: 0.00%

**PUC DOCKET NO. 46256**

<b>APPLICATION OF LIBERTY</b>	<b>§</b>	<b>BEFORE THE PUBLIC UTILITY</b>
<b>UTILITIES (WOODMARK SEWER)</b>	<b>§</b>	
<b>CORP. AND LIBERTY UTILITIES</b>	<b>§</b>	<b>COMMISSION OF TEXAS</b>
<b>(TALL TIMBERS SEWER) CORP.</b>	<b>§</b>	
<b>(CCN NOS. 20679 AND 20694) TO</b>	<b>§</b>	
<b>CHANGE RATES FOR SEWER</b>	<b>§</b>	
<b>SERVICE IN SMITH COUNTY,</b>	<b>§</b>	
<b>TEXAS.</b>	<b>§</b>	

**DIRECT TESTIMONY AND ATTACHMENTS**

**OF**

**GERALD BECKER**

**ON BEHALF OF**

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

**September 2, 2016**

**DIRECT TESTIMONY AND ATTACHMENTS OF**

**GERALD BECKER**

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