

LIBERTY UTILITIES (RIO RICO WATER & SEWER) CORP.
Docket Nos. WS-02676A-15-0368 and WS-02676A-15-0371 (consolidated)

NEW RATES

Effective November 1, 2016

On October 28, 2015, Liberty Utilities (Rio Rico Water & Sewer) Corp. ("Company") filed a rate application with the Arizona Corporation Commission ("Commission"). The Company requested a rate increase that would produce a just and reasonable rate of return. The Company also filed a financing application, on November 2, 2015, in which it requested authority from the Commission to incur long term debt in an amount not to exceed \$8,900,000. The rate and financing proceedings were consolidated. At the conclusion, on October 27, 2016, the Commission issued a decision (decision no. pending) authorizing rate increases for the Company as set forth herein and granting the Company's financing request.

The rates approved will result in an increase for the typical 5/8 x 3/4 inch residential water customer, with an average consumption of 6,829 gallons, of approximately \$8.48, from \$31.34 to \$39.82, or 27.07%. The typical 5/8 x 3/4 inch residential wastewater customer will see an increase of approximately \$3.68, from \$49.00 to \$52.68, or 7.5%.

The following schedule of rates and charges is effective November 1, 2016

WATER DIVISION

<u>MONTHLY USAGE CHARGES</u>	
<u>Meter Size (All Classes)</u>	<u>Charge¹²</u>
5/8 x 3/4" Meter	\$ 19.70
3/4" Meter	29.55
1" Meter	49.25
1 1/2" Meter	98.50
2" Meter	157.60
3" Meter	315.20
4" Meter	492.50
6" Meter	985.00
8" Meter	1,576.00
10" Meter	2,265.50
12" Meter	4,235.50
Morningstar Ranch Community Association – 6" Meter	671.00
Fire Lines up to 8 inch (R14-2-408.B)	Per Rule*
Fire Lines 10 inch (R14-2-408.B)	Per Rule*
Fire Lines 12 inch (R14-2-408.B)	Per Rule*
* Per A.A.C. R14-2-408.B. 1 percent of monthly minimum for a comparable size meter, but no less than \$5.00 per month. The service charge for fire sprinklers is only applicable for service line separate and distinct from primary water service line.	
¹ <u>Low Income Tariff</u> – A 15% discount is available on monthly minimum and commodity charges to qualified residential customers meeting the low income qualifications.	
² A 5 percent discount is applicable to the public schools operated by the Santa Cruz County School District No. 35 receiving water and/or wastewater utility services from the Company.	

<u>SERVICE LINE AND METER INSTALLATION CHARGES (Refundable pursuant to A.A.C. R14-2-405)</u>			
	<u>Service Line</u>	<u>Meter Installation Charge</u>	<u>Total</u>
5/8" x 3/4" Meter	At Cost	At Cost	At Cost
3/4" Meter	At Cost	At Cost	At Cost
1" Meter	At Cost	At Cost	At Cost
1 1/2" Meter	At Cost	At Cost	At Cost
2" Meter	At Cost	At Cost	At Cost
3" Meter	At Cost	At Cost	At Cost
4" Meter	At Cost	At Cost	At Cost
6" Meter	At Cost	At Cost	At Cost
8" Meter	At Cost	At Cost	At Cost
10" Meter	At Cost	At Cost	At Cost
12" Meter	At Cost	At Cost	At Cost

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COMMODITY RATES (per 1,000 gallons of water)			
<u>METER SIZE (All Classes)</u>	<u>CHARGE</u>	<u>METER SIZE (All Classes)</u>	<u>CHARGE</u>
5/8 x 3/4" Meter 0 to 3,000 gallons 3,001 to 9,000 gallons Over 9,000 gallons 3/4" Meter 0 to 4,000 gallons Over 4,000 gallons 1" Meter 0 to 23,000 gallons Over 23,000 gallons 1 1/2" Meter 0 to 45,000 gallons Over 45,000 gallons 2" Meter 0 to 72,000 gallons Over 72,000 gallons 3" Meter 0 to 144,000 gallons Over 144,000 gallons	\$2.02 3.67 4.42 \$3.67 4.42 \$3.67 4.42 \$3.67 4.42 \$3.67 4.42 \$3.67 4.42	4" Meter 0 to 225,000 gallons Over 225,000 gallons 6" Meter 0 to 450,000 gallons Over 450,000 gallons 8" Meter 0 to 720,000 gallons Over 720,000 gallons 10" Meter 0 to 1,025,000 gallons Over 1,025,000 gallons 12" Meter 0 to 1,025,000 gallons Over 1,025,000 gallons Morning Star Ranch Community Association – all gallons	\$3.67 4.42 \$3.67 4.42 \$3.67 4.42 \$3.67 4.42 \$3.67 4.42 \$5.72

<u>SERVICE CHARGES</u>	
Establishment	\$25.00
Re-establishment (within 12 months)	(a)
Reconnection (Delinquent)	\$30.00
Meter Test (if correct)	30.00
Meter Re-Read (if correct)	20.00
Deposit	(b)
Deposit Interest	6.00% (b)
NSF Check (c)	\$10.00
Deferred Payment (A.A.C. R14-2-409.G)	1.50% per month
Late Payment Penalty	1.50% per month
After Hours Service Charge (d)	\$50.00
Moving meter at customer request (A.A.C. R14-2-405.B)	At Cost
(a) Per Commission Rule A.A.C R14-2-403(D) – residential and non-residential shall pay the applicable monthly minimum charge times the number of months disconnected.	
(b) Per Commission Rule A.A.C. R14-2-403(B).	
(c) Liberty Rio Rico may only charge one NSF fee when customers are billed for water and sewer services on one bill.	
(d) At customer's request. No charge for service during normal working hours.	

In addition to the collection of its regular rates, the Company shall collect from its customers a proportionate share of any privilege, sales or use tax pursuant to R14-2-409(D).

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WASTEWATER DIVISION

<u>MONTHLY USAGE CHARGES</u>	
<u>Meter Size (All Classes)</u>	<u>Charge¹²</u>
5/8 x 3/4" Meter	\$ 52.68
3/4" Meter	60.74
1" Meter	74.28
1 1/2" Meter	109.65
2" Meter	152.11
3" Meter	264.99
4" Meter	392.81
6" Meter	746.48
8" Meter	1,137.11
10" Meter	1,703.95
12" Meter	2,423.14
<p>¹ <u>Low Income Tariff</u> – A 15% discount is available on monthly minimum and commodity charges to qualified residential customers meeting the low income qualifications.</p> <p>² A 5 percent discount is applicable to the public schools operated by the Santa Cruz County School District No. 35 receiving water and/or wastewater utility services from the Company.</p>	

<u>SERVICE LINE AND METER INSTALLATION CHARGES (Refundable pursuant to A.A.C. R14-2-405)</u>	
<u>Service Line Size</u>	<u>Charge¹²</u>
4" Meter	At Cost
6" Meter	At Cost
8" Meter	At Cost
10" Meter	At Cost
12" Meter	At Cost

<u>COMMODITY RATES (All Meter Sizes)</u>	
<u>Commercial and Multi-Tenant Only</u>	<u>Charge¹²</u>
0 to 7,000 gallons	\$0.00
Over 7,000 gallons	6.78

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<u>SERVICE CHARGES</u>	
Establishment	\$25.00
Re-establishment (within 12 months)	(1)
Disconnection (Delinquent)	(2)
Reconnection (Delinquent)	\$25.00
Deposit	(3)
Deposit Interest	6.00% (3)
NSF Check (a)	\$10.00
Deferred Payment	1.50% per month
Late Payment Penalty	1.50% per month
After Hours Service Charge (b)	\$50.00
(1) Per Commission Rule A.A.C R14-2-603(D) – months off the system times the monthly minimum.	
(2) The actual cost of disconnection including costs for excavation and trenching, pipeline modification, sewer block, backfill and grading, road repairs and permitting. Customer will be provided copies of invoices for actual costs incurred. There shall be no charge for disconnection if no work is performed.	
(3) Per Commission Rule A.A.C. R14-2-603(B).	
(a) Liberty Rio Rico may only charge one NSF fee when customers are billed for water and sewer services on one bill.	
(b) At customer's request. No charge for service during normal working hours.	

In addition to the collection of regular rates, the Company will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax per Commission Rule 14-2-608(D)(5).

ALTERNATIVE RATES FOR WATER AND WASTEWATER TARIFF

The Alternative Rates for Water (“ARWW”) Tariff (“Low Income Tariff”) is designed to provide relief to the Company’s lower income ratepayers. The Low Income Tariff is open to residential, single family accommodations, and applies a discounted rate to the bills of those customers who meet the program qualifications.

***Qualifying annual incomes are set at 150 percent of the 2016 federal poverty levels as follows:**

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

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

Customers eligible for the ARWW program must complete an Application and Declaration form, and supply proof of income. Customers enrolled in the ARWW program are required to reapply every two (2) years, or sooner, if requested, and annually recertify by submitting a declaration attesting to continuing eligibility. The ARWW program is limited to 2,200 water customers and 725 wastewater customers. A waiting list will be available in the event the participation cap is met. **To obtain a copy of the ARWW program forms, please contact Liberty at its Customer Care No.: 520-281-7000.**

If you have any questions regarding this Notice, please contact:

**Liberty Utilities (Rio Rico Water & Sewer) Corp.
1225 W. Frontage Road, Rio Rico, AZ 85648
Customer Care No. 520-281-7000**