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Applies to all service areas
PART ONE
STATEMENT OF CHARGES

I. RATES

In Decision No. 81361, dated 6/18/2025, the Commission authorized the following rates and charges to become effective 7/1/2025:

A. Monthly Minimum Charge

<u>Meter Size (All Classes)</u>	<u>Charge^{1,2}</u>
5/8 x 3/4" Meter	\$ 21.97
3/4" Meter	32.96
1" Meter	54.93
1 1/2" Meter	109.85
2" Meter	175.76
3" Meter	351.52
4" Meter	549.25
6" Meter	1,098.50
8" Meter	1,757.60
10" Meter	2,526.55
12" Meter	4,723.55
Morningstar Ranch Community Association – 6 inch	748.23
<u>Fire Service Lines</u>	<u>Charge</u>
All Meter Sizes	Per Rule*

* Per A.A.C. R14-2-408.B. 2.00% of monthly minimum for a comparable size meter, but no less than \$10.00 per month. The service charge for fire sprinklers is only applicable for service line separate and distinct from the primary water service line.

¹ Customer Assistance Tariff ("CAT") – A 15% discount is available on monthly minimum and commodity charges to qualified residential customers meeting the CAT 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.

Applies to all service areas
PART ONE
STATEMENT OF CHARGES

B. Commodity Rates

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

<u>Meter Size</u>	<u>Consumption</u>	<u>Charge³</u>
5/8" x 3/4" Meter – (All Classes, Except Standpipe)	0 to 4,000 gallons	\$2.83
	4,001 to 10,000 gallons	4.83
	Over 10,000 gallons	6.55
3/4" Meter – (All Classes, Except Standpipe)	0 to 4,000 gallons	2.83
	4,001 to 10,000 gallons	4.83
	Over 10,000 gallons	6.55
1" Meter – All Classes (except standpipe)	0 to 25,000 gallons	4.83
	Over 25,000 gallons	6.55
1 1/2" Meter – All Classes (except standpipe)	0 to 50,000 gallons	4.83
	Over 50,000 gallons	6.55
2" Meter – All Classes (except standpipe)	0 to 80,000 gallons	4.83
	Over 80,000 gallons	6.55
3" Meter – All Classes (except standpipe)	0 to 160,000 gallons	4.83
	Over 160,000 gallons	6.55

³ Customer Assistance Tariff ("CAT") – A 15% discount is available on monthly minimum and commodity charges to qualified residential customers meeting the CAT qualifications.

Applies to all service areas
PART ONE
STATEMENT OF CHARGES

<u>Meter Size</u>	<u>Consumption</u>	<u>Charge</u>
4" Meter – All Classes (except standpipe)	0 to 250,000 gallons	\$4.83
	Over 250,000 gallons	6.55
6" Meter – All Classes (except standpipe)	0 to 500,000 gallons	4.83
	Over 500,000 gallons	6.55
8" Meter – All Classes (except standpipe)	0 to 800,000 gallons	4.83
	Over 800,000 gallons	6.55
10" Meter – All Classes (except standpipe)	0 to 1,150,000 gallons	4.83
	Over 1,150,000 gallons	6.55
12" Meter – All Classes (except standpipe)	0 to 2,150,000 gallons	4.83
	Over 2,150,000 gallons	6.55
Morningstar Ranch Community Association	All gallons	8.05
Construction/Bulk/Standpipe	All gallons	6.55

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES

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

<u>Meter Size</u>	<u>Line</u>	<u>Meter</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" Turbine Meter	At Cost	At Cost	At Cost
2" Compound Meter	At Cost	At Cost	At Cost
3" Turbine Meter	At Cost	At Cost	At Cost
3" Compound Meter	At Cost	At Cost	At Cost
4" Turbine Meter	At Cost	At Cost	At Cost
4" Compound Meter	At Cost	At Cost	At Cost
6" Turbine Meter	At Cost	At Cost	At Cost
6" Compound Meter	At Cost	At Cost	At Cost
8" Turbine Meter	At Cost	At Cost	At Cost
8" Compound Meter	At Cost	At Cost	At Cost
10" Turbine Meter	At Cost	At Cost	At Cost
10" Compound Meter	At Cost	At Cost	At Cost
12" Turbine Meter	At Cost	At Cost	At Cost
12" Compound Meter	At Cost	At Cost	At Cost

Applies to all service areas
PART ONE
STATEMENT OF CHARGES

D. Miscellaneous Service Charges

<u>Service</u>	<u>Charge</u>
Establishment	\$30.00
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 per A.A.C. R14-2-403(B)	6%(b)
NSF Check (c)	\$20.00
Late Payment Penalty	1.50% per month
Deferred Payment (R-01-2-409.G)	1.50% per month
Moving meter at customer request (R-14-2-405.B)	at Cost
After Hours Service Call Charge (d)	\$90.00
Off-site facilities Hook-up fees	NT
Road Cutting or Boring	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) 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.
- (e) Greater of \$5 or 1.50% of unpaid balance.

IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-409D.5.

Applies to all service areas
PART ONE
STATEMENT OF CHARGES

II. TAXES AND ASSESSMENTS

In addition to the collection of regular rates, the Company will collect from its customers a proportionate share of any privilege, sales, and use tax per A.A.C. R14-2-409.D.5.

All Advances or Contributions are to include labor, materials, overheads, and all applicable taxes, including all gross-up taxes for income taxes. Cost to include labor, materials and parts, overheads, and all applicable taxes.

Under applicable law, any contributions or advances provided by a Developer are taxable income to the Utility. In accordance with the Gross-Up Sharing Method policy adopted by the Commission in Decision No. 76974, the Company will collect from the Developer an applicable share of income taxes for the Company's state and federal tax liability on all funds contributed and/or advanced. The funds will be collected prior to the commencement of service.

Applies to all service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS

I. PERMITTED COSTS

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at cost, costs shall include labor, materials, other charges incurred, and overhead not to exceed 10%. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
- C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
- D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the provision of the service or after the Company's receipt of invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date. However, if the actual cost is more than five percent (5%) greater than the total amount paid, the customer will only be required to pay five percent (5%) more than the total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the total amount paid was made.
- E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.
- F. Permitted costs shall include any Federal, State or local taxes that are or may be payable by the Company as a result of any tariff or contract for water facilities under which the Customer advances or contributes funds or facilities to the Company.

Applies to all service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS

II. INTERRUPTIBLE SERVICE; COMPANY'S LIABILITY LIMITATIONS

The Company will supply only such water at such pressures as may be available from time to time as a result of the normal operation of its water system. The Company will maintain a minimum water pressure of 20 p.s.i. and will not guarantee a specific gallons per minute flow rate at any public fire hydrants or fire sprinkler service. In the event service is interrupted, irregular or defective, or fails from causes beyond the Company's control or through ordinary negligence of its employees or agents, the Company will not be liable for any injuries or damages arising therefrom.

III. RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-401 through A.A.C. R14-2-411 will be controlling of Company procedures, unless specific Commission Order(s) provide otherwise.

Applies to all service areas

PART THREE

**EMERGENCY WATER AUGMENTATION SURCHARGE TARIFF AND PLAN OF
ADMINISTRATION**

PURPOSE AND APPLICABILITY:

Purpose:

The purpose of this tariff is to authorize Liberty Utilities (Rio Rico Water & Sewer) Corp. (the "Company") to make monthly adjustments to its rates and charges for water service in order to recover cost incurred for water purchases and hauling ("Water Augmentation Costs") in the event that Liberty Utilities (Rio Rico Water & Sewer) Corp. experiences an emergency water shortage. The charges will be assessed based on usage as provided below.

Applicability:

This tariff is obtained during the processing of a permanent rate application. This tariff only applies in the event of an "emergency water shortage" as defined in Section II of the definitions below.

I. DEFINITIONS

Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission's ("Commission") rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

"Affiliate," means any other entity directly or indirectly controlling or controlled by, or under direct or indirect common control with Liberty Utilities (Rio Rico Water & Sewer) Corp. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any entity, means the power to direct the management policies of such entity, whether through ownership of voting securities, or by contract, or otherwise.

"Curtailment Account Balance" means any monies collected under the current curtailment tariff.

"Emergency Water Augmentation Surcharge" means the surcharge calculated in accordance with Section IV below.

Applies to all service areas

PART THREE

**EMERGENCY WATER AUGMENTATION SURCHARGE TARIFF AND PLAN OF
ADMINISTRATION**

"Emergency Water Shortage", means a water shortage of a serious nature, developing suddenly or unexpectedly, that is out of the Company's control and demanding immediate attention and has triggered at least Stage 3 of the company's approved Curtailment Plan.

"Surcharge Rate" means the rate per 1,000 gallons that is calculated in accordance with Section III below.

"Water Augmentation Cost" means the actual cost of water purchased and water hauling costs not already included in the utility's existing rates per the last approved rate case.

"Water Augmentation Quantity" means the actual quantity of augmented water (in thousands of gallons).

"Water Sold" means the actual quantity (in thousands of gallons) of water sold by the Company to its Customers during the month corresponding to the month in which water was purchased.

Applies to all service areas

PART THREE**EMERGENCY WATER AUGMENTATION SURCHARGE TARIFF AND PLAN OF
ADMINISTRATION****II. SURCHARGE RATE CALCULATION**

The surcharge is calculated using data from the previous month's bill, for example, the water augmentation surcharge that is applied on a customer's bill is calculated using the June water augmentation costs and the June total gallons sold. See Figure A for an example of the calculation.

Figure A

For each month that the Company augments water, the Company will calculate the Surcharge Rate per the following formula:

Water Augmentation Cost/Water Sold

Example

This example illustrates how the water augmentation surcharge that is included on a customer's bill would be calculated using 2,000 gallons of usage.

[A]	[B]	[C]	[D]
Total June Water & Hauling Costs	June Ending Curtailment Account Balance	Total Gallons Sold in June in 1,000s	Emergency Water Augmentation Surcharge per 1,000 gallons
<u>\$3,000</u>	<u>\$100</u>	<u>494</u>	<u>\$6.28</u>
[E]	[F]	[G]	
Customer's Current Usage Gallons in 1,000s	Emergency Water Augmentation Surcharge (from Col.D)	Total Emergency Water Augmentation Surcharge on Current Bill	
<u>2</u>	<u>\$6.28</u>	<u>\$12.55</u>	

Applies to all service areas

PART THREE

**EMERGENCY WATER AUGMENTATION SURCHARGE TARIFF AND PLAN OF
ADMINISTRATION**

PLAN OF ADMINISTRATION

(A) Intent To Bill Emergency Water Augmentation Surcharge: For any month in which water is augmented, after completing its billing for the month and receiving the billing for the month, the Company will calculate the Surcharge Rate using the same methodology discussed herein und shown on Figure A and provide Utilities Division of the Arizona Corporation Commission ("Commission Staff") notice of the Company's intent to bill the Emergency Water Augmentation Surcharge.

(B) Notice to Commission Staff: For any month in which the Company intends to bill customers an Emergency Water Augmentation Surcharge, the Company shall provide Commission Staff notice of the Company's intent to bill the Emergency Water Augmentation Surcharge. The notice to Commission Staff shall include the following:

1. The Water Augmentation Cost.
2. The Water Augmentation Quantity.
3. A copy of the bill(s) received for the Water Augmentation.
4. A description of the system problem necessitating Water Augmentation and a description of the action being taken by the Company to resolve the problem including the date operations did or are expected to return to normal.
5. The dates for beginning and ending Water Augmentation.
6. A schedule showing the calculation of the Emergency Water Augmentation Surcharge Rate in excel format with formulas intact.
7. Identification of the hauling(s) available. If only one option was available, please state that there was only one option.
8. Whether or not the hauling entity was an affiliate.

Applies to all service areas

PART THREE

**EMERGENCY WATER AUGMENTATION SURCHARGE TARIFF AND PLAN OF
ADMINISTRATION**

(C) Implementation of Emergency Water Augmentation Surcharge: Commission Staff will review the Notice. If the filing is acceptable to Commission Staff, the resulting Surcharge will be charged to Liberty Utilities (Rio Rico Water & Sewer) Corp. customers as an Emergency Water Augmentation Surcharge to be included on customers monthly bill as a separate line item.

(D) Documentation to Be Maintained: The Company shall maintain documentation for all costs, billing determinants, and revenue recoveries.

(E) Customer Notice: The Company shall notify its customers of this new tariff as part of its next regularly scheduled billing after the effective date of the tariff but no later than sixty (60) days after the effective date of the tariff in a form acceptable to Staff.

Applies to all service areas
PART FOUR
CROSS-CONNECTION OR BACKFLOW TARIFF

I. PURPOSE:

The purpose of this tariff is to protect Liberty Utilities (Rio Rico Water & Sewer) Corp. (the “Company”) water from the possibility of contamination caused by backflow of contaminants that may be present on the customer’s premises by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code (“A.A.C.”) R14-2-405.B.6. and A.A.C. R18-4-215.

II. REQUIREMENTS:

In compliance with the Rules and Regulations of the Arizona Corporation Commission (“Commission”) and the Arizona Department of Environmental Quality (“ADEQ”), specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-215 relating to backflow prevention:

1. The Company may require a customer to pay for and have installed, and to maintain, test and repair a backflow-prevention assembly if A.A.C. R18-4-215.B or C applies.
2. A backflow-prevention assembly required to be installed by the customer under Paragraph 1 of this tariff shall comply with the requirements set forth in A.A.C. R18-4-215.D and E.
3. Subject to the provisions of A.A.C. R14-2-407 and 410, and in accordance with Paragraphs 1 and 7 of this tariff, the Company may terminate service or deny service to a customer who fails to install a backflow-prevention assembly as required by this tariff.
4. The Company shall give any existing customer who is required to install a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a is **not** applicable, the customer shall be given thirty (30) days from the time such written notice is received in which to comply with this notice. If the customer can show good cause as to why he cannot install the backflow-prevention assembly within thirty (30) days, the Company or Commission Staff may suspend this requirement for a reasonable period of time.
5. Testing shall be in conformance with the requirements of A.A.C. R18-4-215.F. The Company may require the customer to pay to have the backflow-prevention assembly tested as long as the Company does not require an unreasonable number of tests. The Company may also require the customer to pay for repairs to a backflow-prevention assembly

Applies to all service areas

PART FOUR

CROSS-CONNECTION OR BACKFLOW TARIFF

6. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:
 - a. assembly identification number and description;
 - b. location;
 - c. date(s) of test(s);
 - d. description of repairs and recommendations for repairs made by tester;
 - e. tester's name and certificate number; and
 - f. tester's field test kit certification documentation.
7. In the event the backflow-prevention assembly does not function properly or fails any test, and an obvious hazard as contemplated under A.A.C. R14-2-410.B.1.a. exists, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be repaired or replaced by the customer and retested.
8. In the event the backflow-prevention assembly does not function properly or fails any test, or in the event that a customer fails to comply with the testing requirement, and A.A.C. R14-2-410.B.1.a. is **not** applicable, the backflow-prevention assembly shall be repaired or replaced within fourteen (14) days of the initial discovery of the deficiency in the assembly or its function. Failure to remedy the deficiency of dysfunction of the assembly, or failure to retest, shall be grounds for termination of water service in accordance with A.A.C. R14-2-410.

Applies to all service areas

PART FIVE
CURTAILMENT PLAN

ADEQ Public Water System:

ADEQ Public Water System Number: 12-011
ADEQ Public Water System Number: 07-007
ADEQ Public Water System Number: 07-511
ADEQ Public Water System Number: 07-517
ADEQ Public Water System Number: 07-0528
ADEQ Public Water System Number: 02-010
ADEQ Public Water System Number: 02-007
ADEQ Public Water System Number: 02-013
ADEQ Public Water System Number: 02-054
ADEQ Public Water System Number: 02-011
ADEQ Public Water System Number: 02-023
ADEQ Public Water System Number 02-120
ADEQ Public Water System Numbers: 13-023

PURPOSE:

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

APPLICABILITY

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

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

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

Stage 1 Exists When:

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

Restrictions: Under Stage 1, the Company is deemed to be operating normally and no curtailment is necessary, but conservation efforts are encouraged as a best management practice¹.

Notice Requirements: Under Stage 1, no notice is necessary.

Applies to all service areas
PART FIVE
CURTAILMENT PLAN

Stage 2 Exists When:

- a. Company's water storage or well production has been less than 80 percent of capacity for at least 48 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. The below conservation measures are encouraged to reduce water consumption:

- Divide outside watering on uniform basis such as:

Address Ends In	1, 2, 4, 7, 0	3, 5, 6, 8, or 9
Watering Days	Monday and Wednesday	Tuesday and Thursday

- Outdoor watering should be limited between the following times:

Seasonal Period	Watering Prohibited
April – September	6:00 a.m. – 7:00 p.m.
October - March	8:00 a.m. – 7:00 p.m.

- Eliminate outside watering on weekends and holidays
- Eliminate runoff from outdoor irrigation
- Use a shut-off hose nozzle if using hose to irrigate landscape or wash vehicles
- Eliminate washing of hard surfaces outdoors except washing to alleviate health or fire hazards
- Construction water blackout period between the hours of 5:00 am and 9:00 am, Monday through Sunday implemented
- Fix indoor and outdoor leaks
- Indoor water conservation techniques should be employed whenever possible

Notice Requirements: Company is required to notify customers by delivering written notice to each service address or by utilizing the Company's emergency messaging system which includes email, text, and phone call, or by posting on Company's website, or at the Company's option a combination of these notifications. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

The Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 2.

Applies to all service areas

PART FIVE

CURTAILMENT PLAN

Stage 3 Exists When:

- a. Company's total water storage or well production has been less than 50 percent of capacity for at least 24 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 3, the Company shall inform the customers of a **mandatory** restriction to employ water conservation measures to reduce daily consumption. All restrictions from Stage 2 shall be employed in addition to the below conservation measures:

- All outside watering eliminated, except livestock
- Draining and refilling water features is prohibited
- The filling of any swimming pools, spas, fountains or ornamental pools is prohibited
- Washing of any vehicle is prohibited, including commercial car washes and commercial truck washes.
- Water runoff is prohibited
- The use of drip or misting systems of any kind is prohibited
- The use of water for dust control or any outdoor cleaning uses is prohibited
- The use of construction water is prohibited

The following priority of use for delivery of water is set forth: (1) All existing regularly metered residential customers; (2) All regularly metered commercial customers that are classified as healthcare; (3) All regularly metered commercial customers; (3) All uses of water, other than fire hydrant use for new construction; (4) Fire hydrant use for landscape irrigation or lakes; (5) All other construction fire hydrant use, metered or unmetered.

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address or by utilizing the Company's emergency messaging system which includes email, text, and phone call, or by posting on Company's website, or at the Company's option a combination of these notifications. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Beginning with Stage 3, the Company shall post at least two (2) signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions served by the Company.

Applies to all service areas

PART FIVE

CURTAILMENT PLAN

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

Once Stage 3 has been reached, the Company must begin to augment the supply of water by either hauling or through an emergency interconnect with an approved water supply in an attempt to maintain the curtailment at a level no higher than Stage 3 until a permanent solution has been implemented.

Customers who fail to comply with the above restrictions will be given a written notice to end all outdoor uses. Failure to comply within twenty-four (24) hours of receipt of the notice may result in temporary loss of service through the installation and use of a flow restrictor device or other means until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

Stage 4 Exists When:

- a. Company's total water storage or well production has been less than 25 percent of capacity for at least 12 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 4, Company shall inform the customers of a **mandatory** restriction to employ water conservation measures to reduce daily consumption. Failure to comply will result in temporary customer disconnection. All restrictions from Stage 2 and Stage 3 shall be employed in addition to the following uses of water being prohibited:

- Restaurant patrons shall be served water only upon request
- All leaks, breaks, or other malfunctions in the customer's plumbing fixtures and/or irrigation system must be repaired within five (5) business days of written notification by the utility.
- Any other water intensive activity is prohibited
- The addition of new service lines and meter installations is prohibited.

The following priority of use for delivery of water is set forth: (1) All existing regularly metered residential customers; (2) All regularly metered commercial customers; (3) All uses of water, other than fire hydrant use for new construction; (4) Fire hydrant use for landscape irrigation or lakes; (5) All other construction fire hydrant use, metered or unmetered.

Applies to all service areas
PART FIVE
CURTAILMENT PLAN

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address or by utilizing the Company's emergency messaging system which includes email, text, and phone call, or by posting on Company's website, or at the Company's option a combination of these notifications. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Company shall post at least two (2) signs showing curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions served by the Company.
3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 4.

Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply or must otherwise provide emergency drinking water for its customers until a permanent solution has been implemented.

Customers who fail to comply with the above restrictions will be given a written notice to end all outdoor uses. Failure to comply within twenty-four (24) hours of receipt of the notice may result in temporary loss of service through the installation and use of a flow restrictor device or other means until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

Applies to all **WATER** service areas

PART SIX
HOOK UP FEES

LIBERTY UTILITIES (RIO RICO WATER & SEWER) CORP.
WATER HOOK-UP FEE TARIFF

I. PURPOSE AND APPLICABILITY

The purpose of the off-site hook-up fees payable to Liberty Utilities (Rio Rico Water & Sewer) Corp. ("Company") pursuant to this tariff is to equitably apportion the costs of constructing additional off-site facilities necessary to provide water production, delivery, storage and pressure among all new service connections. These charges are applicable to all new service connections undertaken via Main Extension Agreements, or requests for service not requiring a Main Extension Agreement entered into after the effective date of this tariff. The charges are one-time charges and are payable as a condition to Company's establishment of service, as more particularly provided below.

II. DEFINITIONS

Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission's ("Commission") rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

"Applicant" means any party entering into an agreement with Company for the installation of water facilities to serve new service connections, and may include Developers and/or Builders of new residential subdivisions and/or non-residential properties.

"Company" means Liberty Utilities (Rio Rico Water & Sewer) Corp.

"Main Extension Agreement" means any agreement whereby an Applicant, Developer and/or Builder agrees to advance the costs of the installation of water facilities necessary to serve new service connections within a development, or installs such water facilities necessary to serve new service connections and transfers ownership of such water facilities to the Company, which agreement shall require the approval of the Commission pursuant to A.A.C. R-14-2-406, and shall have the same meaning as "Water Facilities Agreement" or "Line Extension Agreement."

"Off-site Facilities" means wells, storage tanks and related appurtenances necessary for proper operation, including engineering and design costs. Offsite facilities may also include booster pumps, pressure tanks, transmission mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of the applicant and will benefit the entire water system.

"Service Connection" means and includes all service connections for single-family residential, commercial, industrial or other uses, regardless of meter size.

Applies to all **WATER** service areas

PART SIX
HOOK UP FEES

III. WATER HOOK-UP FEE

For each new service connection, the Company shall collect an Off-Site Hook-Up Fee derived from the following table:

OFF-SITE WATER HOOK-UP FEE TABLE		
<u>Meter Size</u>	<u>Size Factor</u>	<u>Total Fee</u>
5/8" x 3/4"	1	\$1,600
3/4"	1.5	\$2,400
1"	2.5	\$4,000
1-1/2"	5	\$8,000
2"	8	\$12,800
3"	16	\$25,600
4"	25	\$40,000
6" or larger	50	\$80,000

IV. TERMS AND CONDITIONS

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

(B) Use of Off-Site Facilities Hook-up Fee: The off-site facilities hook-up fees may only be used to pay for capital items of off-site facilities, repay loans obtained to fund the cost of installation of off-site facilities, or pay state and federal income taxes related to the hook-up fees. Off-site hook-up fees shall not be used to cover repairs, maintenance, or operational costs. The Company shall record amounts collected under this tariff as CIAC; however, such amounts shall not be deducted from rate base until such amounts have been expended for plant.

Applies to all **WATER** service areas

PART SIX
HOOK UP FEES

(C) Time of Payment:

- 1) For those requiring a Main Extension Agreement: In the event that the person or entity that will be constructing improvements (“Applicant”, “Developer” or “Builder”) is otherwise required to enter into a Main Extension Agreement, whereby the Applicant, Developer or Builder agrees to advance the costs of installing mains, valves, fittings, hydrants and other on-site improvements in order to extend service in accordance with R-14-2-406(B), payment of the Hook-Up Fees required hereunder shall be made by the Applicant, Developer or Builder no later than within 15 calendar days after receipt of notification from the Company that the Utilities Division of the Arizona Corporation Commission has approved the Main Extension Agreement in accordance with R-14-2-406(M), or as otherwise mutually agreed upon between Applicant and Company.
- 2) For those connecting to an existing main: In the event that the Applicant, Developer or Builder for service is not required to enter into a Main Extension Agreement, the Hook-Up Fee charges hereunder shall be due and payable at the time the meter and service line installation fee is due and payable.

(D) Off-Site Facilities Construction by Developer: Company and Applicant, Developer, or Builder may agree to construction of off-site facilities necessary to serve a particular development by Applicant, Developer or Builder, which facilities are then conveyed to Company. In that event, Company shall credit the total cost of such off-site facilities as an offset to off-site hook-up fees due under this Tariff. If the total cost of the off-site facilities constructed by Applicant, Developer or Builder and conveyed to Company is less than the applicable off-site hook-up fees under this Tariff, Applicant, Developer or Builder shall pay the remaining amount of off-site hook-up fees owed hereunder. If the total cost of the off-site facilities contributed by Applicant, Developer or Builder and conveyed to Company is more than the applicable off-site hook-up fees under this Tariff, Applicant, Developer or Builder shall be refunded the difference upon acceptance of the off-site facilities by the Company.

(E) Failure to Pay Charges; Delinquent Payments: The Company will not be obligated to make an advance commitment to provide or actually provide water service to any Developer, Builder or other applicant for service in the event that the Developer, Builder or other applicant for service has not paid in full all charges hereunder. Under no circumstances will the Company set a meter or otherwise allow service to be established if the entire amount of any payment due hereunder has not been paid.

(F) Large Subdivision Projects: In the event that the Applicant, Developer or Builder is engaged in the development of a residential subdivision containing more than 150 lots, the Company may, in its discretion, agree to payment of off-site hook-up fees in installments. Such installments may be based on the residential subdivision development’s phasing and should attempt to equitably apportion the payment of charges hereunder based on the Applicant’s, Developer’s or Builder’s construction schedule and water service requirements.

Applies to all **WATER** service areas

PART SIX
HOOK UP FEES

(G) Off-Site Hook-Up Fees Non-refundable: The amounts collected by the Company as Hook-Up Fees pursuant to the off-site hook-up fee tariff shall be non-refundable contributions in aid of construction (“CIAC”).

(H) Use of Off-Site Hook-Up Fees Received: All funds collected by the Company as off-site hook-up fees shall be deposited into a separate unaffiliated third-party interest-bearing bank account and used for the purposes of paying for the costs of installation of off-site facilities, including repayment of loans obtained for the installation of off-site facilities that will benefit the entire water system. In addition, funds may be used to pay state and federal income taxes related to the hook-up fees.

(I) Off-Site Hook-up Fee in Addition to On-site Facilities: The off-site hook-up fee shall be in addition to any costs associated with the construction of on-site facilities under a Main Extension Agreement.

(J) Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the off-site hook-up fees, or if the off-site hook-up fee has been terminated by order of the Arizona Corporation Commission, any funds remaining in the unaffiliated third-party interest-bearing bank account shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

(K) Fire Flow Requirements: In the event the applicant for service has fire flow requirements that require additional facilities beyond those facilities whose costs were included in the off-site hook-up fee, and which are contemplated to be constructed using the proceeds of the off-site hook-up Fee, the Company may require the applicant to install such additional facilities as are required to meet those additional fire flow requirements, as a non-refundable contribution, in addition to the off-site hook-up fee.

(L) Status Reporting Requirements to the Commission: The Company shall submit a calendar year Off-Site Hook-Up Fee status report each January to Docket Control for the prior twelve (12) month period, beginning January 2017, until the hook-up fee tariff is no longer in effect. This status report shall contain a list of all customers that have paid the hook-up fee tariff, the amount each has paid, the physical property in respect of which such fee was paid, the amount of money spent from the account, the amount of interest earned on the funds within the tariff account, and an itemization of all facilities that have been installed using the tariff funds during the 12 month period.

Applies to all **WASTEWATER** service areas

PART SEVEN

STATEMENT OF CHARGES

I. RATES

In Decision No. 81361, dated 6/18/2025, the Commission authorized the following rates and charges to become effective 7/1/2025:

A. Monthly Usage Charges

<u>Meter Size (All Classes)</u>	<u>Charge^{5,6}</u>
5/8" x 3/4" Meter	\$ 59.00
3/4" Meter	68.03
1" Meter	83.20
1 1/2" Meter	122.81
2" Meter	170.37
3" Meter	296.79
4" Meter	439.94
6" Meter	836.06
8" Meter	1,273.57
10" Meter	1,908.42
12" Meter	2,713.91

⁵ Low Income Tariff – A 15% discount is available on monthly minimum and commodity charges to qualified residential customers meeting the low income qualifications.

⁶ 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.

Applies to all **WASTEWATER** service areas
PART SEVEN
STATEMENT OF CHARGES

B. Commodity Rates (All Meter Sizes)

Commercial and Multi-Tenant Only	
0 to 7,000 gallons	\$0.00
Over 7,000 gallons	8.14

C. Service Line and Meter Installation Charges

<u>Service Line Size</u>	<u>Charge</u>
4" Meter	At Cost
6" Meter	At Cost
8" Meter	At Cost
10" Meter	At Cost
12" Meter	At Cost

Applies to all **WASTEWATER** service areas
PART SEVEN
STATEMENT OF CHARGES

D. Service Charges

<u>Service</u>	<u>Charge</u>
Establishment	\$30.00
Re-Establishment (within 12 months)	(1)
Disconnection (Delinquent)	(2)
Reconnection (Delinquent)	(2)
Deposit	(3)
Deposit Interest	6% (3)
NSF Check (a)	20
Late Payment Penalty	1.5% per month
Deferred Payment	1.5% per month
Service Charge – after hours (b)	\$90
Road Cutting or Boring	At Cost

- 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 and reconnection, including costs for excavation and trenching, pipeline modification, backfill and grading, road repairs and permitting. Customer will be provided copies of invoices for actual cost. There shall be no charge for disconnection if no work is performed.
- 3) Per Commission Rule A.A.C. R-14-2-603.B
 - a) Rio Rico may only charge one NSF fee when customers are billed for water and sewer services on one bill.
 - b) At customers request. No charge for service during normal working hours.

IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-608D(5).

Applies to all **WASTEWATER** service areas
PART SEVEN
STATEMENT OF CHARGES

II. TAXES AND ASSESSMENTS

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

All Advances or Contributions are to include labor, materials, overheads, and all applicable taxes, including all gross-up taxes for income taxes. Costs are to include labor, materials and parts, overheads, and all applicable taxes.

Under applicable law, any contributions or advances provided by a Developer are taxable income to the Utility. In accordance with the Gross-Up Sharing Method policy adopted by the Commission in Decision No. 76974, the Company will collect from the Developer an applicable share of income taxes for the Company's state and federal tax liability on all funds contributed and/or advanced. The funds will be collected prior to the commencement of service.

Applies to all **WASTEWATER** service areas
PART EIGHT
STATEMENT OF TERMS AND CONDITIONS

I. PERMITTED COSTS

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at cost, costs shall include labor, materials, other charges incurred, and overhead. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
- C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
- D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date. However, if the actual cost is more than five percent (5%) greater than the total amount paid, the customer will only be required to pay five percent (5%) more than the total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the total amount paid was made.
- E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.
- F. Permitted costs shall include any Federal, State or local taxes that are or may be payable by the Company as a result of any tariff or contract for wastewater facilities under which the Customer advances or contributes funds or facilities to the Company.

Applies to all **WASTEWATER** service areas
PART EIGHT
STATEMENT OF TERMS AND CONDITIONS

II. CUSTOMER DISCHARGE TO SYSTEM

A. Service Subject to Regulation

Company provides wastewater service using treatment and collection facilities that are regulated by numerous county, state and federal Statutes and Regulations. Those Regulations include limitations as to domestic strength wastewater and the type of wastewater that may be discharged into the system by any person directly or indirectly connected to the plant.

B. Waste Limitations

Company has established the permissible limits of concentration as domestic strength wastewater and will limit concentration for various specific substances, materials, waters, or wastes that can be accepted in the sewer system, and to specify those substances, materials, waters, or wastes that are prohibited from entering the sewer system. Each permissible limit so established shall be placed on file in the business office of Company, with a copy filed with the Commission. No person shall discharge, or cause to be discharged, any new sources of inflow including, but not limited to, storm water, surface water, groundwater, roof runoffs, subsurface drainage, cooling water, or polluted industrial process waters into the sanitary sewer. Company will require an affidavit from all non-residential customers, and their professional engineer, stating that the wastewater discharged to the system does not exceed domestic strength or applicable pre-treatment standards.

C. Inspection and Right of Entry

Every facility that is involved directly or indirectly with the discharge of wastewater to the Treatment Plant may be inspected by Company as it deems necessary. These facilities shall include but not be limited to sewer; sewage pumping plants; all processes; devices and connection sewer; and all similar sewerage facilities. Inspections may be made to determine that such facilities are maintained and operated properly and are adequate to meet the provisions of these rules and this tariff. Inspections may include the collection of samples. Authorized personnel of Company shall be provided immediate access to all of the above facilities or to other facilities directly or indirectly connected to the Treatment Plant at all reasonable times including those occasioned by emergency conditions. Any permanent or temporary obstruction to easy access to the user's facility to be inspected shall promptly be removed by the facility user or owner at

Applies to all **WASTEWATER** service areas
PART EIGHT
STATEMENT OF TERMS AND CONDITIONS

the written or verbal request of Company and shall not be replaced. No person shall interfere with, delay, resist or refuse entrance to an authorized Company representative attempting to inspect any facility involved directly or indirectly with a discharge of wastewater to the Treatment Plant. Adequate identification shall be provided by Company for all inspectors and other authorized personnel and these persons shall identify themselves when entering any property for inspection purposes or when inspecting the work of any contractor.

All transient motor homes, travel trailers and other units containing holding tanks must arrive at Company's service area in an empty condition. Inspection will be required of said units prior to their being allowed to hookup to the wastewater system.

D. Termination of Water Service for Violation of Wastewater Rules and Regulations

Company is authorized to discontinue water service to any person connected to both its water and sewer systems who violates Company's wastewater terms and conditions as set forth in this section or in any way creates a public health hazard or the likelihood of such a public health hazard. This termination authority does not apply to non-payment for water or wastewater services.

III. RULES AND REGULATIONS

Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-601 through A.A.C. R14-2-609 will be controlling of Company procedures, unless specifically approved tariffs or Commission Order(s) provide otherwise.

Applies to all service areas
PART NINE
CUSTOMER ASSISTANCE TARIFF
DOMESTIC SERVICE - SINGLE FAMILY ACCOMMODATION

Applicability

Applicable to residential water and wastewater service for domestic use rendered to individuals who meet all the program qualifications and special conditions of this rate schedule.

Programs

This Customer Assistance Tariff (CAT) contains the following programs: (1) Low-Income Program; (2) Deployed Services Member Program; and (3) Disabled Veteran Program. Collectively, these three programs are referred to as the “Customer Assistance Programs”.

Territory

Within all customer service areas served by Liberty Utilities (Rio Rico Water & Sewer) Corp. (“Liberty” or “Company”).

Rates

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

Program Qualifications

1. The Liberty bill must be in your name and the address must be your primary residence.
2. You may not be claimed as a dependent on another person’s tax return.
3. You must reapply each time you move residences.
4. You must renew your application once every year, or sooner, if requested.
5. You must notify Liberty within thirty (30) days if you become ineligible for the CAT.

Applies to all service areas
PART NINE
CUSTOMER ASSISTANCE TARIFF
DOMESTIC SERVICE - SINGLE FAMILY ACCOMMODATION

Special Conditions

1. Application: An application on a form authorized by the Commission is required for each request for service under this schedule. A customer must reapply every year or sooner, if requested.
2. Commencement of Rate: Eligible customers whose applications have been approved shall be billed on this schedule commencing with the next regularly scheduled billing period that follows receipt of application by Liberty.
3. Verification: Information provided by the applicant is subject to verification by Liberty. Refusal or failure of a customer to provide documentation of eligibility acceptable to Liberty, upon request by Liberty, shall result in removal from this rate schedule.
4. Notice from Customer: It is the customer's responsibility to notify Liberty if there is a change of eligibility status.
5. Rebilling: Customers may be re-billed retroactively for periods of ineligibility under the applicable rate schedule.
6. Qualification: A customer that qualifies for more than one program will only receive benefits from one program per year. CAT benefits will not be combined or accumulated.

Applies to all service areas
PART NINE
CUSTOMER ASSISTANCE TARIFF
DOMESTIC SERVICE - SINGLE FAMILY ACCOMMODATION

LOW INCOME PROGRAM

To qualify for the low income program, the total gross annual income of all persons living in your household cannot exceed the income levels below:

<u>No. of Person in Household</u>	<u>Total Gross Annual Income*</u>
1	\$31,300
2	\$42,300
3	\$53,300
4	\$64,300
5	\$75,300
6	\$86,300

For families/households with more than 6 persons, add \$11,000 for each additional person.

***Qualifying annual incomes are set at 200 percent of the 2025 federal poverty levels for the first year, and will be adjusted annually to maintain qualifying incomes at 200 percent of the federal poverty level for each subsequent year.**

Acceptance into the program is subject to verification of income source.

For the purpose of the program the “gross household income” means all money and non-cash benefits, available for living expenses, from all sources, both taxable and non-taxable, before deductions for all people who live in your home. This includes, but is not limited to:

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

Applies to all service areas
PART NINE
CUSTOMER ASSISTANCE TARIFF
DOMESTIC SERVICE - SINGLE FAMILY ACCOMMODATION

DEPLOYED SERVICES MEMBER PROGRAM

This program allows the Company to provide a 15% discount to deployed service members of the United States Military. The Company will provide the credit on the deployed service member's bill provided that the following criteria are met:

The Company will provide the credit on the deployed service member's bill provided that the following criteria are met:

1. Deployment is not a "permanent change of station." Permanent change of station requires a service member to permanently change his or her place of residence, paid for by the applicable military branch. A service member's decision to keep a secondary residence in Arizona would be discretionary and would not qualify for this credit.
2. Deployed member does not have family living in the premises. Short term deployments, where a spouse and/or dependents remain in the United States would not qualify, as the service member would receive separate compensation from the military to cover domestic expenses while deployed.
3. The deployed service member is an active member of the military (e.g., Air Force, Army, Coast Guard, Marines, Space Force, and Navy), as defined by 10 U.S.C. § 101(a)(4), and includes any member of the Reserves or National Guard called to active duty.

Administration

1. Participation shall be determined on a first come, first served basis.
2. Each service member's eligibility must be verified based on written orders from the service member's command.
3. Continued eligibility will be determined periodically through a recertification process.
4. The Company is permitted to seek Commission approval to change participant limits based on level of participation.

Qualifying annual incomes are set at 200 percent of the 202X federal poverty levels.

Applies to all service areas
PART NINE
CUSTOMER ASSISTANCE TARIFF
DOMESTIC SERVICE - SINGLE FAMILY ACCOMMODATION

DEPLOYED SERVICES MEMBER PROGRAM

<u>No. of Person in Household</u>	<u>Total Gross Annual Income*</u>
1	\$31,300
2	\$42,300
3	\$53,300
4	\$64,300
5	\$75,300
6	\$86,300

For families/households with more than 6 persons, add \$11,000 for each additional person.

***Qualifying annual incomes are set at 200 percent of the 2025 federal poverty levels for the first year, and will be adjusted annually to maintain qualifying incomes at 200 percent of the federal poverty level for each subsequent year.**

Acceptance into the program is subject to verification of income source.

For the purpose of the program the “gross household income” means all money and non-cash benefits, available for living expenses, from all sources, both taxable and non-taxable, before deductions for all people who live in your home. This includes, but is not limited to:

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

Applies to all service areas
PART NINE
CUSTOMER ASSISTANCE TARIFF
DOMESTIC SERVICE - SINGLE FAMILY ACCOMMODATION

DISABLED MILITARY VETERAN PROGRAM

This program allows the Company to provide a 15% discount to disabled military veterans of the United States Military. The Company will provide the credit on the disabled military veteran's bill provided that the following criteria are met:

The Company will provide the credit on the disabled military veteran's bill provided that the following criteria are met:

1. Disabled military veteran was honorably discharged from the armed forces.
2. Disabled military veteran must have a permanent disability rating related to their military duty service.
3. The disabled military veteran must have been an active member of the military (*e.g.*, Air Force, Army, Coast Guard, Marines, and Navy), as defined by 10 U.S.C. § 101(a)(4), and includes any member of the Reserves or National Guard called to active duty.

Administration

1. Participation shall be determined on a first come, first served basis.
2. Each service member's eligibility must be verified based on documentation demonstrating a medical discharge or other written documentation from the United States Department of Defense or Department of Veteran Affairs.
3. Continued eligibility will be determined periodically through a recertification process.
4. The Company is permitted to seek Commission approval to change participant limits based on level of participation.
5. Qualifying annual incomes are set at 200 percent of the 202X federal poverty levels

Applies to all service areas
PART NINE
CUSTOMER ASSISTANCE TARIFF
DOMESTIC SERVICE - SINGLE FAMILY ACCOMMODATION

DISABLED MILITARY VETERAN PROGRAM

<u>No. of Person in Household</u>	<u>Total Gross Annual Income*</u>
1	\$31,300
2	\$42,300
3	\$53,300
4	\$64,300
5	\$75,300
6	\$86,300

For families/households with more than 6 persons, add \$11,000 for each additional person.

***Qualifying annual incomes are set at 200 percent of the 2025 federal poverty levels for the first year, and will be adjusted annually to maintain qualifying incomes at 200 percent of the federal poverty level for each subsequent year.**

Acceptance into the program is subject to verification of income source.

For the purpose of the program the “gross household income” means all money and non-cash benefits, available for living expenses, from all sources, both taxable and non-taxable, before deductions for all people who live in your home. This includes, but is not limited to:

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

Applies to all service areas
PART NINE
CUSTOMER ASSISTANCE TARIFF
DOMESTIC SERVICE - SINGLE FAMILY ACCOMMODATION

RECOVERY OF COST OF CUSTOMER ASSISTANCE TARIFF AND CUSTOMER
SURCHARGES

The Company shall recover the CAT costs from a monthly CAT surcharge on all residential and non-residential water customers who are not participating in the CAT. Liberty is entitled to seek recovery of direct costs (*i.e.*, those costs directly associated with the programs, which costs would not be incurred in the absence of the programs). The Company shall account for those direct costs separately from other operating costs.

Liberty shall be entitled to implement a CAT surcharge on non-participating residential and non-residential water as follows.

- For customers participating in the CAT, the Company shall maintain a balancing account detailing the beginning and ending balance of the cumulative unrecovered program costs each month.
- Liberty's authorized rate of return shall be applied monthly to the average of the beginning balances of the cumulative unrecovered program costs for water service and included in the beginning balances for the following month.
- Using the balancing account, Liberty shall calculate the monthly surcharge for each customer as follows:

(Ending Balance for Low-Income Tariff Balancing Account including amortized carrying costs during recovery period /Number of active non-participating water connections at year end)/12

- The ending balance in the balancing account shall equal the beginning balances plus discounts allowed on bills for the twelve month tracking period, plus direct program costs incurred in the twelve month period plus the return less surcharge fees billed in the twelve month tracking period.
- Liberty shall implement a monthly surcharge for the CAT for each twelve month period of the CAT. The Company shall calculate the monthly surcharge each year based on the active number of customer connections as of December 31 of the prior year. The Company shall file notice of the surcharge, along with a report on the CAT, with the Arizona Corporation Commission on or before January 31 and the surcharge shall be implemented on customer bills in February of each year with the recovery period ending in January of the following year.

Applies to all service areas
PART TEN
PLAN OF ADMINISTRATION FOR
PURCHASED POWER ADJUSTMENT MECHANISM

I. GENERAL DESCRIPTION.

This document is the Plan of Administration (“POA”) for the Purchased Power Adjustment Mechanism (“PPAM”) for Liberty Utilities (Rio Rico Water & Sewer) Corp. The PPAM allows Liberty Rio Rico to pass through to its customers the increase or decrease in purchased power costs that result from a rate change for any Commission-regulated electric service provider supplying retail electric service to the Company.

II. PPAM RELATED FILINGS.

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

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

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

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

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

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

Applies to all service areas

PART TEN

**PLAN OF ADMINISTRATION FOR
PURCHASED POWER ADJUSTMENT MECHANISM**

III. APPLICATION TO WATER AND WASTEWATER CUSTOMERS.

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

B. See the following example for water customers:

<i>Test Year</i>			<i>Current Year</i>	
Purchased Power Rate	\$0.0800	→	Purchased Power Rate	\$0.1000
Kilowatt Hours Used	1,250,000		Kilowatt Hours Used	1,250,000
Purchased Power Expense	\$100,000		Purchased Power Expense	\$125,000

<i>Pass Through Calculation</i>	
Current Year Purchased Power Expense	\$125,000
Test Year Purchased Power Expense	\$100,000
Increase in Purchased Power Expense Due to Rate Increase	\$25,000

<i>PPAM Charge on Sample Customer Bill</i>	
Increase in Purchased Power Expense Due to Rate Increase	\$25,000
Number of Water Customers	20,000
PPAM Charge on Sample Customer Bill	\$1.25

C. See the following example for wastewater customers:

<i>Test Year</i>			<i>Current Year</i>	
Purchased Power Rate	\$0.0800	→	Purchased Power Rate	\$0.1000
Kilowatt Hours Used	1,250,000		Kilowatt Hours Used	1,250,000
Purchased Power Expense	\$100,000		Purchased Power Expense	\$125,000

<i>Pass Through Calculation</i>	
Current Year Purchased Power Expense	\$125,000
Test Year Purchased Power Expense	\$100,000
Increase in Purchased Power Expense Due to Rate Increase	\$25,000

<i>PPAM Charge on Sample Customer Bill</i>	
Increase in Purchased Power Expense Due to Rate Increase	\$25,000
Number of Wastewater Customers	20,000
PPAM Charge on Sample Customer Bill	\$1.25

Applies to all service areas
PART ELEVEN
PLAN OF ADMINISTRATION FOR
PROPERTY TAX ADJUSTMENT MECHANISM

I. GENERAL DESCRIPTION.

This document is the Plan of Administration (“POA”) for the Property Tax Adjustment Mechanism (“PTAM”) for Liberty Utilities (Rio Rico Water & Sewer) Corp. The PTAM allows Liberty Rio Rico to pass through to its water and wastewater customers the increase or decrease in property taxes that results from a change in the applicable assessment ratio and/or property tax rates.

II. PTAM RELATED FILINGS.

A. Within 60 days of the effective date of a change in the assessment ratio and/or property tax rates applicable to the Company, the Company shall file with Docket Control an analysis of the actual impact on the Company’s property tax expenses.

B. The Company will provide the Commission with spreadsheets detailing exactly how the Company’s property tax expenses were calculated in the time period prior to a change in the assessment ratio and/or property tax rate that affects the Company’s property tax expenses. These calculations will include the assessment ratio, the property tax rates, and the value of the property that was taxed. For the period following the change(s), the Company will provide the same information, then compare the two periods, isolating any change in property tax expense that is due exclusively to changes in the assessment ratio and/or property tax rates. The specific intent is to show exactly how much of any increase or decrease in property tax expense is due to changes in the assessment ratio and tax rates beyond the Company’s control and how much is due to changes in the value of the property the Company owns. The Company will only recover increases or refund decreases that are due to changes in the assessment ratio and tax rates.

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

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

E. The Company will file annually with the Commission a report detailing the Company’s property tax expenses.

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

Applies to all service areas
PART ELEVEN
PLAN OF ADMINISTRATION FOR
PROPERTY TAX ADJUSTMENT MECHANISM

III. APPLICATION TO WATER CUSTOMERS.

- A.** The increase or decrease in property tax expenses that are due to changes in the assessment ratio and/or property tax rates at the Company's facilities will be allocated on a per capita basis.
- B.** See the examples on the next page:

Applies to all service areas
PART ELEVEN
PLAN OF ADMINISTRATION FOR
PROPERTY TAX ADJUSTMENT MECHANISM

Change in Assessment Ratio Example

Test Year		➡	Current Year	
Assessment Ratio	20.00%		Assessment Ratio	21.00%
Property Full Cash Value	\$10,000,000		Property Full Cash Value	\$10,000,000
Assessed Valuation	\$2,000,000		Assessed Valuation	\$2,100,000

Change in Assessed Valuation

Current Year Assessed Valuation	\$2,100,000
Test Year Assessed Valuation	\$2,000,000
Increase in Assessed Valuation Due to Increase in Assessment Ratio	\$100,000

Test Year		➡	Current Year	
Total Property Tax Rate	10.00%		Total Property Tax Rate	10.00%
Assessed Valuation	\$2,000,000		Assessed Valuation	\$2,100,000
Property Tax Expense	\$200,000		Property Tax Expense	\$210,000

PTAM Charge on Sample Customer Bill

Increase in Property Tax Expense Due to Increase in Assessment Ratio	\$10,000
Number of WATER or WASTEWATER Customers	20,000
PTAM Charge on Sample Customer Bill	\$0.50

Change in Total Property Tax Rate Example

Test Year		➡	Current Year	
Total Property Tax Rate	10.00%		Total Property Tax Rate	11.00%
Assessed Valuation	\$2,000,000		Assessed Valuation	\$2,000,000
Property Tax Expense	\$200,000		Property Tax Expense	\$220,000

Pass Through Calculation

Current Year Property Tax Expense	\$220,000
Test Year Property Tax Expense	\$200,000
Increase in Property Tax Expense Due to Rate Increase	\$20,000

PTAM Charge on Sample Customer Bill

Increase in Property Tax Expense Due to Rate Increase	\$20,000
Number of WATER or WASTEWATER Customers	20,000
PTAM Charge on Sample Customer Bill	\$1.00

Applies to all **WATER** service areas

PART TWELVE

FEDERAL COST RECOVERY MECHANISM PLAN OF ADMINISTRATION

APPLICABLE TO:

- Liberty Utilities (Rio Rico Water & Sewer) Corp. (the Company”) (Decision No. 81261);

I. INTRODUCTION:

Liberty Rio Rico (Water & Sewer) Corp. shall adopt a Federal Compliance Cost Recovery Mechanism ("FCCRM"). This document is the Plan of Administration ("POA") for the FCCRM. The FCCRM allows the Company to pass through to its customers the costs to recover the capital and on-going operations and maintenance costs of complying with the Environmental Protection Agency ("EPA") Forever Chemical rules in between rate cases, including water treatment facilities needed to comply with federal mandates on safe drinking water adopting Maximum Contaminant Level ("MCL") regulations and governing "forever chemicals" (per- and polyfluorinated alkyl substances) or ("PFAS").

II. GENERAL DESCRIPTION OF FCCRM:

The Company. will be entitled to seek recovery of the surcharge according to the following stages:

1. **Step 1** - Due to concern that if the EPA or any other governmental agency or office may attempt to repeal, revoke or amend the final rule for regulating PFAS or ("PFAS Rule") that makes treatment for PFAS not required by rule, the Company agrees not to commence engineering design of the facility until after June 30, 2025. Assuming there is no final, non-appealable judicial decision, executive order, or legislation rendering the PFAS Rule null, void or voidable, by June 30, 2025, then the Company may begin the engineering design of the facility.
2. **Step 2** - Once design is complete, before beginning construction, the Signatories agree⁷ to meet and confer to discuss the stars of any potential rule changes contemplated in Step 1.
3. **Step 3** – The Company shall file a separate FCCRM surcharge application for Commission approval in conformance with this FCCRM POA.

⁷ See Settlement Agreement Docket W-02074A-23-0337, W-02465-23-0338, W-02060A-23-0339, WS-02676A-23-0340.

Applies to all **WATER** service areas

PART TWELVE

FEDERAL COST RECOVERY MECHANISM PLAN OF ADMINISTRATION

Under the FCCRM, the Company will bill all customers by means of a monthly fixed rate and a commodity rate billed on a per thousand gallons basis. The costs will be split evenly between the fixed and commodity rate components. The FCCRM Surcharge will appear on customers' bills as a separate line item labeled "Federal Compliance Cost Recovery Mechanism." Capital investments funded by proceeds of the FCCRM surcharge shall be subject to prudence review in the next rate case as well as an annual true-up of any over- or under-collections. The FCCRM will be subject to review for reinstatement in the next general rate case for the Company.

III. COMPONENTS OF THE FCCRM SURCHARGE.

- i. The most current balance sheet at the time of the filing,
- ii. The most current income statement
- iii. An earnings test schedule,
- iv. A rate review schedule (including the incremental and pro forma effect of the proposed increase),
- v. A revenue requirement calculation,
- vi. A surcharge calculation,
- vii. An annual true-up calculation,
- viii. An adjusted rate base schedule,
- ix. A CWIP ledger, and
- x. A typical bill analysis under present and proposed rates

IV. FCCRM SURCHARGE RATE DESIGN.

The FCCRM Surcharge rate design shall be as follows:

1. The FCCRM rate will be billed to all customers by means of a monthly fixed rate and a commodity rate billed on a per thousand gallons basis. The costs will be split between the fixed and commodity rate components.
2. The fixed component of the FCCRM Surcharge shall be calculated by dividing 50% of the FCCRM Revenue Requirement by the number of active equivalent 5/8 x 3/4-inch meters at the end of the most recent 12-month period, and shall increase with meter sized based on the following meter capacity multipliers

Applies to all **WATER** service areas

PART TWELVE

FEDERAL COST RECOVERY MECHANISM PLAN OF ADMINISTRATION

5/8-inch x 3/4-inch	1.0 times
3/4-inch	1.5 times
1-inch	2.5 times
1-1/2-inch	5.0 times
2-inch	8.0 times
3-inch	16.0 times
4-inch	25.0 times
6-inch	50.0 times
8-inch	80.0 times

3. The commodity rate will be calculated by dividing 50% of the FCCRM Revenue Requirement by the average gallons sold for the two most recent 12-month periods.
4. The FCCRM Surcharge will apply to all customers' bills.
5. The FCCRM Surcharge will appear on customers' bills as a separate line item labeled "Federal Compliance Cost Recovery Mechanism."

V. FCCRM SURCHARGE FILING.

The FCCRM Surcharge will be filed in alignment with Step 3.⁸ The Company will submit to the Commission a detailed description of the plant and supporting invoices, a calculation of the associated revenue requirement, and the associated detailed schedules and tariffs. The Company will also provide Staff and the Residential Utility Consumer Office ("RUCO") electronic copies of all work papers and supporting documents.

VI. FCCRM SURCHARGE NOTICE REQUIREMENTS.

The FCCRM Surcharge will not become effective until approved by the Commission. The Company will notice its customers of the FCCRM Surcharge approved as soon as possible in a form acceptable to Staff. In addition, the Company must provide notice of each request for a surcharge to each party to Docket No. W-02074A-23-0337, W-02465-23-0338, W-02060A-23-0339, WS-02676A-23-0340, (will have an opportunity to be heard and participate in the surcharge proceedings). The surcharge review procedures will be the same as those for an Arsenic Cost Recovery Mechanism surcharge, as described in Decision No. 66400 (October 14, 2003).

⁸ See Step 3, General Description of FCCRM