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LIBERTY UTILITIES COMES TO AGREEMENT ON RATE APPLICATION Interim Rates Information

TYLER, TX, July 31, 2017 — In September 2016, Liberty Utilities (Tall Timbers Sewer) Corp. and Liberty Utilities (Woodmark Sewer) Corp. filed an application with the Public Utility Commission of Texas (PUCTx) to adjust rates in order to recover the costs of providing safe and reliable wastewater service to nearly 3,500 customers.

As a local, responsive and a caring utility service provider, Liberty Utilities actively engaged our customers in various public town hall meetings. Additional input was also gathered through meetings with local representatives, regulators and other interested parties. During settlement negotiations about the rate application, the Parties took the concerns raised by our customers in consideration.

Following collaborative efforts and negotiations, Liberty Utilities, the Public Utility Commission of Texas Staff, the Texas Office of Public Utility Counsel, the City of Tyler and Intervenors (owners of multiple properties) reached a mutually agreeable settlement in principle on July 24, 2017. The settlement documents are being worked through by all parties.

The Parties filed a joint motion to implement interim rates on July 31, 2017.

Phase-In of Rates

The Parties agreed to a three-year phase-in of rates to ease the impact of the rate increase on customers. The rates listed under Phase One below are effective as of August 1, 2017 and will appear on customers' bills in September.

The agreed interim rate schedule is as follows:

RATES	Current Rates	Phase One	Phase Two	Phase Three
		8/1/2017	8/1/2018	8/1/2019
Tall Timbers (inside City)	\$27.75	\$41.63	\$62.45	\$65.60
Tall Timbers (outside City)	\$54.93	\$54.93	\$62.45	\$65.60
Woodmark	\$66.92	\$71.85	\$79.76	\$90.53



These rates effective August 1, 2017 are on an interim basis pending development of volumetric rates for consideration by the Parties. Volumetric rates are rates based, in part, on water usage. Given that Liberty Utilities is not the water provider for Tall Timbers and Woodmark customers, Liberty Utilities is working with Southern Utilities and the City of Tyler to collect the necessary water usage data to develop volumetric rates.

Furthermore, Liberty Utilities has agreed to fund \$10,000 per year for a low-income and elderly assistance program. Liberty Utilities is in the process of developing that program.

“We are mindful of the impact that any increase in rates can have on our customers. We made significant efforts to incorporate feedback from our customers, stakeholders, local representatives, regulators and other interested parties in the negotiations of the settlement. We feel the negotiations represented a balanced approach.” – Matthew Garlick, President Texas.

For updates and more information relating to the rate application, please log on to www.libertyutilities.com or call us at 903-730-4840.