



Name

Liberty Utilities (New York Water) Corp
Affiliate Code of Conduct

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Liberty Utilities (New York Water) Corp.
Affiliate Code of Conduct

1. Purpose, Application and Corporate Statement

1.1 Purpose and Objectives of the Affiliate Code of Conduct (“Code”)

The purpose of this Code is to establish parameters and standards for transactions, information sharing and the sharing of services and resources between Liberty Utilities (New York Water) Corp. (“Liberty Water NY”), Affiliates, and Representatives while permitting each party to achieve appropriate efficiencies and economies of scope and scale.

The Code will be reviewed and as warranted, revised in each future rate proceeding for Liberty Water NY and in any proceeding concerning a change in ownership of Liberty Water NY or otherwise as needed by Liberty Water NY.

Specifically, the Code is designed to meet the following objectives:

- Provide transparent and consistent guidance for Liberty Water NY employees (whether employed directly by Liberty Water NY or Liberty Utilities Service Corp. but dedicated to Liberty Water NY), Affiliates’ employees and Representatives respecting Affiliate interactions;
- Create an awareness of compliance and ethics issues and accountabilities among Liberty Water NY employees, Affiliates’ employees, and Representatives;
- To set standards that result in Affiliates and Customers being treated fairly and consistently and to prevent unduly preferential treatment;
- To set standards that result in Affiliates being treated fairly and that avoid cross-subsidizing Affiliate services or facilities;
- To protect and set standards for the use of confidential Customer information collected in the course of providing services and access to facilities; and
- Avoid practices that may impede market competition between Liberty Water NY and Affiliates and be detrimental to the interests of Customers.

1.2 Who This Code of Conduct Applies To

All employees (including managers, directors, full-time employees, and part-time employees) and Representatives of Liberty Water NY, and all Affiliates’ employees, are expected to comply with all aspects of the Code, as applicable. Liberty Water NY’s Representatives should also adhere to the Code.

The above objectives can only be realized through a demonstrated observance of and respect for the spirit and intent of the Code by all Liberty Water NY and its Affiliates’ employees to which it applies.

As the Code cannot address each specific issue that may arise, when necessary, subject employees and Representatives should be encouraged to seek additional guidance from their supervisor or others within Liberty Water NY.

1.3 Definitions

- 1.3.1 Affiliates – An “affiliate” of Liberty Water NY carrying out business in the United States or elsewhere as defined by applicable federal, state, or local laws, including, but not limited to New York State Public Service Law (“PSL”) § 110(2). Liberty Water NY’s current and known Affiliates, both regulated and unregulated, and including Liberty Water NY’s Parent Company, are listed in the Appendix, along with a description of each Affiliates’ service territory and operations.
- 1.3.2 “Average Total Debt” is defined as an amount equal to (i) long-term debt, plus (ii) notes payable (including current maturities of long-term debt), minus the average daily balance of cash and cash equivalents appearing on Liberty Water NY’s consolidated balance sheet.
- 1.3.3 “Average Total Capital” is defined as the sum of (i) Average Total Debt, (ii) common shareholder equity (excluding goodwill), and (iii) preferred stock.
- 1.3.4 Code – This Affiliate Code of Conduct.
- 1.3.5 Compliance Officer – The individual tasked with the responsibilities specified in section 6.2 of this Code
- 1.3.6 Confidential Information – Any information of a proprietary, intellectual, or similar nature relating to any current or potential Customer of Liberty Water NY, which information has been obtained or compiled in the process of providing current or prospective services and which is not otherwise available to the public.
- 1.3.7 Customer(s) – Any current or potential person or organization to which Liberty Water NY provides water and fire protection services.
- 1.3.8 Fair Market Value – The price reached in an open and unrestricted market between informed and prudent parties, acting at arm’s length and under no compulsion to act. In determining the Fair Market Value, the seller may use any method that it believes is commercially reasonable in the circumstances.
- 1.3.9 For Profit Affiliate Services – Any service, provided by Liberty Water NY to an Affiliate or vice versa, on a for-profit basis.
- 1.3.10 Fully Burdened Costs – The sum of direct costs plus a proportional share of indirect costs that may include a return on invested capital, which shall not exceed the weighted average costs of capital for Liberty Water NY.
- 1.3.11 Information Services – Any computer systems including computer services, databases, electronic storage services or electronic communication media, printing services or electronic communication media utilized by Liberty Water NY or Affiliates relating to their respective Customers or respective operation.
- 1.3.12 Liberty Utilities (New York Water) Corp. – Liberty Water NY is owned by its immediate parent company, Liberty Utilities (Eastern Water Holdings) Corp.. Liberty Utilities (Eastern Water Holdings) Corp. is a subsidiary of Liberty Utilities Co.. Liberty Water NY, Liberty Utilities (Eastern Water Holdings) Corp., and Liberty Utilities Co. are subsidiaries of their ultimate

parent company, Algonquin Power & Utilities Corp.

- 13.13 Parent Company – The Parent Company of Liberty Water NY refers to any of Liberty Utilities Co., Liberty Utilities (Eastern Water Holdings) Corp., or Algonquin Power & Utilities Corp..
- 13.14 PSC – The New York State Public Service Commission.
- 13.15 Regulated Affiliates – Affiliates whose tolls and tariffs are under the jurisdiction of the PSC or the equivalent of the PSC in another US state or elsewhere.
- 13.16 Representative – Contract workers, independent consultants, agents, and any other entities that are not Affiliates, but who act on behalf of Liberty Water NY.
- 13.17 Resources – Includes employees, intellectual property, materials, supplies, computer systems, equipment, and facilities.
- 13.18 Senior Management Team – Employees designated as officers of Liberty Water NY as determined by the Company’s Board of Directors.
- 13.19 Services Agreement – An agreement entered into between Liberty Water NY and one or more Affiliate for the provision of Shared Services and shall provide the following matters, as appropriate in the circumstances:
- a. The type, quantity, and quality of service,
 - b. Pricing, allocation, or cost recovery provisions,
 - c. Confidentiality arrangements,
 - d. Apportionment of risk (including the risk of over or under provision of service),
 - e. Dispute resolution provisions, and
 - f. A representation by Liberty Water NY and each Affiliate party to the agreement that the agreement complies with this Code.
- 13.20 Shared Core Corporate Services – Liberty Water NY department functions that provide or receive shared strategic management and policy support to or from the corporate group of which Liberty Water NY and Affiliates are members and may include, but are not limited to, legal, finance, tax, treasury, pensions, risk management, audit services, corporate planning, human resources, health and safety, communications, investor relations, trustee, or public affairs.
- 13.21 Shared Customer Services – Any service provided to or from an Affiliate in relation to coordination and logistics, customer support services, legal and regulatory affairs, operation services, planning and analysis, system optimization, asset management, inventory management, facilities management, and control center operations; the charges for such services shall be reimbursed on a Fully Burden Cost basis.
- 13.22 Shared Services – Any service provided by Liberty Water NY to an Affiliate

or by an Affiliate to Liberty Water NY, the charges for such services to be reimbursed on a Fully Burdened Cost basis.

- 1.3.23 Liberty Water NY Services – Services provided by Liberty Water NY to an Affiliate or Customer in relation to the provision of water and fire protection services including, but not limited to: interconnections; access to Liberty Water NY facilities pipelines/systems, lands, rights-of-way, leases, operations and maintenance, construction, regulatory and environmental services, technical and design;; and any other general services provided in relation to construction, operation, maintenance, removal, abandonment, deactivation or decommissioning of facilities.
- 1.3.24 Unregulated Affiliate Activities – General business activities of an Unregulated Affiliate including, but not limited to, construction, operation, maintenance, transportation, marketing, handling, storage of water, as well as the facilities associated with the same.
- 1.3.25 Unregulated Affiliate – An Affiliate that is not regulated by the PSC or the equivalent of the PSC in another US state or elsewhere.

1.4 Affiliate Code of Conduct Policy and Corporate Statement

Liberty Water NY is committed to conducting its business in a socially responsible, legally compliant, and ethical manner in accordance with a core set of corporate values, key components of the corporate values include operating with integrity, honesty, respect, and transparency in all of its dealings with stakeholders. This commitment requires that Liberty Water NY operates in compliance with both the letter and the spirit of the law. The interactions between Liberty Water NY and Affiliates are governed by various legal and contractual provisions that are designed to ensure that these inter-affiliate interactions are appropriate and transparent.

2. Corporate Governance of Liberty Water NY and Affiliates

2.1 Separate Operations

The commercial and business affairs of Liberty Water NY should be managed and conducted independently from the commercial and business affairs of its Unregulated Affiliates, except as required to fulfill Shared Core Corporate Services, Shared Customer Services, and Shared Services.

2.2 Liberty Water NY Board of Directors

Liberty Utilities East Region Board of Directors shall act as the board of directors for Liberty Water NY. The East Region Board of Directors shall include an independent director who is a resident of the service area of Liberty Water NY. For purposes of this requirement, “resident of the service area” may include the circumstance in which the personal residence of the director is within one of the counties in which Liberty Water NY provides service, but not within the relevant service area; provided that the director’s principal place of business or employment is within such service area. An Independent Director shall mean an individual who is not: (1) an officer or director of Liberty Water NY’s parent, (2) an officer or director of any of Liberty Water NY’s Regulated Affiliates, or (3) an officer or director of any of Liberty Water NY’s Unregulated Affiliates. Requirements (2) and (3) of the previous sentences shall not preclude the Independent Director from being an ex officio member of the Board of Directors of a Liberty Water NY Regulated Affiliate or Unregulated Affiliate, solely by virtue of being a member of the Liberty Utilities East Region Board of Directors. Furthermore, no person holding any other position that could reasonably be considered to be detrimental to the interests of Liberty Water NY or Affiliate Customers can be a Liberty Water NY Director.

2.3 Separate Management

Subject to Sections 2.3 and 2.4, members of Liberty Water NY’s Senior Management Team must be separate from the managers of its Unregulated Affiliates. Subject to Section 2.4, Liberty Water NY may share management team members and managers with Affiliates.

2.4 Exception to Separate Management

Liberty Water NY managers may also be managers of an Affiliate in order to perform Shared Core Corporate Services, Customer Shared Services, or Shared Services. However, this exception shall not allow a Liberty Water NY officer in a commercial or business development role to be an officer of an Unregulated Affiliate that has or reasonably expects to have marketing functions and/or significant commercial or business development arrangements with Liberty Water NY.

2.5 Guiding Principle

Notwithstanding sections 2.2 and 2.3, an individual shall not act both as a director or officer, or member of a management team of Liberty Water NY and as a director, officer or member of a management team of any other Affiliate (thereby acting in a dual capacity) unless the individual is able to carry out his/her responsibilities in a manner that preserves the form, spirit and intent of this Code.

Specifically, an individual:

- a. Shall not agree to act in a dual capacity if the individual, acting reasonably, determines that acting in a dual capacity could be detrimental to the interests

of Customers, and

- b. If or when acting in a dual capacity, shall abstain from engaging in any activity that the individual, acting reasonably, determines could be detrimental to the interests of Customers.

2.6 Accounting Separation

Liberty Water NY must maintain separate financial records and books of accounts from those of its Affiliates. There shall be no cross -subsidization between Liberty Water NY and any Affiliate.

2.7 Physical Separation

Liberty Water NY must put appropriate measures in place to restrict access to Liberty Water NY's Confidential Information by employees of Unregulated Affiliates with significant commercial and business development responsibilities.

Commercial and business development employees of an Unregulated Affiliate must be physically separated from Liberty Water NY staff.

Where Liberty Water NY provides services to an Unregulated Affiliate that operates in whole or in part as a producer, marketer, shipper or refiner, that Unregulated Affiliates' employees whose functions include commercial development, business development, marketing, producing, refining and shipping must be physically located in a separate building or complex for Liberty Water NY's office that are used for its day to day operations.

2.8 Separation of Information Services

Subject to Section 2.11 where Liberty Water NY shares Information Services with an Unregulated Affiliate, Confidential Information must be protected from unauthorized access by an Unregulated Affiliate and vice versa. Access to Liberty Water NY and each Unregulated Affiliate's respective Information Services must include appropriate computer data management and data access protocols as well as contractual provisions regarding the breach of any access protocols. Compliance with the access protocols must be confirmed in writing every two years from the effective date of this Code by Liberty Water NY through a review that complies with applicable federal, state, and local laws.

2.9 Financial Transactions with Affiliates

Liberty Water NY may participate in a money pool as a borrower or lender only if the other participants are regulated utilities, with the exception that Liberty Utilities Co. may participate, but only as a guarantor of loans made by that money pool and to provide funding to the money pool in the event that other participant-supplied funds on any given day are insufficient to meet the need for funds by the borrowing participants. Liberty Water NY shall not participate in a money pool as a lender if any of the other participants are not regulated utilities. This does not preclude the unregulated affiliates of Liberty Water NY in participating in a separate money pool that does not include Liberty Water NY.

2.10 Sharing of Assets

The operation plant, assets and equipment of Liberty Water NY shall be separated in ownership from that of its Affiliates. For the purposes of this section, operational plant, assets, and equipment means, but is not limited to, any water main and other infrastructure, including treatment plants, tanks, pump stations, fire hydrants, and metering equipment.

2.11 Sharing Services Permitted

Where Liberty Water NY determines that it is prudent in operating its business, it may obtain Shared Core Corporate Services, Shared Services or Shared Customer Services from, or provide Shared Services or Shared Customer Services to, an Affiliate. Liberty Water NY must periodically review the prudence of such sharing arrangements and make any adjustments necessary to ensure that each of Liberty Water NY and their Affiliates bears its proportionate share of costs. If services are shared between Liberty Water NY and an Affiliate, a Services Agreement must be put into place.

Employees providing Shared Customer Services will be required to undertake training in relation to protecting and using Confidential Information within a reasonable period of time of their commencing their job and annually, thereafter.

2.12 Sharing of Employees

Liberty Water NY may share employees with an Affiliate on a Fully Burdened Cost recovery basis provided that the shared employees are able to carry out their responsibilities in a manner that is consistent with the spirit and intent of this Code. In particular, an employee must not be shared if it could reasonably be considered detrimental to the interests of Liberty Water NY Customers or the Affiliate's Customers. If employees are shared, such employees must abstain from engaging in any activity that could reasonably be considered detrimental to the interests of Liberty Water NY Customers or Affiliate's Customers.

Certain employees must not be shared. Unless they are providing Shared Core Corporate Services, Shared Customer Services, or Shared Services, Liberty Water NY may not share employees with an Unregulated Affiliate if that employee:

- Routinely participates in management level decision-making respecting the provision of Liberty Water NY Services or Unregulated Affiliate Activities or how Liberty Water NY Services or Unregulated Affiliate Activities and services are delivered,
- Routinely deals with or has direct contact with Liberty Water NY or Unregulated Affiliate Customers, and
- Is routinely involved in senior commercial management of Liberty Water NY or an Unregulated Affiliate's business.

Despite the above, for Shared Core Corporate Services or Shared Customer Services, Fully Burdened Costs may be applied where applicable. Cost allocation shall be applied in a reasonable manner to avoid cross subsidizations with respect to all Shared Core Corporate Services and Shared Customer Services. Such cost allocation shall be documented for audit purposes.

2.13 Occasional Services Permitted

Where Liberty Water NY has otherwise acted prudently, it may receive or provide one-off, infrequent, or occasional services to or from an Affiliate and such services shall be properly documented. For example, an employee of Liberty Water NY may provide an Unregulated Entity with assistance resolving a database question, if needed. In the event that such occasional services become regular occurrences, Liberty Water NY must enter into a Services Agreement with the Affiliate for Shared Services.

2.14 Emergency Services Permitted

In the event of an emergency, Liberty Water NY may share services and resources with an Affiliate without a Services Agreement on a Fully Burdened Cost recovery basis.

2.15 Shared Services Employees

An employee or contractor to an Affiliate that, except in cases of emergency under section 2.14 of the Code, provides Shared Core Corporate Services, Shared Customer Services or Shared Services to Liberty Water NY will, for purposes of the Code, be treated as if employed directly by Liberty Water NY.

2.16 Debt Limits- Related to the Minimum Common Equity Ratio

On December 16, 2021, the New York State Public Service Commission (the “Commission”) issued its *Order Adopting Terms Of Joint Proposal, Approving Stock Purchase Agreement And Long-Term Indebtedness, With Additional Requirements* in Case 20-W-0102 (the “Order”). As relevant here, the Order requires Liberty Water NY to maintain a Minimum Common Equity Ratio (“MER”) and prohibits the payment of dividends by Liberty Water NY in the event that the MER is not met. The MER is defined as 300 basis points less than the approved common equity ratio used to set rates. As the MER is a function of the Average Total Debt in comparison to the Average Total Capital (as defined above), at each month end Liberty Water NY’s Average Total Debt (measured using a trailing 13-month average) will not exceed a percent of its Average Total Capital (measured using a trailing 13-month average), excluding any goodwill, such that the MER is not 300 basis points below the common equity ratio used to set rates. Absent a Commission order to the contrary, Liberty Water NY may only issue dividends if, during a month, the MER is 300 basis points above the common equity ratio used to set rates.

3. Transfer Pricing

3.1 For Profit Affiliate Services

Where Liberty Water NY determines it is prudent to do so, it may obtain For Profit Affiliate Services from an Affiliate.

Prior to outsourcing to an Affiliate, a service that Liberty Water NY presently conducts itself, Liberty Water NY shall undertake a prudent cost-benefit analysis over an appropriate timeframe in the circumstances. An Affiliate shall likewise undertake a prudent cost-benefit analysis over an appropriate timeframe in the circumstances, prior to outsourcing a service to Liberty Water NY.

When Liberty Water NY contracts to receive For Profit Affiliate Services it shall pay in accordance with any terms required pursuant to an order from the PSC or other applicable regulatory body or pay no more than the Fair Market Value of such services.

3.2 Asset Transfers

Assets transferred, mortgaged, leased, or otherwise disposed of by Liberty Water NY to an Affiliate must be at the higher of book value or fair market value of such assets or, where required, upon terms approved by the appropriate regulatory agency. If an asset is transferred, leased, sold, or otherwise disposed of by Liberty Water NY to an Affiliate, Liberty Water NY shall notify the Secretary of the Commission not less than 90 days prior to such transfer. Assets transferred, mortgaged, leased, or otherwise disposed of by an Affiliate to Liberty Water NY must be at the lower of book value or fair market value of such assets or, where required, upon terms approved by the appropriate regulatory agency.

Where operational efficiencies between Liberty Water NY and Affiliates can be obtained through the use of common facilities, combined purchasing power or through the use of other cost saving procedures, assets used in Liberty Water NY and Affiliates' operations may be transferred between each other at net book value or other reasonable standard. All such transitions must be properly documented and accounted for in Liberty Water NY and the Affiliates' respective accounting records.

4. Mitigation of Market Power and Equal Treatment of Representatives

Liberty Water NY and its Affiliates shall conduct themselves in accordance with all applicable competition laws in the jurisdictions in which they conduct business.

Liberty Water NY shall apply and enforce all tariff provisions in accordance with applicable legislation, regulatory orders, permits and licenses. Such tariff provisions shall be applied to Affiliates in the same manner as other Customers and/or prospective Customers in order to ensure no undue discrimination, preference, or prejudice, except as approved by the appropriate regulatory agency. Liberty Water NY shall not provide special rebates, rebates, or different rates for like and contemporaneous service to Affiliates and Customers, except as approved by the appropriate regulatory agency.

Liberty Water NY shall not favor any Affiliate with respect to access to information concerning services to Customers. All requests to Liberty Water NY by an Affiliate for access to their respective services shall be processed and provided in accordance with the Code in the same manner as it would be processed or provided for any Customer.

Liberty Water NY shall not explicitly or implicitly suggest that a Customer may receive an inappropriate advantage if that Customer also deals with an Affiliate.

Affiliates may not imply in any marketing material, other public documents, or communications that Customers or potential Customers of the Affiliate may also receive preferential access to or service from Liberty Water NY. If Liberty Water NY becomes aware of any such inappropriate marketing material, public documents or communication, Liberty Water NY shall:

- Immediately take reasonable steps to notify affected Customers or potential customers of the inaccurate information, and
- Take necessary steps to ensure that Affiliate is aware of this concern and to request that no further communications be made to suggest preferential access to or services from Liberty Water NY.

There are no restrictions on any Affiliate using the same name, trade names, trademarks, service names, service marks or a derivative of a name of Liberty Water NY, or in identifying itself as being affiliated with Liberty Water NY. However, no non-Liberty Water NY affiliate will be allowed to use the same name, trade names, trademarks, service names, service marks or a derivative of a name of Liberty Water NY in any manner.

Affiliates are prohibited from giving any appearance that they represent Liberty Water NY in matters involving the marketing of services by Liberty Water NY or other Affiliates. If a customer requests information about securing any service or product offered within Liberty Water NY's service territory by an Affiliate, Liberty Water NY must offer to provide a list of all companies that are qualified and approved pursuant to governmental or Liberty Water NY standards (including retail access standards) as providers of similar products or services within Liberty Water NY's service territory.

5. Confidentiality

5.1 Release of Liberty Water NY Information to Unregulated Affiliates

Managers of Liberty Water NY who are also managers of an Affiliate, as permitted by this Code, may disclose Liberty Water NY planning, operational, financial, and strategic information to the Affiliate to fulfill their responsibilities with respect to corporate governance, policy, and strategic direction of an Affiliated entity, but only to the extent necessary and not for any other purpose.

5.2 No Release of Confidential Customer Information

Liberty Water NY must not, without the Customer's prior written consent, use or disclose to an Affiliate any Confidential Information for the purpose of pursuing commercial or business development activities.

Where an Affiliate acquires specific Confidential Information, such information may not be used for commercial or business development activities without the Customer's consent. Liberty Water NY may disclose Confidential Information for operational purposes, Shared Customer Services, emergencies or on an as-needed basis, to an Affiliate provided the Affiliate does not release the Confidential Information to any other entity without receiving the prior written consent of the Customer.

Liberty Water NY and its Affiliates seek to achieve operational efficiencies through the sharing of Resources. Where such Resource-sharing opportunities arise, Liberty Water NY will:

- Not directly or indirectly disclose any Confidential Information provided to it by Customers unless:
 - It obtains consent for disclosure by the Customer,
 - The information is required for Shared Customer Services, Shared Services, Shared Core Corporate Services, emergency, operations purposes, or
 - The information is required by law.
- Implement reasonable measures to prevent any direct or indirect disclosure of any Customer proprietary or Confidential Information.

Liberty Water NY and its Affiliates may respectively disclose Confidential Information when aggregated with the Confidential Information of other Customers in such a manner that an individual Customer's Confidential Information cannot be identified.

Liberty Water NY employees whose primary job functions include commercial and business development services will be required to undertake training in relation to protecting and using Confidential Information within a reasonable period of time of their commencing their job and annually, thereafter.

6. Compliance Measures

6.1 Compliance Requirements

Liberty Water NY is responsible for ensuring compliance with this Code.

Liberty Water NY shall communicate the contents of this Code and any modifications to it from time to time to its employees, directors, managers, Representatives and Affiliates.

Liberty Water NY shall make this Code available on its internal and external websites.

Liberty Water NY shall appoint a compliance officer (the “Compliance Officer”). Liberty Water NY shall ensure that the Compliance Officer has access to adequate resources to fulfill his or her responsibilities.

6.2 Responsibility of Compliance Officer

The responsibilities of the Compliance Officer with respect to this Code shall include:

- Providing guidance, advice, and information to Liberty Water NY for the purpose of ensuring compliance with this Code,
- Monitoring and documenting compliance with this Code by Liberty Water NY, their employees, directors, managers, Representatives and Affiliates,
- Monitoring and documenting compliance with this Code by Affiliates with respect to the interactions of the Affiliates with Liberty Water NY,
- Providing for the preparation and updating of a Compliance Report and Compliance Plan for Liberty Water NY,
- Performing annual reviews of compliance with these Compliance Reports and Compliance Plans,
- Receiving and investigating internal and external disputes, complaints and inquires with respect to the application of and alleged non-compliance with this Code,
- Recommending measures to Liberty Water NY to address events of non-compliance with the Code, and
- Maintaining and retaining for a period of seven years adequate records with respect to all aspects of the Compliance Officer’s responsibility.

6.3 Communication of Code of Conduct Requirements

Liberty Water NY shall communicate this Code as follows:

- On its internal and external websites, and
- Through orientation and training of all Liberty Water NY employees, managers, and directors.

6.4 Compliance Plan

Liberty Water NY shall prepare a Compliance Plan and make it available on internal and external websites.

The Compliance Plan shall detail the measures, policies, procedures, and monitoring mechanisms that Liberty Water NY will employ to ensure full compliance with the provisions of this Code by their employees, directors, managers, Representatives and Affiliates. Liberty Water NY shall review and update its Compliance Plan annually.

6.5 Annual Compliance Report

The Compliance Report referenced in Section 6.2 shall be prepared annually and will include the following information prepared in respect to the period of time covered by the Compliance Report:

- A list of all Services Agreements entered into during the period covered by the Compliance Report,
- An overall assessment of compliance with the Code,
- An assessment of the effectiveness of the Compliance Plan and any recommendations for modifications, and
- In the event of any material non-compliance with this Code, a description of same and an explanation of all steps taken to correct such non-compliance.

Liberty Water NY shall provide Department Staff with a copy of these annual Compliance Reports, upon request

6.6 Dispute, Compliant and Inquiry Resolution

Disputes, complaints, or inquiries from within Liberty Water NY, an Affiliate, Customers of Liberty Water NY or from a Representative respecting the application of, or alleged non-compliance with this Code, may be made verbally or submitted in writing to the Compliance Officer and may be made confidentially. The identity of any party making a submission to the Compliance Officer shall be kept confidential by the Compliance Officer unless the party otherwise agrees.

The Compliance Officer shall acknowledge all disputes, complaints or inquiries in writing within five business days of receipt of the same.

The Compliance Officer shall respond to the dispute, complaint, or inquiry within 25 business days of its receipt. The response shall include a description of the dispute, complaint or inquiry and the initial response of Liberty Water NY or Affiliate to the issues identified in the submission. A final disposition of the dispute, complaint or inquiry shall be completed as expeditiously as possible in the circumstances and, in any event, within 90 days of receipt of the dispute, complaint or inquiry, except where the party making the submission otherwise agrees.

All records of the Compliance Officer in relation to a dispute, complaint or inquiry shall be kept for a period of at least seven years. Compliance records shall be maintained in a manner sufficient to support a third-party independent audit of the state of compliance with this Code.

6.7 Non-Compliance

Any non-compliance with this Code by any employee, director, officer or Representative of Liberty Water NY or an Affiliate with respect to the interactions of the Affiliate with Liberty Water NY will be considered to be addressed pursuant to this Code.

Non-compliance with this Code by an employee, director, officer, Representative or Liberty Water NY or an Affiliate may subject such individual to internal disciplinary action.

7. General Provisions

7.1 Interpretation

Headings are for convenience only and shall not affect the interpretation of this Code. Words importing the singular include the plural and vice versa. A reference to a statute, document or a provision of a document includes an amendment or supplement to, or a replacement of that statute, document or that provision of that document.

7.2 Coming into Force

This Code comes into effect upon closing of the Acquisition of Liberty Water NY by Liberty Utilities Co. However, to the extent existing agreements or arrangements are in place between parties to whom this Code applies that do not conform with this Code, Liberty Water NY shall use reasonable efforts to ensure that such agreements or arrangements are brought into compliance with this Code within 90 days after this Code comes into force.

7.3 Amendments to this Code

This Code may be reviewed and amended by Liberty Water NY from time to time.

7.4 Authority of Regulators

This Code does not detract from, reduce, or modify in any way the powers of Liberty Water NY or Affiliates' respective regulators. Compliance with this Codes does not eliminate the requirement for specific approval or filings where required by legislation, regulation or by a regulator's decisions, orders, or directions.

Appendix A:
List of Affiliates

a. Affiliates Regulated by the PSC

	Name	Territory and Operations
a.	Liberty Utilities (St. Lawrence Gas) Corp.	SLG is a regulated gas distribution utility providing service to approximately 17,000 customers in the state of New York. The Company's service area includes portions of St. Lawrence, Franklin, and Lewis Counties which include the towns and villages of Beaver Falls\New Bremen\Croghan, Brasher\Winthrop, Brushton, Canton, Chateaugay, Gouverneur, Heuvelton, Lisbon, Madrid, Malone, Massena, Norfolk, North Lawrence, Norwood, Ogdensburg, Potsdam, and Waddington.

b. Affiliates Regulated by the Equivalent of the PSC in other US states and elsewhere

	Name	Territory and Operations
a.	Liberty Utilities (New Brunswick Gas) Corp.	New Brunswick Gas is a utility regulated by the New Brunswick Energy and Utilities Board that provides natural gas to approximately 12,000 customers in 12 communities across New Brunswick and operates approximately 1,200 kilometers of natural gas distribution pipeline.
b.	Liberty Utilities (EnergyNorth Natural Gas) Corp.	EnergyNorth is a regulated natural gas utility providing natural gas distribution service in 30 communities covering five counties in New Hampshire. Its franchise service area includes the communities of Nashua, Manchester, and Concord. It is regulated by the NHPUC.
c.	Liberty Utilities (Granite State Electric) Corp.	Granite State Electric, regulated by the NHPUC, provides distribution service in southern and northwestern New Hampshire, centered around operating centers in Salem in the south and Lebanon in the northwest. Granite State Electric's customer base consists of a mixture of residential, commercial, and industrial customers. Granite State Electric is required to provide electric commodity supply for all customers who do not choose to take supply from a competitive supplier ("Default Service") in the New England power market and is

		allowed to fully recover its costs for the provision and administration of Default Service under the Default Service Adjustment Provision, as approved by the NHPUC. Granite State Electric must file with the NHPUC twice a year to adjust for market prices of power purchased and is also subject to limited FERC regulation.
d.	Liberty Utilities (New England Natural Gas Company) Corp.	New England Gas is a natural gas utility, regulated by the MA DPU, providing natural gas distribution services in six communities located in the southeastern portion of Massachusetts. New England Gas customer base consists of a mixture of residential, commercial, and industrial customers.
e.	Liberty Utilities (Peach State Natural Gas) Corp.	Peach State Gas is a Georgia PSC -regulated natural gas system providing natural gas distribution services in 13 communities covering six counties in Georgia. Its franchise service area includes the communities of Columbus, Gainesville, Waverly Hall, Oakwood, Hamilton, and Manchester. Peach State Gas' customer base consists of a mixture of residential, commercial, industrial and transportation customers.

	Name	Territory and Operations
f.	Liberty Utilities (CalPeco Electric) LLC	<p>CalPeco Electric is a California PUC-regulated utility that provides electric distribution service to the Lake Tahoe basin and surrounding areas. The service territory, centered on a highly popular tourist destination, has a customer base spread throughout Alpine, El Dorado, Mono, Nevada, Placer, Plumas, and Sierra Counties in northeastern California. CalPeco Electric's connection base is primarily residential. Its commercial connections consist primarily of ski resorts, hotels, hospitals, schools, and grocery stores.</p> <p>The Corporation has entered into a multi-year services agreement with NV Energy that commenced in January 2016. On January 31, 2017, the Federal Energy Regulatory Commission authorized transactions between the Luning Solar Facility and CalPeco Electric pursuant to the services agreement with NV Energy. CalPeco Electric is also subject to FERC regulation.</p>
g.	Liberty Utilities (Park Water) Corp.	<p>Liberty Park Water owns and operates two California PUC-regulated water utilities engaged in the production, treatment, storage, distribution, and sale of water in Southern California. Its system is located in central Los Angeles.</p>
h.	Liberty Utilities (Apple Valley Ranchos Water) Corp.	<p>Liberty Utilities (Apple Valley Ranchos Water) Corp. (wholly owned by Liberty Park Water) is a California PUC-regulated water utility which owns and operates the water system in Apple Valley.</p>
i.	Liberty Utilities (Bella Vista Water) Corp.	<p>The Liberty Utilities Bella Vista Water utility is located in Sierra Vista Arizona. All of Liberty Utilities water and wastewater utilities are generally subject to regulation by the public utility commissions of the states in which they operate. The respective public utility commissions have jurisdiction with respect to rate, service, accounting procedures, issuance of securities, acquisitions, and other matters.</p>

j.	Liberty Utilities (Gold Canyon Sewer) Corp.	The Liberty Utilities Gold Canyon Sewer utility is located in Avondale Arizona. All of Liberty Utilities water and wastewater utilities are generally subject to regulation by the public utility commissions of the states in which they operate. The respective public utility commissions have jurisdiction with respect to rate, service, accounting procedures, issuance of securities, acquisitions, and other matters.
k.	Liberty Utilities (Litchfield Park Water & Sewer) Corp.	The LPSCo System, located in and around the city of Goodyear 15 miles west of Phoenix, Arizona has a service area that includes the City of Litchfield Park and sections of the cities of Goodyear and Avondale as well as portions of unincorporated Maricopa County. The wastewater system's Palm Valley Water Reclamation Facility has permitted treatment capacity of 6.5 million gallons per day.
l.	Liberty Utilities (Black Mountain Sewer) Corp.	The Liberty Utilities Black Mountain Sewer utility is located in Carefree Arizona. All of Liberty Utilities water and wastewater utilities are generally subject to regulation by the public utility commissions of the states in which they operate. The respective public utility commissions have jurisdiction with respect to rate, service, accounting procedures, issuance of securities, acquisitions, and other matters.
m.	Liberty Utilities (Entrada Del Oro Sewer) Corp.	The Liberty Utilities Entrada Del Oro Sewer utility is located in Avondale Arizona. All of Liberty Utilities water and wastewater utilities are generally subject to regulation by the public utility commissions of the states in which they operate. The respective public utility commissions have jurisdiction with respect to rate, service, accounting procedures, issuance of securities, acquisitions, and other matters.

	Name	Territory and Operations
n.	Liberty Utilities (Pine Bluff Water) Inc.	The Liberty Utilities Pine Bluff Water utility is located in Pine Bluff Arkansas. All of Liberty Utilities water and wastewater utilities are generally subject to regulation by the public utility commissions of the states in which they operate. The respective public utility commissions have jurisdiction with respect to rate, service, accounting procedures, issuance of securities, acquisitions, and other matters.
o.	Liberty Utilities (Rio Rico Water & Sewer) Corp.	The Liberty Utilities Rio Rico Water & Sewer utility is located in Rio Rico Arizona. All of Liberty Utilities water and wastewater utilities are generally subject to regulation by the public utility commissions of the states in which they operate. The respective public utility commissions have jurisdiction with respect to rate, service, accounting procedures, issuance of securities, acquisitions, and other matters.
p.	Liberty Utilities (Cordes Lakes Water) Corp.	Liberty Utilities Cordes Lakes is located in Cordes Lakes, AZ, and provides water service to approximately 1,500 Cordes Lakes residents. All of Liberty Utilities water and wastewater utilities are generally subject to regulation by the public utility commissions of the states in which they operate. The respective public utility commissions have jurisdiction with respect to rate, service, accounting procedures, issuance of securities, acquisitions, and other matters.
q.	Liberty Utilities (Missouri Water) LLC	The Liberty Utilities Missouri Water utility is located in Jackson Missouri. All of Liberty Utilities water and wastewater utilities are generally subject to regulation by the public utility commissions of the states in which they operate. The respective public utility commissions have jurisdiction with respect to rate, service, accounting procedures, issuance of securities, acquisitions, and other matters.

r.	Liberty Utilities (Silverleaf Water) LLC	The Liberty Utilities Silverleaf Water utility is located in Wood County Texas. All of Liberty Utilities water and wastewater utilities are generally subject to regulation by the public utility commissions of the states in which they operate. The respective public utility commissions have jurisdiction with respect to rate, service, accounting procedures, issuance of securities, acquisitions, and other matters.
s.	Liberty Utilities (Tall Timbers Sewer) Corp.	The Liberty Utilities Tall Timbers Sewer utility is located in Tyler Texas. All of Liberty Utilities water and wastewater utilities are generally subject to regulation by the public utility commissions of the states in which they operate. The respective public utility commissions have jurisdiction with respect to rate, service, accounting procedures, issuance of securities, acquisitions, and other matters.
t.	Liberty Utilities (Woodmark Sewer) Corp.	The Liberty Utilities Woodmark Sewer utility is located in Smith County Texas. All of Liberty Utilities water and wastewater utilities are generally subject to regulation by the public utility commissions of the states in which they operate. The respective public utility commissions have jurisdiction with respect to rate, service, accounting procedures, issuance of securities, acquisitions, and other matters.
u.	Liberty Utilities (Midstates Natural Gas) Corp.	Midstates Gas owns regulated natural gas utilities providing natural gas distribution services to approximately 190 communities in the states of Illinois, Iowa, and Missouri, with a mix of residential, commercial, industrial and transportation customers. The franchise service area includes the communities of Virden, Vandalia, Harrisburg and Metropolis in Illinois, Keokuk in Iowa, and Butler, Kirksville, Canton, Hannibal, Jackson, Sikeston, Malden, and Caruthersville in Missouri. The utilities in each of these states are regulated by their respective state PUCs.

	Name	Territory and Operations
v.	The Empire District Electric Company	<p>Based in Joplin, Missouri, Empire is a regulated utility providing electric, natural gas and water service in parts of Missouri, Kansas, Oklahoma, and Arkansas. As part of its electric segment, it provides water service to three towns in Missouri. The vertically integrated regulated electricity operations of Empire represent the majority of its operating revenues and assets. The largest urban area served is the city of Joplin, Missouri, and its immediate vicinity. Empire also operates a fiber optics business. The utility portions of the business are subject to regulation by the MPSC, the KCC, the OCC, the APSC and the FERC.</p> <p>Owner of, among other things, (i) electric and water distribution and electric transmission utility assets serving locations in Missouri, Kansas, Oklahoma and Arkansas, (ii) the Mid-West wind development project, and (iii) the Ozark Beach hydro facility in Missouri, the Riverton, Energy Center, and Stateline No. 1 natural gas- fired power generation facilities in Kansas and Missouri, the Asbury coal-fired power generation facility in Missouri and a 40% interest in the Stateline combined cycle gas facility in Missouri.</p>
w.	The Empire District Gas Company	<p>Empire District Gas is engaged in the distribution of natural gas in Missouri and is regulated by the MO PSC. A PGA allows EDG to recover from its customers, subject to audit and final determination by regulators, the cost of purchased gas supplies and related carrying costs associated with EDG's use of natural gas financial instruments to hedge the purchase price of natural gas. This PGA allows EDG to make rate changes periodically (up to four times) throughout the year in response to weather conditions and supply demands, rather than in one possibly extreme change per year.</p>

x.	Liberty Utilities (Tinker Transmission) LP	Tinker Transmission is an integral part of the transmission system of New Brunswick. The operations and rates are regulated by the New Brunswick Energy and Utilities Board. In total, the Tinker Transmission system connects 4 different entities: Perth Andover, the Northern Maine Independent System Administrator, Algonquin Tinker Gen Co, and NB Power. Tinker Transmission delivers power directly to customers in Perth Andover and provides an interconnection between NB Power and Northern Maine through an interconnection at the New Brunswick/Maine border
y.	Liberty Utilities (Arkansas Water) Corp.	Liberty Utilities Arkansas Water is regulated by the Arkansas Public Service Commission and is an amalgamation of the unregulated utilities of Liberty Utilities (White Hall Sewer) Corp., Liberty Utilities (White Hall Water) Corp., and Liberty Utilities (Woodson-Hensley Water) Corp. located in Arkansas. This utility serves approximately 4,300 customers.

c. Unregulated Affiliates

	Name	Territory and Operations
a.	Algonquin Power & Utilities Corp. (“Algonquin”)	<p>The Corporation owns and operates a diversified portfolio of regulated and non-regulated generation, distribution, and transmission utility assets.</p> <p>The Corporation’s operations are organized across two primary North American business units consisting of: the Liberty Utilities Group, which primarily owns and operates a portfolio of regulated electric, natural gas, water distribution and wastewater collection utility systems, and transmission operations; and the Liberty Power Group. The Corporation provides strategic management, corporate governance, access to capital markets, and administrative services to its affiliates under an affiliate services agreement.</p>
b.	Liberty Utilities (Canada) Corp.	This Corporation employs Canadian employees and provides corporate and business services to the affiliates of Algonquin under an affiliate services agreement.
c.	Liberty Utilities Service Corp.	This Corporation employs U.S. employees and consists of shared services employees that provides corporate and business services to the affiliates of Algonquin under an affiliate services agreement.
d.	Liberty Utilities Co.	This Corporation is a holding company that owns and operates regulated and unregulated gas, water, wastewater, and electric utilities in the U.S. This Corporation will from time to time arrange for services of non-affiliate experts, consultants, accountants, and attorney in its provision of services under an affiliate service agreement. Also, under this service agreement, this Corporation arranges to provide financing for affiliates of Algonquin.
e.	Empire District Industries, Inc.	An unregulated Affiliate of the Empire District Electric Company located in Joplin Missouri, primarily engaged in providing fiber optic services in the Empire District service territory.
f.	St. Lawrence Gas Co. Service & Merchandising Corp.	A direct, wholly owned subsidiary of Liberty Utilities (St. Lawrence Gas) Corp., and an unregulated business, primarily engaged in the rental of water heaters and other natural gas

		appliances to its customers in St. Lawrence County, Lewis County, Franklin County and Jefferson County in New York State.
g.	S.L.G. Communications Corp.	A direct, wholly owned Subsidiary of Liberty Utilities (St. Lawrence Gas) Corp., and an unregulated business, primarily to serve as a holding company for maintaining FCC licenses for two-way radio communications for the parent company.
h.	Liberty Utilities (Fox River Water) LLC	The Liberty Utilities Fox River Water unregulated utility is located at Sheridan Illinois. All of Liberty Utilities water and wastewater utilities are generally subject to regulation by the public utility commissions of the states in which they operate. The respective public utility commissions have jurisdiction with respect to rate, service, accounting procedures, issuance of securities, acquisitions, and other matters.
i.	Liberty Utilities (Seaside Water) LLC	The Liberty Utilities Seaside Water unregulated utility is located at Seaside Resort in Texas. All of Liberty Utilities water and wastewater utilities are generally subject to regulation by the public utility commissions of the states in which they operate. The respective public utility commissions have jurisdiction with respect to rate, service, accounting procedures, issuance of securities, acquisitions and other matters.
j.	Liberty Utilities (Northwest Sewer) Corp.	The Liberty Utilities Northwest Sewer utility is located in Goodyear Arizona serving several HOA's in the area. All of Liberty Utilities water and wastewater utilities are generally subject to regulation by the public utility commissions of the states in which they operate. The respective public utility commissions have jurisdiction with respect to rate, service, accounting procedures, issuance of securities, acquisitions and other matters.

k.	Liberty Utilities (Eastern Water Holdings) Corp.	This Corporation is a special purpose entity created to effectuate the acquisition Liberty Utilities (New York Water) Corp. (f/k/a New York American Water Company, Inc.) (“Liberty Water NY”).
l.	Mt. Ebo Sewer Works, Inc.	Mt. Ebo Sewer is an unregulated subsidiary of Liberty Water NY.

Appendix B:

Liberty Utilities (New York Water) Corp has service agreements with following entities

1. Algonquin Power & Utilities Corp.
2. Liberty Utilities (Canada) Corp.
3. Liberty Utilities Co.
4. Liberty Utilities Service Corp.
5. East Region Entities: Liberty Utilities (EnergyNorth Natural Gas) Corp., Liberty Utilities (Gas New Brunswick) LP, Liberty Utilities (Granite State Electric) Corp., Liberty Utilities (New England Natural Gas Company) Corp., Liberty Utilities (Peach State Natural Gas) Corp., and Liberty Utilities (St. Lawrence Gas) Corp.
6. West Region Entities: Liberty Utilities (Litchfield Park Water & Sewer) Corp. (“Liberty Litchfield Park”), Liberty Utilities (Rio Rico Water & Sewer) Corp. (“Liberty Rio Rico”), and Liberty Utilities (Apple Valley Ranchos Water) Corp. (“Liberty Apple Valley”)
7. Liberty Utilities (Empire State Payco)
