



Name:	Liberty Utilities (New York Water) Corp. Affiliate Compliance Plan	Version No.:	1.0
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Owner:	Deborah Franco, President		
Approver:	Edward Stein, Senior Manager, Rates and Regulatory Affairs		

Liberty Utilities (New York Water) Corp. Affiliate Compliance Plan

1. Purpose of Affiliate Code of Conduct and Compliance Plan

In accordance with Section 6.4 of the Liberty Utilities (New York Water) Corp. (“**Liberty NYW**” or “**Company**”) Affiliate Code of Conduct (“**Liberty NYW Affiliate Code**”), which was approved by the New York Public Service Commission (“**Commission**”) in Case No. 20-W-0102, Liberty NYW adopts this plan to ensure compliance with the affiliate requirements set forth in the Liberty NYW Affiliate Code (“**Compliance Plan**”). By adopting and implementing this Compliance Plan, the Company demonstrates its commitment to compliance with the Commission’s requirements and the Liberty NYW Affiliate Code.

2. Specific Roles and Responsibilities

In addition to the roles and responsibilities set forth in the Liberty NYW Affiliate Code, the Senior Manager, Rates and Regulatory Affairs, in coordination with the Liberty NYW employees, Affiliates’ employees and Representatives, will be responsible for implementing and maintaining the requirements of this Compliance Plan. The Liberty NYW President is designated as the Liberty NYW “Compliance Officer” and oversees compliance with the Liberty NYW Affiliate Code and with the Compliance Plan. This includes the issuance of an annual compliance report detailing compliance risks as well as recommendations for improvement. The Compliance Officer (Deborah Franco) can be contacted using any of the following:

Phone Number: 516-459-0999
Email: Deborah.Franco@libertyutilities.com
Address: 60 Brooklyn Avenue, Merrick, NY 11566

3. Scope of Compliance Plan

This Compliance Plan applies to all employees (including managers, directors, full-time employees, and part-time employees), Representatives and all Affiliates' employees of Liberty NYW.

4. Services of Liberty NYW

The Affiliate Code of Conduct Section 4 describes mitigation of market power and equal treatment of representatives, specifically Liberty NYW and its Affiliates shall conduct themselves in accordance with all applicable competition laws in the jurisdictions in which they conduct business. The main components of this section of the code are addressed below as well as covered in section 7.

- a. Liberty NYW will provide Services within its service territory in accordance with its Commission- approved tariff wherein similarly situated customers, whether affiliated or unaffiliated, will be provided these Services on a non-discriminatory and non-preferential basis.
- b. Liberty NYW will not make the provision of Liberty NYW Services within its service territory contingent on the purchase of goods or services provided by a Liberty NYW Affiliate.
- c. Liberty NYW may provide to Unregulated Affiliates non-Liberty NYW Services, such as Shared Services or rental leases, so long as the non-Liberty NYW Services are provided on a fully burdened cost basis, pursuant to Service or other Agreements, and in accordance with Section 9 below.

5. Education and Training

- a. The Liberty NYW Affiliate Code and this Compliance Plan will be accessible through the Company's internal and public web sites and the contents of the code shall be communicated from time to time to all employees, directors, managers, Representatives and Affiliates.
- b. Distribution of the Liberty NYW Affiliate Code and education on the associated affiliate restrictions also will be provided at orientation and periodically thereafter, as deemed

appropriate. For example, where an existing Company employee transfers to a different position or function at Liberty NYW. Employees providing Shared Customer Services dealing with confidential affiliate information will be required to undertake training in relation to protecting and using Confidential Information within a reasonable period of time of commencing their job and annually thereafter.

- c. Training may be conducted in coordination with APUC's Learning and Development department. All training records, including completion logs (which may be tracked through the Learning Management System), must be retained for a minimum of seven years and in accordance with the Company's document retention practices.

6. Separate and Independent Operations

- a. The offices of Liberty NYW employees are physically separated and sectioned off from the offices of Unregulated Affiliates.
- b. Liberty NYW must maintain separate financial records and books of accounts from those of its Affiliates. There shall be no cross-subsidization between Liberty NYW and any Affiliate.
- c. Office supplies, like printers and copy machines, of Liberty NYW and its Unregulated Affiliates will not be shared.
- d. The customers of Liberty NYW and its Unregulated Affiliates will have access to separate customer windows of Liberty NYW and its Unregulated Affiliates.
- e. Access to Liberty NYW's distribution system facilities generally will be restricted, for instance by gate and lock, from the public, customers, and employees of an Unregulated Affiliate. Access to Liberty NYW's distribution system facilities may be provided to employees of an Unregulated Affiliate on an approved basis, as long as such access is consistent with Liberty NYW's tariff, Company policies, and provided in the same manner as provided to Liberty NYW retail customers.
- f. Certain employees may be shared among Liberty NYW and its Unregulated Affiliates, such as senior officers or managers and employees providing support services, if such services are not commercial or marketing services but are Shared Core Corporate Services or Shared Customer Services provided pursuant to a Service Agreement. These

shared employees must also abide by Section 9 below with respect to the allocation of the costs associated with providing Shared Services.

- g. The board of directors for Liberty NYW shall include an independent director who resides in the service area of Liberty NYW. The independent director shall not be a current officer or director of any of the following: Liberty NYW's parent corporation, Liberty NYW's Regulated Affiliates, or Liberty NYW's Unregulated affiliates.
- h. Liberty NYW will maintain strict separation of ownership for its operational plant, assets, and equipment from those of its Affiliates, including infrastructure such as water mains, treatment plants, tanks, pump stations, fire hydrants, and metering equipment, and will implement controls to ensure no shared ownership or co-mingling occurs.

7. Information Storage and Disclosure

- a. Liberty NYW without the Customer's prior written consent will not disclose to an Unregulated Affiliate any non-public marketing information, including information on existing and potential customers and Liberty NYW's water distribution system. If such a request was to be made, the Senior Manager, Rates and Regulatory Affairs would be notified.
- b. Non-public Liberty NYW customer and marketing information or protected through the use of rule-based access security and processes if electronic systems are shared among Liberty NYW and its Unregulated Affiliates.
- c. APUC corporate or management meeting agendas will not include non-public Liberty NYW marketing information. If such agendas require discussion on non-public Liberty NYW marketing information, the APUC corporate and management meetings will be staggered and separated to prevent the disclosure of non-public Liberty NYW marketing information to Unregulated Affiliate employees.
- d. Non-public Liberty NYW marketing information may be disclosed to an Unregulated Affiliate or its competitors only if the Liberty NYW customer provides written authorization of the disclosure prior to its occurrence. The written authorization will be retained in the Company's records for a period of seven years.
- e. Liberty NYW customer and marketing information will be physically stored in areas separated and sanctioned off from the offices of an Unregulated Affiliate.

- f. Liberty NYW and permissibly shared employees will take due care in communicating around the offices of any Unregulated Affiliate employee or common areas, such as bathrooms, break room, kitchen, or building lobbies.

8. Branding and Marketing Policies

- a. While Liberty NYW and its affiliates will maintain separate legal names, they will share the same “Liberty” brand and logo. However, Liberty NYW and its Unregulated Affiliates will not otherwise give any appearance that they represent the business of the other.
- b. Liberty NYW employees will not provide sales leads or business opportunities involving customers in its service territory to an Unregulated Affiliate.
- c. Should a Liberty NYW customer request from Liberty NYW information on the services or products offered by an Unregulated Affiliate operating in Liberty NYW’s service territory, Liberty NYW may offer to provide the customer a list of all companies qualified to provide such services and products in its service territory, including Unregulated Affiliates and their competitors. Any list provided to the Liberty NYW customer must arrange company information by alphabetical order and may not in any manner promote an Unregulated Affiliate.

9. Cost Allocation, and Accounting Policies

- a. Liberty NYW will maintain accounting records separately from its Affiliates in accordance with approved Commission regulatory accounting principles, Generally Accepted Accounting Principles, and Liberty NYW Affiliate Code of Conduct.
- b. Liberty NYW financial statements may be audited by APUC’s internal audit department or an independent external accounting firm.
- c. To prevent cross-subsidization between its regulated operations in New York and its Affiliates, for example, through the sharing of employees, Liberty NYW will record, and request rate recovery for, only those expenses which are directly associated with the provision of water distribution service to its retail customers. Any costs for which Liberty NYW requests rate recovery will be allocated to Liberty NYW in a manner consistent with Commission requirements and the APUC Cost Allocation Manual.

- d. Liberty NYW will only issue dividends if during a given month, the Minimum Common Equity Ratio (MER) is 300 points above the common equity ratio used to set rates, absent a Commission order.
- e. Liberty NYW will ensure compliance with money pool participation restrictions by verifying that all participants are regulated utilities, except for Liberty Utilities Co., which may only participate as a guarantor or supplemental funder; Liberty NYW will not lend into any money pool that includes unregulated affiliates, and will maintain separate arrangements for such entities as required.

10. Disputes, Complaints, Inquiries and Non-Compliance

- a. All disputes, complaints, or inquiries from all employees (including managers, directors, full-time employees, and part-time employees) and Representatives of Liberty NYW, and all Affiliates' employees within Liberty NYW or customers of Liberty NYW may be made verbally or in writing to the Compliance Officer and may be made confidentially.
- b. 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.
- c. The Compliance Officer shall acknowledge all disputes, complaints, or inquiries in writing within five days of receipt.
- d. The Compliance Officer shall respond to all disputes, complaints, or inquiries within 25 days of receipt. The response must include a description of the dispute, complaint, or inquiry and an initial response of Liberty NYW or Affiliate to the issues identified in the submission. A final disposition will be completed within 90 days of receipt.
- e. All records of the Compliance Officer in relation to the dispute, complaint or inquiry must be kept for a period of at least seven years.
- f. Any non-compliance with the Affiliate code of conduct by an employee, director, officer, or Representative of Liberty NYW or Affiliate may be grounds for such individual to face disciplinary action.

11. Affiliate Asset Transfer

- a. Assets transferred, mortgaged, leased, or otherwise disposed of by Liberty NYW 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.
- b. Prior to outsourcing any service currently performed by Liberty NYW to an Affiliate, Liberty NYW shall conduct a prudent cost-benefit analysis over a timeframe appropriate to the circumstances. Liberty NYW shall ensure that any For Profit Affiliate Services are procured in accordance with applicable regulatory orders or at no more than Fair Market Value, and shall document such analyses and payment terms as part of its annual Compliance Plan review.

12. References and Related Documents

- a. Liberty Utilities (New York Water) Corp. Affiliate Code of Conduct 100-810-100-001