



**STANDARD FORM
Utility Facility Agreement
Form No. 98-2763**

UTILITY FACILITY AGREEMENT

AGREEMENT #: _____

THIS AGREEMENT is entered into this _____ day of _____, 20____, by and between LIBERTY UTILITIES (CALPECO ELECTRIC) LLC ("Liberty Utilities" or "Utility"), a California corporation, 933 Eloise Avenue, South Lake Tahoe, California 96150 and _____ ("Applicant").

Applicant desires electric service for _____ unit(s) at the following location(s):

_____ hereinafter referred to as ("Project").

To provide the requested service, it is necessary for Liberty Utilities to extend and/or modify its facilities as described in Exhibit "A" attached hereto.

Now THEREFORE, for good and valuable consideration the sufficiency of which is hereby acknowledged, the parties agree as follows:

I.

APPLICANT'S REFUNDABLE & NON-REFUNDABLE COST RESPONSIBILITY, APPLICANT CREDITS AND BASE DATA:

<u>LINE # DESCRIPTION</u>	<u>ELECTRIC</u>
REFUNDABLE	
1. COST	\$ _____
2. FREE ALLOWANCE	(\$ _____)
3. TAXABLE TOTAL (Line 1 plus 2)	\$ _____
4. TAX GROSS UP ON TAXABLE TOTAL (Line 3)	\$ _____
5. TOTAL REFUNDABLE	\$ _____
NON-REFUNDABLE	
6. NON-TAXABLE COST	\$ _____
7. TAXABLE	\$ _____
8. TAX GROSS UP ON TAXABLE COST (Line 7)	\$ _____
9. TAX GROSS UP ON CONTRIBUTED FACILITIES (Line 20)	\$ _____
10. TOTAL NON-REFUNDABLE	\$ _____
11. TOTAL APPLICANT COST (Lines 5 plus 10)	\$ _____
APPLICANT CREDITS	
12. APPLICANT INSTALLED FACILITIES	(\$ _____)
13. OVERSIZED FACILITIES	(\$ _____)
14. SERVICE REIMBURSEMENTS	\$ _____
15. TOTAL CREDITS	(\$ _____)
16. TOTAL ADVANCE/CREDIT DUE (Line 11 plus 15)	\$ _____
BASE DATA USED IN CALCULATIONS	
17. TAX LIABILITY FACTOR	_____ %
18. PROJECTED ANNUAL REVENUE	(\$ _____)
19. REVENUE MULTIPLE	_____
20. VALUE OF CONTRIBUTED FACILITIES	\$ _____

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II.

TOTAL COST (Section I, Line 1 plus Lines 6 & 7)

The total cost for which Applicant is liable, shall be Liberty Utilities' estimated cost, refundable and non-refundable, to provide the requested service. Liberty Utilities' estimate includes all costs associated with providing the requested service hereunder and shall include all regulatory, environmental and other fees, engineering, inspection, material, labor, transportation, costs for removal of existing facilities less their salvage value, associated overheads and other charges which are related to the installation or alteration of the required facilities.

III.

TOTAL ADVANCE/CREDIT DUE (Section I, Line 16)

- A. Applicant agrees to pay Liberty Utilities' **total** estimated cost for which the Applicant is liable (Section I, Line 1 plus Lines 6 & 7).
 Less any applicable free allowance (Section I, Line 2) as determined by Liberty Utilities for the Project.
 Plus Tax Liability (Section I, Lines 4, 8, & 9).
 Less the estimated cost of the facilities, provided and installed by Applicant, inclusive of facilities oversized at Liberty Utilities' request (Section I, Lines 12 & 13).
 Less the estimated cost of the service(s) provided by Applicant, that is Liberty Utilities' cost responsibility (Section I, Line 14). This cost will be adjusted to actual installed footages upon project completion, and Applicant will be billed or refunded the difference.
Applicant agrees to pay, at the time of the execution of this Agreement, the amount(s) set forth hereunder (Section I, Line 16) or to provide an acceptable surety bond or letter of credit. The bond or letter of credit is to be replaced with cash not less than thirty (30) days prior to construction. However, the cost of materials not normally stocked by Liberty Utilities in the type and quantity required shall be paid for in cash, prior to the ordering of such materials.
If the total due (Section I, Line 16) is a credit due Applicant, Liberty Utilities requires that a performance bond for that amount, plus Liberty Utilities' project costs and the federal tax credit, be collected prior to issuing a check. Applicant may elect to take payment upon completion and acceptance of the installation of the facilities and eliminate the requirement for a performance bond.
- B. If the total estimated cost of construction to extend the line(s) and/or main(s) to the project exceeds \$5,000, the cash advance/credit in Section I, Line 16 will be adjusted to reflect Liberty Utilities' actual cost of construction. The adjustment is limited to that portion of the total cost of the main/line extension pertaining to facilities installed by Liberty Utilities. The cost of those facilities installed by Applicant will not be adjusted. Liberty Utilities shall review its actual cost of construction within four (4) months of completion of said facilities and shall either bill or refund Applicant the difference between the total estimated cash advance/credit and the adjusted cash advance/credit. If such adjustment results in an increased total cash advance requirement, Applicant agrees to pay Liberty Utilities such difference within thirty (30) days of written notice.
- C. If at any time after twelve (12) months following the date of this Agreement there has been no construction activity on the electric facilities by the Applicant for a period of six (6) months, Liberty Utilities shall not be held to the provisions of this Agreement. Liberty Utilities may return all advanced dollars not required to cover Liberty Utilities' expenditures on the project. To reinstate the project, a new Agreement will be required with updated costs.

IV.

FREE ALLOWANCES

The free allowance is calculated on the projected annual revenue and the revenue multiples in Section I, Lines 18 & 19. The projected annual revenue will include only the revenue from monthly billings for basic service, excluding balancing account adjustments, late charges, and tax adjustments. Should actual revenues fall substantially short of the projected revenue used for the free allowance granted, the customer may be required to pay to Liberty Utilities in cash any portion of the free allowance granted but not justified by actual revenues. Such payment will be increased by the tax liability factor noted in Section I, Line 17. The payment shall be made within 30 days of written notification of the revenue deficiency and request for payment by Liberty Utilities.

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V.

REFUNDS (Section I, Line 5)

A. ELECTRIC EXTENSIONS

1. All advances and/or contributions made by Applicant under the provisions of this Agreement, which are not classified as a non-refundable by Liberty Utilities, shall be subject to refund, to the party or parties entitled thereto as set forth in this section.
 - (a) Except as indicated in Section V.A.1(b) of this Agreement, all refunds shall be made without interest.
 - (b) Refunds based on estimated usage levels shall be paid by the utility within ninety (90) days of the date service is initiated. In the event that refunds are not paid in accordance with this section, Liberty Utilities shall pay interest for the period the refund is delayed at the rate currently specified in its Tariffs.
 - (c) Refunds hereunder shall be made for new customer connections during the period not to exceed ten (10) years after the date of this Agreement.
 - (d) Except for refunds from customer connections made within ten (10) years of the date of this Agreement, any portion of the advance which remains unrefunded ten (10) years after the date of this Agreement, will be forfeited by Applicant and become the property of Liberty Utilities.
2. Refunding will be based on revenues in excess of the level used as the basis for determining free allowance, derived from the following customers, who initiate service within ten (10) years of the date of this Agreement.
 - (a) Those served directly from the subject extension or alteration, as long as subject extension or alteration is the first in a series from the original point of supply for which a portion of an advance remains refundable.
 - (b) Those served from subsequent extensions of or additions to the original extension. Refunds based on revenues in this section shall be made to the Applicant having the first extension in series from the original point of supply, for which a portion of an advance remains refundable.
3. The following provisions apply to the refunding process.
 - (a) In those cases where two or more parties make a joint advance/contribution on the same extension, Liberty Utilities shall distribute refundable amounts to such parties in the same proportion as their individual advance/contribution bear to the joint refundable total, unless otherwise directed by all parties.
 - (b) Refundable amounts may be accumulated before refunding to twenty-five dollars (\$25.00) minimum or to a total refundable balance if less than twenty-five dollars (\$25.00).
 - (c) The total amount refunded hereunder shall not exceed the total amount subject to refund (Section I, Line

VI.

TAX GROSS UP

All applicable Applicant costs, cost adjustments and refunds will be increased to reflect the appropriate tax liability factor indicated in Section I, Line 17.

VII.

MISCELLANEOUS

- A. This Agreement has been made by Liberty Utilities pursuant to its rules and regulations governing all matters contained herein, filed with and approved by the Public Utilities Commission of the State of California, and this Agreement is subject to any changes or modifications by the Public Utilities Commission of the State of California, as said Commission may from time to time direct in the exercise of its jurisdiction.

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- B. All facilities constructed hereunder shall become property owned, maintained, and controlled by Liberty Utilities.
- C. The parties agree and understand that Applicant is not in any way an agent, representative, employee, or contractor of Liberty Utilities during the installation of facilities required hereunder, and Applicant agrees to indemnify and save harmless Liberty Utilities from any and all claims which are a result of, or arise out of, construction activities including, but not limited to, trenching and backfill undertaken by Applicant in accordance with this Agreement.
- D. Applicant agrees that it will grant, or if not the owner, represents that the owner will grant and execute, to and in favor of Liberty Utilities, all necessary easements, conveyances, deeds, rights-of-way, or other documents required or relating in any fashion to the placement, installation, operation, maintenance, repair, and replacement of facilities required hereunder or any portion thereof. If any portion of said facilities will be located on property other than that owned by Applicant, Liberty Utilities shall not be obligated to commence construction unless and until permanent rights-of-way therefore are granted to Liberty Utilities that are satisfactory to Liberty Utilities both as to location of easement and form document. All rights-of-way shall be obtained without cost to Liberty Utilities.
- E. All facilities installed by Applicant shall be in accordance with Liberty Utilities Construction Standards, as contained in the "Electric Distribution System Guide," and details as shown on the work order drawings, and applicable local, state, and federal laws and/or regulations.
- F. All work performed and all material furnished by the Applicant and his contractor shall be guaranteed against defects in materials and workmanship for a period of one (1) year following final acceptance of work by Liberty Utilities.

Applicant agrees that Liberty Utilities may, at its option and upon written notice to Applicant, either (1) repair any defect in materials or workmanship which may develop during the one-year period, or (2) require Applicant to make good any defect in materials or workmanship which may develop during said one-year period. The option and obligation to repair shall extend to any damage to facilities or work caused by the subject defects in materials or workmanship or the repairing of same. All repairs hereunder, whether undertaken by Liberty Utilities or Applicant, shall be done solely at Applicant's expense.

Applicant also assumes all responsibilities and liabilities for ten (10) years for facilities installed by the Applicant or facilities installed by Liberty Utilities based on survey and staking provided by the Applicant or Applicant's engineer that are found to be located outside the recorded easement or right-of-way granted for such facilities.

- G. For Applicant installation of facilities in addition to those normally provided at no expense to Liberty Utilities:
 - 1. Applicant shall provide public liability and property damage insurance coverage in amounts satisfactory to Liberty Utilities and naming Liberty Utilities as an additional insured.
 - 2. Applicant shall provide worker's compensation and unemployment compensation insurance in the form and amounts required by the State of California.
 - 3. Applicant shall perform in accordance with all laws, ordinances, rules, regulations, standards, and codes applicable to the types of installation being undertaken.
- H. Applicant shall indemnify and hold harmless Liberty Utilities from and against Applicant's failure to conform in any respect to the requirements set forth in Sections E and F above.
- I. Applicant may assign its right to receive a refund under this Agreement only upon written notification of the assignment to Liberty Utilities. Written notification shall consist of a document transferring the right to receive refunds, signed and notarized by the Assignor and the Assignee. Liberty Utilities may refuse to accept an assignment that is not signed and notarized by the Assignor and the Assignee. No obligation or duty owed by the Applicant to Liberty Utilities may be assigned unless Liberty Utilities consents to such assignment in writing. Under no circumstances shall Liberty Utilities be liable under any contract between the Applicant or Assignor and any Assignee.

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Notices or inquiries concerning this Agreement should be directed to:

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC
933 Eloise Avenue
South Lake Tahoe, CA 96150

IN WITNESS WHEREOF, the Parties hereto execute this Agreement (Pages 1 through 6 inclusive plus Exhibit A) the day and year first above written.

APPLICANT(S)

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC

By: _____

By: _____

Printed/Typed Name: _____

Typed Name: _____

Printed/Typed Name: _____

Title: _____

Mailing Address: _____

Tax Identification Number (Required)
(Individual) Social Security Number

NOTE: We request your Tax Identification Number and nature of your organization. Due to IRS regulations and under certain situations, if we do not have this information, we are required to withhold 20% of any refund due you.

(Business) TIN _____

Bus. Type: Corporation _____

Tax Exempt _____ Partnership _____

Governmental Agency _____ Other _____

Please be advised that we have selected _____

As our Applicant Installed Contractor.

FOR OFFICE USE ONLY:

Excess revenues generated from this project shall be subject to refund under previous agreement number _____.

Planner: _____