

**PUBLIC NOTICE OF HEARING AND PUBLIC COMMENT MEETING ON THE
APPLICATIONS OF LIBERTY UTILITIES (ENTRADA DEL ORO SEWER) CORP.
AND LIBERTY UTILITIES (GOLD CANYON SEWER) CORP.
FOR THE SETTING OF RATES AND CHARGES FOR
WASTEWATER UTILITY SERVICE AND FINANCING
(DOCKET NOS. SW-04316A-21-0325; SW-02519A-21-0326;
SW-04316A-21-0359; AND SW-02519A-21-0360)**

Summary

On September 30, 2021, Liberty Utilities (Entrada Del Oro Sewer) Corp. (“Liberty EDO”) and Liberty Utilities (Gold Canyon Sewer) Corp. (“Liberty Gold Canyon”) filed applications with the Arizona Corporation Commission (“Commission”), in Docket Nos. SW-04316A-21-0325 and SW-02519A-21-0326, requesting adjustments to their rates and charges for wastewater utility service. On November 2, 2021, Liberty EDO and Liberty Gold Canyon filed applications with the Commission, in Docket Nos. SW-04316A-21-0359 and SW-02519A-21-0360, requesting authority to issue evidence of indebtedness in connection with the purchase of equity. The four dockets have been consolidated for the purpose of hearing.

The hearing in this matter which was scheduled to commence on November 29, November 30, December 1, December 2, and December 5, 2022, is vacated. **The hearing has been rescheduled to commence on December 2, 2022, at 10:00 a.m.** Public comment will be taken at the start of the hearing on December 2, 2022.

Liberty EDO’s Rate Request (Docket No. SW-04316A-21-0325)

In its rate application, Liberty EDO proposes rates both on a stand-alone basis and consolidated with Liberty Gold Canyon. On a stand-alone basis, Liberty EDO requests authorization to increase its wastewater rates to generate total revenues of \$496,422. This would constitute an increase in revenues of \$20,105, or 4.22 percent, over adjusted test year revenues of \$476,317, resulting in a 6.94 percent rate of return on Liberty EDO’s proposed fair value rate base of \$1,716,795. If Liberty EDO’s request is granted as proposed, on a stand-alone basis, the monthly bill for a residential customer would be \$112.64, a \$4.64 or 4.30 percent increase to the present monthly bill of \$108.00.

In addition, Liberty EDO requests approval of a rate case expense surcharge and has calculated the proposed surcharge to be \$4.80 per customer per month for two years on a stand-alone basis. With the rate case expense surcharge, a residential customer would pay \$117.44, a \$9.44 or 8.74 percent increase to the current monthly bill.

If Liberty EDO’s rates are consolidated with Liberty Gold Canyon’s, Liberty EDO residential customers would see a monthly decrease of \$55.00, or 50.93 percent, from \$108.00 to \$53.00. With a proposed rate case expense surcharge of \$3.03 per

customer per month, residential customers would pay \$56.03, a \$51.97 or 48.12 percent decrease.

Liberty EDO also proposes adoption of a Customer Assistance Tariff, the cost for which would be assessed against all non-participating customers, to be recalculated annually.

Liberty Gold Canyon's Rate Request (Docket No. SW-02519A-21-0326)

In its rate application, Liberty Gold Canyon proposes rates both on a stand-alone basis and consolidated with Liberty EDO. On a stand-alone basis, Liberty Gold Canyon requests authorization to increase its wastewater rates to generate total revenues of \$4,463,270. This would constitute an increase in revenues of \$44,519, or 1.01 percent, over adjusted test year revenues of \$4,418,751, resulting in a 6.94 percent rate of return on Liberty Gold Canyon's proposed fair value rate base of \$11,646,139. If Liberty Gold Canyon's request is granted as proposed, on a stand-alone basis, the monthly bill for a residential customer would be \$50.00, a \$0.01 or 0.02 percent decrease to the present monthly bill of \$50.01 (net of the tax savings credit). The average bill for commercial customers would be \$359.42, a \$93.31 or 20.61 percent decrease to the present average monthly bill of \$452.74 based on an average usage of 1,728 gallons per day.

In addition, Liberty Gold Canyon requests approval of a rate case expense surcharge and has calculated the proposed surcharge to be \$2.92 per customer per month for two years on a stand-alone basis. With the rate case expense surcharge, a residential customer would pay \$52.92, a \$2.91 or 5.82 percent increase to the current monthly bill. Commercial customers would pay an average bill of \$362.34, a \$90.40 or 19.97 percent decrease.

If Liberty Gold Canyon's rates are consolidated with Liberty EDO's, Liberty Gold Canyon residential customers would see a monthly increase of \$2.99, or 5.98 percent, from \$50.01 to \$53.00. Based on an average bill with average usage of 1,728 gallons per day, commercial customers would see a monthly decrease of \$63.97, or 14.12 percent, from \$453.00 to \$389.03. With a proposed rate case expense surcharge of \$3.03 per customer per month, a residential customer would pay \$56.03, a \$6.02 or 12.04 percent increase to the current monthly bill. Commercial customers would pay \$392.06, a \$60.94 or 13.45 percent decrease.

Liberty Gold Canyon also proposes adoption of a Customer Assistance Tariff, the cost for which would be assessed against all non-participating customers, to be recalculated annually.

Liberty EDO's and Liberty Gold Canyon's Requests for Financing

Liberty EDO seeks Commission approval of long-term debt financing for the purpose of rebalancing Liberty EDO's capital structure of 60 percent equity and 40 percent debt to a capital structure of 54 percent equity and 46 percent debt (Docket No. SW-04316A-21-0359). If Liberty EDO's application is granted, Liberty EDO will borrow the amount necessary to achieve a capital structure consisting of 54 percent equity and 46 percent debt. This amount is currently estimated to be \$2,200,000.

Liberty Gold Canyon seeks Commission approval of long-term debt financing for the purpose of rebalancing Liberty Gold Canyon's capital structure of 60 percent equity and 40 percent debt to a capital structure of 54 percent equity and 46 percent

debt (Docket No. SW-02519A-21-0360). If Liberty Gold Canyon's application is granted, Liberty Gold Canyon will borrow the amount necessary to achieve a capital structure consisting of 54 percent equity and 46 percent debt. This amount is currently estimated to be \$8,500,000.

THE COMMISSION IS NOT BOUND BY THE PROPOSALS OF LIBERTY EDO, LIBERTY GOLD CANYON, STAFF, OR ANY INTERVENORS. THE COMMISSION WILL DETERMINE THE APPROPRIATE RELIEF TO BE GRANTED IN RESPONSE TO LIBERTY EDO'S AND LIBERTY GOLD CANYON'S APPLICATIONS BASED ON THE EVIDENCE PRESENTED IN THIS MATTER. THE FINAL RATES APPROVED BY THE COMMISSION MAY BE HIGHER, LOWER, OR DIFFERENT THAN THE RATES PROPOSED BY LIBERTY EDO AND LIBERTY GOLD CANYON OR BY OTHER PARTIES.

Contact Information

A customer with questions concerning how the applications may affect his or her bill or other substantive questions may contact Liberty EDO and Liberty Gold Canyon at **14920 W. Camelback Road, Litchfield Park, Arizona, 85340; telephone no. 844-367-2030; Email: AvondaleCustomerService@libertyutilities.com.**

How You Can View or Obtain a Copy of the Application

Copies of the Application are available from **Liberty EDO and Liberty Gold Canyon on the Internet via their website, www.libertyutilities.com (select either "Entrada del Oro" or "Gold Canyon" from the list of communities, and click "Notifications" under "News & Events");** at the Commission's Docket Control Center at 1200 West Washington Street, Phoenix, Arizona, and 400 West Congress Street, Suite 218, Tucson, Arizona, during regular business hours; and on the Commission's website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on the consolidated dockets beginning **December 2, 2022, at 10:00 a.m.**, at the Commission's offices, 1200 W. Washington Street, Phoenix, Arizona, 85007.

Public comments will be taken at the start of the hearing on **December 2, 2022, at 10:00 a.m.** To provide telephonic public comments, **call 1-866-705-2554, and enter participant code no. 6532467#, at least five minutes prior to the time set for the public comment meeting and hearing.**

Written public comments may be submitted by mailing a letter referencing **Docket Nos. SW-04316A-21-0325, SW-02519A-21-0326, SW-04316A-21-0359, SW-02519A-21-0360** to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission's website (www.azcc.gov) using "Cases and Open Meetings" and "Make a Public Comment in a Docket." If you require assistance, you may contact the Consumer Services Section at 602-542-4251 or 1-800-222-7000.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Carolyn Buck, E-mail ADACoordinator@azcc.gov, voice phone number 602-542-2247. Requests should be made as early as possible and no later than 48 hours in advance of the event to allow time to arrange the accommodation.