

FREQUENTLY ASKED QUESTIONS

Q: What is Liberty Beardsley?

A: Liberty Utilities (Beardsley Water) Corp. ("Liberty Beardsley") is an Arizona public service corporation providing regulated water utility services in and/or near the cities of Surprise and Wittmann, located in Maricopa County, Arizona. Liberty Beardsley provides water utility service to approximately 2,626 residential and commercial connections.

Q: What water utility services does Liberty Beardsley provide to its customers?

A: Liberty Beardsley provides water utility service to customers

Q: How long has it been since Liberty Beardsley has had an increase in rates?

A: The rates currently in effect for Liberty Beardsley customers were approved by the Arizona Corporation Commission ("Commission") and have been in effect since September 2020.

Q: Why is Liberty Beardsley seeking new rates at this time?

A: Liberty Beardsley was required to file a rate case on or before December 31, 2023. Since Beardsley's last rate case in 2019, the Company has invested approximately \$3.4M in system improvements and upgrades to provide safe and reliable service for customers, including replacing aging meters, upgrading water treatment, and pumping equipment, water storage improvements, and installing security and system software upgrades.

Given the Commission's order to file a rate case for Liberty Beardsley, Liberty took the opportunity to propose consolidation of Liberty Cordes Lakes, Liberty Bella Vista, and Liberty Beardsley with Liberty Rio Rico as part of this rate case.

Q: What is the proposed annual rate increase?

A: Liberty Beardsley is seeking a revenue increase of \$0.7M or 34.87% over current revenues.

On a consolidated basis, Liberty is seeking a revenue increase of approximately \$5.6M or 43.90% for water over current annual revenues.

Q: Why should Liberty Beardsley consolidate with Liberty Bella Vista, Liberty Cordes Lakes, and Liberty Rio Rico?

A: By consolidating Liberty Beardsley with Liberty Bella Vista, Liberty Cordes Lakes, and Liberty Rio Rico, all companies will realize efficiencies and economies of scale by having a larger customer base to spread costs over and through the reduction of administrative costs associated with the administration of separate utilities.

Q: What is the estimated monthly impact on residential customer bills?

A: If Liberty's request to consolidate Liberty Beardsley with Liberty Cordes Lakes, Liberty Bella Vista, and Liberty Rio Rico is approved, residential customers will see an estimated increase of \$3.38 per month.

If Liberty's proposed consolidation is not approved, Liberty Beardsley residential customers will experience an average estimated increase of \$17.08 per month.

Q: How will the rate case process work?

A: The process starts with the Company (Liberty Beardsley) filing a rate case application with the Commission. The Commission's trained Staff of accounting, engineering, and legal professionals, along with other parties who wish to intervene, will review Liberty's application and ask questions of the Company, then make recommendations to the Administrative Law Judge ("ALJ"). An evidentiary hearing will be held to provide the ALJ the necessary information to prepare and submit a Recommended Opinion and Order ("ROO") to the Commission for consideration and a decision. Ultimately, the Commission will determine the amount of annual revenues Liberty Beardsley is authorized to collect through customer rates and whether to approve Liberty's request for consolidation.

Q: When will the new rates go into effect?

A: At this time, Liberty Beardsley expects that new rates would go into effect in the year of 2025.

ADDITIONAL RESOURCES

For additional information regarding Liberty Beardsley's rate case application or the rate case process in general, please use the QR code provided here, or visit Liberty's website at: www.libertyutilities.com

