

LIBERTY UTILITIES (RIO RICO WATER AND SEWER) CORP.

Docket Nos. WS-02676A-23-0340, AND WS-02676A-24-0029

Effective July 1, 2025

On December 28, 2023, Liberty Utilities (Rio Rico Water and Sewer) Corp. ("Liberty"), Liberty Utilities (Cordes Lakes Water) Corp, Liberty Utilities (Beardsley Water) Corp., and Liberty Utilities Bella Vista Water) Corp (collectively, "Applicants") filed applications with the Arizona Corporation Commission ("Commission") requesting adjustments to their rates and charges for water utility service (Docket Nos. WS-02676A-23-0340, W-02060A-23-0339, W-02074A-23-0337, W-02465A-23-0338). The Applicants also requested to consolidate their rates and transfer Liberty Cordes Lakes, Liberty Beardsley, and Liberty Bella Vista's assets to Liberty Rio Rico Water & Sewer and for Liberty Cordes Lakes, Liberty Beardsley, and Liberty Bella Vista's customers to become customers of Liberty Rio Rico Water & Sewer (aka "Liberty Rio Rico (Consolidated)"). On January 30, 2024, Liberty Rio Rico Water and Sewer, Liberty Cordes Lakes Water, Liberty Beardsley Water, and Liberty Bella Vista Water also filed applications with the Commission requesting authority to issue evidence of indebtedness in connection with the purchase of equity (Docket Nos. WS-02676A-24-0029, W-02465A-24-0031, W-02060A-24-0033, W-02074A-24-0030).

At the conclusion of the proceeding, the Commission issued Decision No. 81361 (June 11, 2025), which (1) approved the consolidation of Liberty Cordes Lakes, Liberty Beardsley, and Liberty Bella Vista into Liberty Rio Rico, (2) established Liberty Rio Rico (Consolidated) rates, which resulted in a rate increase for customers, and (3) authorized Liberty Rio Rico to secure financing in an amount not to exceed \$33,000,000 for a term of 15 years.

RATE CASE EXPENSE SURCHARGE (RCES)

In Decision No. 81361, the Commission authorized Liberty Rio Rico to recover rate case expense of \$450,000 through a monthly surcharge of \$0.49 added to the bills of each Water Division customer and a monthly surcharge of \$0.51 for each Wastewater Division customer effective July 1, 2025. The surcharge will remain in place for (1) until June 30, 2028, or (2) until Liberty Rio Rico has collected \$450,000 in rate case expense recovery, whichever occurs first.

BILL IMPACT ON RESIDENTIAL CUSTOMERS

A 5/8-inch metered residential **water** customer, with an average use of 6,070 gallons per month, will experience an **increase** of \$6.26, from \$37.03 per month to \$43.29 per month, or positive 16.91 percent.

A residential **wastewater** customer will experience an **increase** of \$6.32, from \$52.68 per month to \$59.00 per month, or 12.00 percent.

Customer Care: (844) 367-2030

Emergencies: (623) 935-3395

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NEW RATES & SURCHARGE IMPLEMENTATION

Effective July 1, 2025

SCHEDULE OF RATES AND SERVICE CHARGES

Water Division

MONTHLY USAGE CHARGE

<u>METER SIZE (All Classes)</u>	<u>CHARGE^{1,2}</u>
5/8 x 3/4" Meter	\$ 21.97
3/4" Meter	32.96
1" Meter	54.93
1 1/2" Meter	109.85
2" Meter	175.76
3" Meter	351.52
4" Meter	549.25
6" Meter	1,098.50
8" Meter	1,757.60
10" Meter	2,526.55
12" Meter	4,723.55
Morning Star Ranch Community Association – 6 inch	748.23
<u>Fire Service Lines</u> All Meter Sizes	Per Rule*

* Per A.A.C. R14-2-408.B. 2.00% of monthly minimum for a comparable size meter, but no less than \$10.00 per month. The service charge for fire sprinklers is only applicable for service line separate and distinct from the primary water service line.

SERVICE LINE AND METER INSTALLATION CHARGES (Refundable pursuant to A.A.C. 14-2-405)

<u>METER SIZE</u>	<u>CHARGE</u>		
	Line	Meter	Total
5/8" x 3/4" Meter	At Cost	At Cost	At Cost
3/4" Meter	At Cost	At Cost	At Cost
1" Meter	At Cost	At Cost	At Cost
1 1/2" Meter	At Cost	At Cost	At Cost
2" Meter	At Cost	At Cost	At Cost
3" Meter	At Cost	At Cost	At Cost
4" Meter	At Cost	At Cost	At Cost
6" Meter	At Cost	At Cost	At Cost
8" Meter	At Cost	At Cost	At Cost
10" Meter	At Cost	At Cost	At Cost
12" Meter	At Cost	At Cost	At Cost

¹ Customer Assistance Tariff – A 15% discount is available on monthly minimum and commodity charges to qualified residential customers meeting the CAT qualifications.

² A 5 percent discount is applicable to the public schools operated by the Santa Cruz County School District No. 35 receiving water and/or wastewater utility services from the Company.

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Water Division

COMMODITY RATES (per 1,000 gallons of water)

<u>Meter Size</u>	<u>Charge</u>	<u>Meter Size</u>	<u>Charge</u>
5/8 x 3/4" Meter and 3/4" Meter (All Classes, Except Standpipe)		4" Meter (All Classes, Except Standpipe)	
0 to 4,000 Gallons	\$2.83	0 to 250,000 Gallons	\$4.83
4,001 to 10,000 Gallons	4.83	Over 250,000 Gallons	6.55
Over 10,000 Gallons	6.55		
1" Meter (All Classes, Except Standpipe)		6" Meter (All Classes, Except Standpipe)	
0 to 25,000 Gallons	\$4.83	0 to 500,000 Gallons	\$4.83
Over 25,000 Gallons	6.55	Over 500,000 Gallons	6.55
1 1/2" Meter (All Classes, Except Standpipe)		8" Meter (All Classes, Except Standpipe)	
0 to 50,000 Gallons	\$4.83	0 to 800,000 Gallons	\$4.83
Over 50,000 Gallons	6.55	Over 800,000 Gallons	6.55
2" Meter (All Classes, Except Standpipe)		10" Meter – (All Classes, Except Standpipe)	
0 to 80,000 Gallons	\$4.83	0 to 1,150,000 Gallons	\$4.83
Over 80,000 Gallons	6.55	Over 1,150,000 Gallons	6.55
3" Meter (All Classes, Except Standpipe)		12" Meter – (All Classes, Except Standpipe)	
0 to 160,000 Gallons	\$4.83	0 to 2,150,000 Gallons	\$4.83
Over 160,000 Gallons	6.55	Over 2,150,000 Gallons	6.55
		Construction/Bulk/Standpipe All Gallons	\$6.55
		Morningstar Ranch Community Association	\$9.21

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Water Division

MISCELLANEOUS SERVICE CHARGES

<u>SERVICE</u>	<u>CHARGE</u>
Establishment	\$30.00
Re-Establishment (within 12 months)	(a)
Reconnection (Delinquent)	\$30.00
Meter Test (if correct)	\$30.00
Meter Re-Read (if correct)	20.00
Deposit	(b)
Deposit Interest per A.A.C. R14-2-403(B)	6%(b)
NSF Check (c)	\$20.00
Late Payment Penalty	1.50% per month
Deferred Payment (R-01-2-409.G)	1.50% per month
Moving meter at customer request (R-14-2-405.B)	At Cost
After Hours Service Call Charge (d)	\$90
Off-site facilities Hook-up fees	Per Hook up Fee
Road Cutting or Boring	At cost
(a) Per Commission Rule A.A.C. R14-2-403.D - residential and non-residential shall pay the applicable monthly minimum charge times the number of months disconnected. (b) Per Commission Rule A.A.C. R14-2-403.B. (c) Rio Rico may only charge one NSF fee when customers are billed for water and sewer services on one bill. (d) At customer's request. No charge for service during normal working hours. (e) Greater of \$5 or 1.50% of unpaid balance.	
IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-409D.5.	

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Wastewater Division

MONTHLY MINIMUM CHARGE

<u>METER SIZE (All Classes)</u>	<u>CHARGE^{3, 4}</u>
5/8 x 3/4" Meter	\$59.00
3/4" Meter	68.03
1" Meter	83.20
1 1/2" Meter	122.81
2" Meter	170.37
3" Meter	296.79
4" Meter	439.94
6" Meter	836.06
8" Meter	1,273.57
10" Meter	1,908.42
12" Meter	2,713.91

COMMODITY RATES (All Meter Sizes)

<u>COMMERCIAL AND MULTI-TENANT ONLY</u>	<u>CHARGE</u>
0 to 7,000 Gallons	\$0.00
Over 7,000 Gallons	8.14

SERVICE LINE AND METER INSTALLATION CHARGES

<u>SERVICE LINE SIZE</u>	<u>CHARGE</u>
4" Meter	At Cost
6" Meter	At Cost
8" Meter	At Cost
10" Meter	At Cost
12" Meter	At Cost

³ Customer Assistance Tariff –A 15% discount is available on monthly minimum and commodity charges to qualified residential customers meeting the CAT qualifications.

⁴ A 5 percent discount is applicable to the public schools operated by the Santa Cruz County School District No. 35 receiving water and/or wastewater utility services from the Company.

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Wastewater Division

MISCELLANEOUS SERVICE CHARGES

Establishment	\$30.00
Re-Establishment (within 12 months)	(1)
Disconnection (Delinquent)	(2)
Reconnection (Delinquent)	(2)
Deposit	(3)
Deposit Interest	6%(3)
NSF Check (a)	\$20.00
Late Payment Penalty	1.50% per month
Deferred Payment	1.50% per month
Service Charge – after hours (b)	\$90
Road Cutting or Boring	At Cost
1) Per Commission Rule A.A.C. R14-2-603.D - Months off the system times the monthly minimum. 2) The actual cost of disconnection and reconnection, including costs for excavation and trenching, pipeline modification, backfill and grading, road repairs and permitting. Customer will be provided copies of invoices for actual cost. There shall be no charge for disconnection if no work is performed. 3) Per Commission Rule A.A.C. R-14-2-603.B a) Rio Rico may only charge one NSF fee when customers are billed for water and sewer services on one bill. b) At customers request. No charge for service during normal working hours. IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-608D(5).	

If you have questions regarding this Notice, please contact Liberty Utilities' Customer Care Center, (844) 367-2030, Monday through Friday between 7:30 a.m. and 4:30 p.m. Walk-ins are welcome at Liberty's offices, 14920 W. Camelback Rd., Litchfield Park, AZ, 85340, Monday through Friday between 7:30 a.m. and 4:30 p.m. Information is also available at www.libertyenergyandwater.com.

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CUSTOMER ASSISTANCE PROGRAMS

Decision No. 81361 approved a Customer Assistance Tariff (CAT), which contains the following programs: (1) Low Income Program; (2) Deployed Services Member Program; and (3) Disabled Military Veteran Program (collectively, the "Customer Assistance Programs"). A Liberty Rio Rico customer who qualifies for more than one program will receive benefits from only one program per year. Eligible customers are required to complete an application and supply proof of income. Enrolled customers must reapply every year, or sooner, if requested.

CAT SURCHARGE

Effective July 1, 2025, Liberty BELLA VISTA is authorized to assess a surcharge each month to the bills of non-participating customers for recovery of program costs. The CAT surcharge will be calculated annually based on a twelve-month period of January 1 through December 31 and implemented on customer bills in February of each year.

Low Income Program

The Low-Income Program is designed to provide relief to the Company's lower income customers. At a 15% discount is applied to the bills of those residential customers who meet the program qualifications.

Qualifying annual incomes are set at 200 percent of the 2025 federal poverty levels as follows:

No. of Person in Household	Total Gross Annual Income
1	\$31,300
2	\$42,300
3	\$53,300
4	\$64,300
5	\$75,300
6	\$86,300

For families/households with more than 6 persons, add \$11,000 for each additional person.

Deployed Services Member Program

The Deployed Services Member Program provides a 15% discount to the bills of deployed active service members of the U.S. Military (e.g., Air Force, Army, Coast Guard, Marines, and Navy) who meet program qualifications. Eligible customers must submit a redacted copy of the deployment orders.

Qualifying annual incomes are set at 200 percent of the 2025 federal poverty levels as follows:

No. of Person in Household	Total Gross Annual Income
1	\$31,300
2	\$42,300
3	\$53,300
4	\$64,300
5	\$75,300
6	\$86,300

For families/households with more than 6 persons, add \$11,000 for each additional person.

Disabled Military Veteran Program

The Disabled Military Veteran Program provides a 15% discount to disabled members of the U.S. Military who meet program qualifications. Eligible customers must submit proof of discharge due to disability from service. Qualifying annual incomes are set at 200 percent of the 2025 federal poverty levels (as set forth above).

For copies of Customer Assistance Programs forms contact Customer Care at (844) 367-2030 or visit Liberty's offices, 14920 W. Camelback Rd., Litchfield Park, AZ, 85340.

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