



**Frequently Asked Questions** re: Liberty Utilities (Litchfield Park Water and Sewer) Corp. Rate Request  
**Updated:** February 28, 2017

***Why did Liberty Utilities file for a rate increase?***

Regulated utilities, like Liberty Utilities, must file rate requests with the Arizona Corporation Commission (ACC) in order to recover investment and operations costs.

***When was the rate increase filed?***

Liberty Utilities filed an application with ACC on February 28, 2017 to adjust both water and sewer rates.

***When was the last rate increase filed?***

The last time the utility asked for rates to be adjusted was in February 2013.

This was based on the Test Year ending in Dec. 2012

The rates went into effect in May 2014

***Who does this rate request affect?***

If approved, it would affect approximately 37,000 water and sewer customers in the Litchfield Park, Goodyear (north of I-10), and unincorporated Maricopa County and Avondale service areas.

***How much is the proposed rate increase?***

The typical residential water customer with a ¾-inch meter using an average of 8,357 gallons per month would see a \$3.28 (12.6%) increase in the monthly bill (from \$25.96 to \$29.24).

A residential wastewater (sewer) customer would see an increase of \$12.65 (31.4% increase) in the monthly bill (from \$40.35 to \$53.00).

If a customer receives both water and wastewater (sewer) services from Liberty Utilities, the monthly increase would be \$15.93 (24.0% increase) in the combined monthly bill (from \$66.31 to \$82.24). This increase is based on a residential water customer with a ¾ inch meter.

***What is driving this rate increase?***

The rate adjustment is necessary to accurately reflect the cost of providing safe drinking water and safely treating wastewater since the utility filed its last rate request in February 2013.

Specifically, these costs include:

- 1) \$24.2 million for improvements at the Palm Valley Water Reclamation Facility.
- 2) \$2.5 million for water and sewer pipe rehabilitation.
- 3) \$3.7 million for the newly opened Liberty Aquifer Replenishment Facility (LARF).



### ***Why were these costs necessary?***

Customers tell us that reliable and safe delivery of their drinking water and treatment of their wastewater is a top priority. Liberty Utilities makes investments in our infrastructure, technology and resources to meet this expectation, as well as continue to meet both federal and state public safety regulations.

### ***How can Liberty Utilities control these costs?***

We are committed to providing customers with safe and reliable services as cost effectively as possible. For example, our recently opened LARF is the result of a 100-year joint agreement with the Central Arizona Groundwater Replenishment District and is the state's first-ever public-private reclaimed water recharge facility. The total cost of the project was nearly \$10 million, of which CAP provided \$6 million, thus By cost-sharing this project, customers see significantly less impact on their sewer rates, as well as assurance that their current and future water needs are being addressed. The ACC will evaluate any costs as part of their review process.

### ***What is the ACC process?***

Regulated utilities, like Liberty Utilities, must submit an application to the Arizona Corporation Commission (ACC) in order to recover investment and operations costs. The Commission's trained staff of accounting, engineering and legal professionals review the application, ask questions of the utility and then make recommendations to the Administrative Law Judge (ALJ). The Commission then reviews the recommendations of the Administration Law Judge, as well as parties to the case and issues a decision.

### ***How can I provide input on the rate request?***

You can provide comments concerning the application to the Commission by visiting the Commission's website at [www.azcc.gov](http://www.azcc.gov) or by calling 602-542-4251 or 1-800-222-7000.

### ***Where can I review the application?***

The application is available at [www.libertyutilities.com](http://www.libertyutilities.com)

### ***When will the rate increase go into effect?***

When the approved new water and sewer rates go into effect depends on the comprehensive review process the ACC undertakes with any utility request.

### ***How come I haven't seen a notice from Liberty Utilities on this rate request?***

Per the ACC process, Liberty Utilities does not notify its customers of the pending rate request until it receives notification from the ACC and the ALJ orders us to do so. Once we receive that authority, we will notify our customers directly. In the meantime, Liberty Utilities is committed to letting our customers know what we're requesting and why.