



## FREQUENTLY ASKED QUESTIONS

**Q: What is Liberty Bella Vista?**

A: Liberty Utilities (Bella Vista Water) Corp. (“Liberty Bella Vista”) is an Arizona public service corporation engaged in providing water utility services to a 31.8 square mile service territory located in the southwest portion of Cochise County, Arizona. As of April 2023, Liberty Bella Vista provides service to approximately 9,799 residential and commercial connections.

**Q: What water utility service does Liberty Bella Vista provide to its customers?**

A: Liberty Bella Vista provides water utility service to customers.

**Q: How long has it been since Liberty Bella Vista has had an increase in rates?**

A: The rates currently in effect for Liberty Bella Vista customers were approved by the Arizona Corporation Commission (“Commission”) and have been in effect since November 2016.

**Q: Why is Liberty Bella Vista seeking new rates at this time?**

A: Liberty Bella Vista’s proposed rate adjustment is necessary to accurately reflect the cost of providing safe drinking water service since the utility filed its last rate request in 2014. Since the last rate case, Liberty Bella Vista has invested approximately \$15M in system improvements and upgrades, including but not limited to extensive mainline repairs, service line upgrades, meter replacements, water storage upgrades, and pumping equipment upgrades.

Additionally, Liberty has taken the opportunity to propose consolidation of Liberty Bella Vista, Liberty Cordes Lakes, and Liberty Beardsley with Liberty Rio Rico as part of this rate case.

**Q: What is the proposed annual rate increase?**

A: On a stand-alone basis, Liberty Bella Vista is seeking a revenue increase in annual revenues of approximately of \$1.7M or 29.71% 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 Bella Vista consolidate with Liberty Beardsley, Liberty Cordes Lakes, and Liberty Rio Rico?**



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

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

- A: If Liberty's request to consolidate Liberty Bella Vista with Liberty Beardsley, Liberty Cordes Lakes and Liberty Rio Rico is approved, Liberty Bella Vista's residential customers will see an estimated increase of \$15.57 per month.

If Liberty's proposed consolidation is not approved, Liberty Bella Vista's residential customers will experience an average estimated increase of \$8.37 per month.

**Q: How will the rate case process work?**

- A: The process starts with the Company 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 Bella Vista 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 Bella Vista expects that new rates would go into effect in the year of 2025.

## **ADDITIONAL RESOURCES**

For additional information regarding Liberty Bella Vista's rate case application or the rate case process in general, please use the QR code provided below, or visit Liberty's website at: [www.libertyutilities.com](http://www.libertyutilities.com)

