



FREQUENTLY ASKED QUESTIONS

Q: What is Liberty Cordes Lakes?

A: Liberty Utilities (Cordes Lakes Water) Corp. (“Liberty Cordes Lakes”) is an Arizona public service corporation providing regulated water utility services in the foothills of Prescott Valley, north of Phoenix, in Yavapai County, Arizona. Liberty Cordes Lakes provides water utility service to approximately 1,609 residential and commercial connections.

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

A: Liberty Cordes Lakes provides water utility service to customers.

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

A: The rates currently in effect for Liberty Cordes Lakes customers were approved by the Arizona Corporation Commission (“Commission”) and have been in effect since May 2018.

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

A: Liberty Cordes Lakes was required to file a rate case on or before December 31, 2023. Since Liberty Cordes Lakes’ last emergency rate case in 2018, the Company has invested approximately \$5.7M on system improvements and upgrades to provide safe and reliable service for customers, including an additional well, service line replacements, main line replacements, meter replacements, installation of isolation valves throughout the system, and automated well site remote monitoring devices with alarms at all well sites.

Given the Commission’s order to file a rate case for Liberty Cordes Lakes, 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: On a stand-alone basis, Liberty Cordes Lakes is seeking a revenue increase of approximately \$1.4M or 210.47% 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 Cordes Lakes consolidate with Liberty Beardsley, Liberty Bella Vista, and Liberty Rio Rico?



A. By consolidating Liberty Cordes Lakes with Liberty Beardsley, Liberty Bella Vista, 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 Cordes Lakes with Liberty Beardsley, Liberty Bella Vista and Liberty Rio Rico is approved, Liberty Cordes Lakes' residential customers will see an estimated increase of \$16.95 per month.

If Liberty's proposed consolidation is not approved, Liberty Cordes Lakes' residential customers will experience an average estimated increase of \$70.68 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 Cordes Lakes 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 Cordes Lakes expects that new rates would go into effect in the year of 2025.

ADDITIONAL RESOURCES

For additional information regarding Liberty Cordes Lakes' 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

