

**PUBLIC NOTICE OF HEARING AND PUBLIC COMMENT MEETING ON THE
APPLICATION OF LIBERTY UTILITIES (BELLA VISTA WATER) CORP.
FOR THE SETTING OF RATES AND CHARGES FOR
WATER UTILITY SERVICE AND FINANCING APPROVAL
(DOCKET NOS. W-02465A-23-0338, AND W-02465A-24-0031**

Summary

On December 28, 2023, Liberty Utilities (Bella Vista Water) Corp. (“Liberty Bella Vista”) filed an application with the Arizona Corporation Commission (“Commission”), in Docket No. W-02465A-23-0338 requesting adjustments to its rates and charges for water utility service. On January 30, 2024, Liberty Bella Vista filed an application with the Commission in Docket No. W-02465A-24-0031 requesting authority to issue evidence of indebtedness in connection with the purchase of equity.

As part of this rate case, Liberty Bella Vista also **proposed consolidation** with Liberty Utilities (Beardsley Water) Corp. (“Liberty Beardsley”), Liberty Utilities (Cordes Lakes Water) Corp. (“Liberty Cordes Lakes”), and Liberty Utilities (Rio Rico Water & Sewer) Corp. (“Liberty Rio Rico”) at Docket No. W-02465A-24-0035. Liberty Beardsley, Liberty Cordes Lakes and Liberty Rio Rico have concurrently filed applications requesting (1) adjustments to their rates and charges for water and wastewater utility service, and (2) evidence of indebtedness in connection with the purchase of equity.

The eight dockets related to adjustments to rates and charges for water and wastewater service and issuing evidence of indebtedness in connection with the purchase of equity were consolidated for hearing purposes.

Liberty Bella Vista Rate Request (Docket No. W-02465A-23-0338)

In its rate application, Liberty Bella Vista proposes rates both on a stand-alone basis and on a consolidated basis with Liberty Beardsley, Liberty Cordes Lakes and Liberty Rio Rico.

Stand-Alone Rates

On a stand-alone basis, Liberty Bella Vista requests authorization to increase its water rates to generate total revenues of \$7,636,311. This would constitute an increase in revenues of \$1,748,942 or 29.71 percent, over adjusted test year revenues of \$5,887,369, resulting in an 8.95 percent rate of return on Liberty Bella Vista’s proposed fair value rate base of \$15,750,144. If Liberty Bella Vista’s request is granted as proposed, on a stand-alone basis, the average monthly bill for a residential customer would be \$36.24, an \$8.37 or 30.04 percent increase to the present average monthly residential bill of \$27.87.

In addition, Liberty Bella Vista requests approval of a rate case expense surcharge and has calculated the proposed surcharge to be \$0.82 per customer per month for three years on a stand-alone basis. With the rate case expense surcharge, on average, a residential customer would pay \$37.06, a \$9.19 or 32.97 percent increase to their current monthly bill.

Consolidated Rates

If Liberty Bella Vista's rates are consolidated with those of Liberty Beardsley, Liberty Cordes Lakes and Liberty Rio Rico, Liberty Bella Vista residential customers, on average, would see a monthly increase of \$15.57, or 55.87 percent, from \$27.87 to \$43.44. With a proposed rate case expense surcharge of \$0.86 per customer per month, residential customers, on average, would pay \$44.30, a \$16.43 or 58.95 percent increase.

Liberty Bella Vista also proposes adoption of a Customer Assistance Tariff, to replace the existing Alternative Rates for Water and Wastewater (ARWW) tariff the cost for which would be assessed against all non-participating customers, to be recalculated annually.

Liberty Bella Vista Request for Financing (Docket No. W-02465A-24-0031)

Liberty Bella Vista seeks Commission approval of long-term debt financing for the purpose of rebalancing Liberty Bella Vista's capital structure of 100 percent equity and 0 percent debt to a capital structure of 54 percent equity and 46 percent debt (Docket No. W-02465A-24-0031). If Liberty Bella Vista's application is granted, Liberty Bella Vista will borrow the amount necessary to achieve a capital structure consisting of 54 percent equity and 46 percent debt. This amount is currently estimated to be \$8,500,000.

In the event of the consolidation of Liberty Bella Vista, Liberty Beardsley, Liberty Cordes Lakes and Liberty Rio Rico as requested for consideration, Liberty Rio Rico (Consolidated) seeks Commission approval of long-term debt financing for the purpose of rebalancing capital structure of 100 percent equity and 0 percent debt to a capital structure of 54 percent equity and 46 percent debt. This amount is currently estimated to be \$33,000,000.

THE COMMISSION IS NOT BOUND BY THE PROPOSALS OF LIBERTY BELLA VISTA, STAFF OR ANY INTERVENORS. THE COMMISSION WILL DETERMINE THE APPROPRIATE RELIEF TO BE GRANTED IN RESPONSE TO THE APPLICATION OF LIBERTY BELLA VISTA BASED ON THE EVIDENCE PRESENTED IN THIS MATTER. THE FINAL RATES APPROVED BY THE COMMISSION MAY BE HIGHER, LOWER, OR DIFFERENT THAN THE RATES PROPOSED BY LIBERTY BELLA VISTA OR BY OTHER PARTIES.

Contact Information

A customer with questions concerning how the applications may affect his or her bill or other substantive questions may contact Liberty Bella Vista at **14920 W. Camelback Road, Litchfield Park, Arizona, 85340; telephone no. 844-367-2030; Email: AvondaleCustomerService@libertyutilities.com.**

How You Can View or Obtain a Copy of the Application

Copies of the Application are available from **Liberty Bella Vista on the Internet via its website, www.libertyutilities.com (from the Home Page of the website, click ‘Go to local community’. At the top of the page, select “Arizona” in the Location field, then select either “Sierra Vista”, “Hereford – Bella Vista”, or “Hereford – Southern Sunrise” from the list of communities, and click “Notifications” under “News & Events”);** at the Commission’s Docket Control Center at 1200 West Washington Street, Phoenix, Arizona, and 400 West Congress Street, Suite 218, Tucson, Arizona, during regular business hours; and on the Commission’s website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on the consolidated dockets beginning **October 28, 2024, at 10:00 a.m.**, at the Commission’s offices, 400 West Congress, Room 222, Tucson, Arizona 85701 and shall continue, as necessary, at **9:00 AM on October 29 through November 1, 2024, at the Commission’s offices at 1200 W. Washington Street, Phoenix, Arizona, 85007.**

Public comments will be taken in-person and by telephone at the start of the hearing on **October 28, 2024, at 10:00 a.m.** Public comments will also be taken in-person and / or by telephone on the dates listed in the public comments schedule below.

SCHEDULE FOR PUBLIC COMMENTS

Date	Time	Manner	Phone No	Code
October 8, 2024	5:00 to 6:30 p.m.	Telephonic	1-877-309-3457	24601833204##
October 24, 2024	5:00 to 6:30 p.m.	Telephonic	1-877-309-3457	24601833204##
October 28, 2024	10:00 a.m.	In Person and Telephonic	1-877-309-3457	24601833204##
October 29, 2024	9:00 a.m.	In Person and Telephonic	1-877-309-3457	801972877##

Written public comments may be submitted by mailing a letter referencing **Docket Nos. W-02465A-23-0338 AND W-02465A-24-0031** to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission’s website (www.azcc.gov) using “Cases and Open Meetings” and “Make a Public Comment in a Docket.” If you require assistance, you may contact the Consumer Services Section at 602-542-4251 or 1-800-222-7000.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. **Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format,** by contacting the ADA Coordinator, Carolyn Buck, E-mail ADACoordinator@azcc.gov, voice phone number 602-542-2247. Requests should be made as early as possible and no later than 48 hours in advance of the event to allow time to arrange the accommodation.