

**PUBLIC NOTICE OF HEARING ON THE APPLICATIONS OF
LIBERTY UTILITIES (ENTRADA DEL ORO SEWER) CORP.
AND LIBERTY UTILITIES (GOLD CANYON SEWER) CORP.
FOR THE SETTING OF RATES AND CHARGES FOR
WASTEWATER UTILITY SERVICE AND FINANCING**

**(DOCKET NOS. SW-04316A-21-0325; SW-02519A-21-0326;
SW-04316A-21-0359; AND SW-02519A-21-0360)**

Summary

On September 30, 2021, Liberty Utilities (Entrada Del Oro Sewer) Corp. (“Liberty EDO”) and Liberty Utilities (Gold Canyon Sewer) Corp. (“Liberty Gold Canyon”) filed applications with the Arizona Corporation Commission (“Commission”), in Docket Nos. SW-04316A-21-0325 and SW-02519A-21-0326, requesting adjustments to their rates and charges for wastewater utility service. On November 2, 2021, Liberty EDO and Liberty Gold Canyon filed applications with the Commission, in Docket Nos. SW-04316A-21-0359 and SW-02519A-21-0360, requesting authority to issue evidence of indebtedness in connection with the purchase of equity. The four dockets have been consolidated for the purpose of hearing.

Liberty EDO’s Rate Request (Docket No. SW-04316A-21-0325)

In its rate application, Liberty EDO proposes rates both on a stand-alone basis and consolidated with Liberty Gold Canyon. On a stand-alone basis, Liberty EDO requests authorization to increase its wastewater rates to generate total revenues of \$496,422. This would constitute an increase in revenues of \$20,105, or 4.22 percent, over adjusted test year revenues of \$476,317, resulting in a 6.94 percent rate of return on Liberty EDO’s proposed fair value rate base of \$1,716,795. If Liberty EDO’s request is granted as proposed, on a stand-alone basis, the monthly bill for a residential customer would be \$112.64, a \$4.64 or 4.30 percent increase to the present monthly bill of \$108.00.

In addition, Liberty EDO requests approval of a rate case expense surcharge and has calculated the proposed surcharge to be \$4.80 per customer per month for two years on a stand-alone basis. With the rate case expense surcharge, a residential customer would pay \$117.44, a \$9.44 or 8.74 percent increase to the current monthly bill.

If Liberty EDO’s rates are consolidated with Liberty Gold Canyon’s, Liberty EDO residential customers would see a monthly decrease of \$55.00, or 50.93 percent, from \$108.00 to \$53.00. With a proposed rate case expense surcharge of \$3.03 per customer per month, residential customers would pay \$56.03, a \$51.97 or 48.12 percent decrease.

Liberty EDO also proposes adoption of a Customer Assistance Tariff, the cost for which would be assessed against all non-participating customers, to be recalculated annually.

Liberty Gold Canyon's Rate Request (Docket No. SW-02519A-21-0326)

In its rate application, Liberty Gold Canyon proposes rates both on a stand-alone basis and consolidated with Liberty EDO. On a stand-alone basis, Liberty Gold Canyon requests authorization to increase its wastewater rates to generate total revenues of \$4,463,270. This would constitute an increase in revenues of \$44,519, or 1.01 percent, over adjusted test year revenues of \$4,418,751, resulting in a 6.94 percent rate of return on Liberty Gold Canyon's proposed fair value rate base of \$11,646,139. If Liberty Gold Canyon's request is granted as proposed, on a stand-alone basis, the monthly bill for a residential customer would be \$50.00, a \$0.01 or 0.02 percent decrease to the present monthly bill of \$50.01 (net of the tax savings credit). The average bill for commercial customers would be \$359.42, a \$93.31 or 20.61 percent decrease to the present average monthly bill of \$452.74 based on an average usage of 1,728 gallons per day.

In addition, Liberty Gold Canyon requests approval of a rate case expense surcharge and has calculated the proposed surcharge to be \$2.92 per customer per month for two years on a stand-alone basis. With the rate case expense surcharge, a residential customer would pay \$52.92, a \$2.91 or 5.82 percent increase to the current monthly bill. Commercial customers would pay an average bill of \$362.34, a \$90.40 or 19.97 percent decrease.

If Liberty Gold Canyon's rates are consolidated with Liberty EDO's, Liberty Gold Canyon residential customers would see a monthly increase of \$2.99, or 5.98 percent, from \$50.01 to \$53.00. Based on an average bill with average usage of 1,728 gallons per day, commercial customers would see a monthly decrease of \$63.97, or 14.12 percent, from \$453.00 to \$389.03. With a proposed rate case expense surcharge of \$3.03 per customer per month, a residential customer would pay \$56.03, a \$6.02 or 12.04 percent increase to the current monthly bill. Commercial customers would pay \$392.06, a \$60.94 or 13.45 percent decrease.

Liberty Gold Canyon also proposes adoption of a Customer Assistance Tariff, the cost for which would be assessed against all non-participating customers, to be recalculated annually.

Liberty EDO's and Liberty Gold Canyon's Requests for Financing

Liberty EDO seeks Commission approval of long-term debt financing for the purpose of rebalancing Liberty EDO's capital structure of 60 percent equity and 40 percent debt to a capital structure of 54 percent equity and 46 percent debt (Docket No. SW-04316A-21-0359). If Liberty EDO's application is granted, Liberty EDO 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 \$2,200,000.

Liberty Gold Canyon seeks Commission approval of long-term debt financing for the purpose of rebalancing Liberty Gold Canyon's capital structure of 60 percent equity and 40 percent debt to a capital structure of 54 percent equity and 46 percent debt (Docket No. SW-02519A-21-0360). If Liberty Gold Canyon's application is granted, Liberty Gold Canyon 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.

NEITHER THE COMMISSION'S UTILITIES DIVISION ("STAFF") NOR ANY INTERVENOR HAS YET MADE ANY RECOMMENDATION REGARDING LIBERTY EDO'S AND LIBERTY GOLD CANYON'S APPLICATIONS. THE COMMISSION IS NOT BOUND BY THE PROPOSALS OF LIBERTY EDO, LIBERTY GOLD CANYON, STAFF, OR ANY INTERVENORS. THE COMMISSION WILL DETERMINE THE APPROPRIATE RELIEF TO BE GRANTED IN RESPONSE TO LIBERTY EDO'S AND LIBERTY GOLD CANYON'S APPLICATIONS 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 EDO AND LIBERTY GOLD CANYON 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 EDO and Liberty Gold Canyon 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 EDO and Liberty Gold Canyon on the Internet via their website, www.libertyutilities.com** (select either “Entrada del Oro” or “Gold Canyon” 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 **July 11, 2022, at 10:00 a.m.**, and continuing as needed on **July 12, 13, 14, 15, 18, and 19, 2022, at 9:00 a.m.**, at the Commission’s offices, 1200 W. Washington Street, Phoenix, Arizona, 85007.

Public comments will be taken at the beginning of the first day of hearing and may be provided in person or telephonically. To provide telephonic public comments, **call 1-866-705-2554 and enter this code: 241497#, by 10:00 a.m. on the date of the hearing.**

Written public comments may be submitted by mailing a letter referencing **Docket Nos. SW-04316A-21-0325, SW-02519A-21-0326, SW-04316A-21-0359, SW-02519A-21-0360** 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.

If you do not intervene in this proceeding, you will receive no further notice of the proceedings in this docket unless you sign up to Follow the Docket. However, all documents filed in this docket are available online (usually within 24 hours after docketing) at the Commission’s website (www.azcc.gov) using the e-Docket function. **Information on how to Follow a Docket is available on the Commission’s website using “Cases and Open Meetings” and “Follow a Docket or Document Type.”**

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene. An interested person may be granted intervention if the outcome of the case will directly and substantially impact the person, and the person’s intervention will not unduly broaden the issues in the case. Intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other parties’ witnesses. **Intervention is not required**

for you to appear at the hearing and provide public comment, to file written comments in the record of the case, or to receive emailed notice of each filing made in the case by following the docket.

Information about what intervention means, including an explanation of the rights and responsibilities of an intervenor, is available on the Commission's website (www.azcc.gov) by clicking on "Cases and Open Meetings" and then clicking on "Intervene in a Case." The information includes a Sample Intervention Request and a Fillable Intervention Request Form.

To request intervention, you must file a written request to intervene, either (a) by filing a hard copy request (meeting filing requirements) with Docket Control (Docket Control, 1200 West Washington, Phoenix, AZ 85007), or (b) by [eFiling](#) the request. Your request **must be filed or eFiled no later than April 1, 2022**. Instructions and restrictions for eFiling are available on the Commission's website at <http://azcc.gov/hearing/efile-for-utilities-instruction>. You also **must** serve a copy of the request to intervene on each party of record, on the same day that you file the request to intervene with the Commission.

Your request to intervene **must** contain the information below:

1. Your name, address, and telephone number;
2. The docket number for the case in which you are requesting to intervene;
3. A short statement explaining:
 - a. Your interest in the proceeding (e.g., a customer of the regulated company involved, a property owner in an area to be affected by the case, etc.),
 - b. How you will be directly and substantially affected by the outcome of the case, and
 - c. Why your intervention will not unduly broaden the issues in the case;
4. If a hearing has not been scheduled, whether and why you believe a hearing is needed;
5. A statement certifying that you have sent a copy of your request to intervene to the regulated company or its attorney and to all other parties of record in the case; and
6. If you are not represented by an attorney who is an active member of the Arizona State Bar, and you are not representing yourself as an individual, sufficient information and any appropriate documentation to demonstrate compliance with Arizona Supreme Court Rules 31, 38, 39, and 42, as applicable. This only applies if you are NOT representing yourself and you are not a licensed attorney.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before April 1, 2022.

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.