



Liberty Utilities®

Tax Reform Savings Passed Along to Customers

Docket # WS-02676A-18-0182 Decision 76805

Regulated utilities collect local, state, and federal taxes as part of the cost of services provided to customers. The Tax Cuts and Jobs Act of 2017 reduced the corporate tax rate from 35 to 21%.

To pass along the savings generated from the change in the corporate tax rate, Liberty Utilities (Rio Rico Water & Sewer) Corp. submitted an application to the Arizona Corporation Commission (ACC) requesting to refund our customers. On July 19, 2018 the ACC approved the Company's application to refund approximately **\$189,000** to the company's residential and commercial water customers and to refund approximately **\$95,000** to the company's residential and commercial sewer customers.

Customers will receive a **monthly credit** to adjust for the lower corporate tax rate until new rates are approved by the ACC in a future general rate case that will incorporate the new corporate tax rate. Depending on your billing cycle, your first month's ongoing credit may be pro-rated accordingly. In addition, customers will also receive a **one-time credit** to refund corporate taxes that were collected from January 1, 2018 – July 31, 2018 at the previous tax rate before the ACC's approval of Liberty Utilities (Rio Rico Water & Sewer) Corp.'s application.

Examples:

Monthly Credit – A typical residential water customer with a 5/8 X 3/4 inch meter will receive a monthly credit of **\$2.13** and a typical sewer customer will receive a monthly credit of **\$3.63** until new rates are set in a future rate case.

One Time Credit – A typical residential water customer with a 5/8 X 3/4 inch meter will receive a one-time credit of **\$14.91** and a typical sewer customer will receive a one-time credit of **\$25.41** on their September bill.

SEE TABLE FOR TAX REFROM SAVINGS FOR LIBERTY CUSTOMERS

QUESTIONS ?

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Meter Sizes	One-Time Credit Water	One-Time Credit Sewer	Ongoing Monthly Credit - Water	Ongoing Monthly Credit - Sewer
5/8 X 3/4 inch	\$14.91	\$25.41	\$2.13	\$3.63
3/4 inch	\$22.40	\$29.33	\$3.20	\$4.19
1 inch	\$37.38	\$35.84	\$5.34	\$5.12
1 1/2 inch	\$74.69	\$52.92	\$10.67	\$7.56
2 inch	\$119.49	\$73.43	\$17.07	\$10.49
3 inch	\$239.05	\$127.89	\$34.15	\$18.27
4 inch	\$373.45	\$189.56	\$53.35	\$27.08
6 inch	\$746.97	\$360.22	\$106.71	\$51.46
8 inch	\$1,195.11	\$548.66	\$170.73	\$78.38
10 inch	\$1,717.94	\$822.22	\$245.42	\$117.46
12 inch	\$3,211.81	\$1,169.21	\$458.83	\$167.03
Morningstar Ranch	\$508.83	N/A	\$72.69	N/A