PURPOSE: The purpose of the amendment is to limit the revenue recovered for post-test year plant in the interim rates to six months of post-test year plant.

DELETE Findings of Facts Nos. 79-81

INSERT: New Findings of Facts as follows:

"In this proceeding for interim rates, we make no determination of the fair value of the Company's assets. However, we find that the rate base evidence presented in the 17-0257 docket provides a sound basis for evaluating the reasonableness of any interim rates.

We agree with RUCO that any evaluation of the rate base should include only a reasonable and customary inclusion of post test year plant. In Decision No. 76162, we stated that EPCOR was put on notice that it should not expect that post-test year plant would be approved in future rate cases unless there are circumstances that would warrant its inclusion. In Decision No. 71410, we agreed with Staff that inclusion of post-test year plant in rate base should occur only in special and unusual circumstances.

In this case we find it is appropriate to remove from the revenue recovered in the interim rates the incremental revenue included in the ROO in the 17-0257 Docket by including twelve months of post-test year plant instead of six months of post-test year plant."

DELETE: Table on Lines 17-25

REPLACE WITH: [Revised Table – EPCOR will provide information to complete the table below on page three of this amendment]

** Make all conforming changes

THIS AMENDMENT:

_____ Passed  _________ Passed as amended by

_____ Failed  ____ Not Offered  _____ Withdrawn
OLSON PROPOSED AMENDMENT NO. 1

DATE PREPARED: March 25, 2019

EPCOR Water Arizona, Inc.

AGENDA ITEM NO. 1

DOCKET NO.: WS-01303A-19-0011

OPEN MEETING DATE: March 28, 2019

DELETE: Table on Lines 1-13

INSERT: [Revised Table- To be provided by EPCOR]

PAGE 36 through PAGE 66

DELETE: Exhibit A

INSERT: Revised Exhibit A

** Make all conforming changes

THIS AMENDMENT:

_____ Passed _____ Failed _____ Not Offered _____ Withdrawn

Passed as amended by __________________________
### OLSON PROPOSED AMENDMENT NO. 1

**DATE PREPARED:** March 25, 2019

EPCOR Water Arizona, Inc.

**AGENDA ITEM NO. 1**

**DOCKET NO.: WS-01303A-19-0011**

**OPEN MEETING DATE:** March 28, 2019

<table>
<thead>
<tr>
<th>Line No.</th>
<th>District:</th>
<th>EPCOR Corrected ROO Revenue Increase 1</th>
<th>Adjustment to Adopt RUCO's Arizona and Corporate 50% Incentive Pay Allowance with Gross-up2</th>
<th>Adjustment to Reduce Post-test Year Plant Allowance to Six (6) Months</th>
<th>Adjustment to Remove Revenue Equivalent to Fair Value Increment in 17-0257</th>
<th>Interim Revenue Increase [A] + [B] + [C] + [D]</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agua Fria</td>
<td>$ (3,762,030)</td>
<td>$ (240,648)</td>
<td></td>
<td></td>
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<tr>
<td>2</td>
<td>Anthem</td>
<td>$ 2,693,534</td>
<td>$ (72,076)</td>
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<td>3</td>
<td>Chaparral</td>
<td>$ 1,784,313</td>
<td>$ (107,116)</td>
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<tr>
<td>4</td>
<td>Havasu</td>
<td>$ 14,995</td>
<td>$ (15,010)</td>
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<tr>
<td>5</td>
<td>Mohave</td>
<td>$ 2,068,080</td>
<td>$ (74,065)</td>
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<tr>
<td>6</td>
<td>North Mohave</td>
<td>$ 367,716</td>
<td>$ (8,761)</td>
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<tr>
<td>7</td>
<td>Paradise Valley</td>
<td>$ 788,647</td>
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<tr>
<td>8</td>
<td>Sun City</td>
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<td>9</td>
<td>Sun City West</td>
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<tr>
<td>10</td>
<td>Tubac</td>
<td>$ (163,517)</td>
<td>$ (5,726)</td>
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<tr>
<td>11</td>
<td>Willow Valley</td>
<td>$ 119,025</td>
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<td>12</td>
<td>Total</td>
<td>$ 9,434,347</td>
<td>$ (751,907)</td>
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</tbody>
</table>

1 Excludes 10% of Incentive Pay

2 Removes an additional 40% of Incentive Pay for a total reduction of 50%.

Amounts for Columns [C] and [D] to be provided by Company.

**Make all conforming changes**

**THIS AMENDMENT:**

- Passed
- Passed as amended by
- Failed
- Not Offered
- Withdrawn