

**PC Data Request 122**

**Re: Property Tax Expense.**

Please refer to the Rebuttal Testimony of Norman K. Ross, page 6, line 15 through page 7, line 5. Does Mr. Ross agree that the current estimate of 2014 property tax expense of \$124.2 million contained in the rebuttal filing is closer to the actual 2013 property tax expense of \$122.6 million than to the projected 2014 property tax expense contained in the Company's initial filing of \$130.17 million? If no, please explain, in detail, why not.

**Response to PC Data Request 122**

Yes, but as noted in the rebuttal testimony of Norman K. Ross, Exhibit NKR-1T at 7, the Company's initial pro forma property tax adjustment was based on an estimate of calendar year 2014 property tax expense that was closer to and yet lower than the Company's anticipated property tax expense during the rate effective period of \$133.1 million. But to remain consistent with the pro forma property tax adjustment approved by the Washington Utilities and Transportation Commission in the Company's prior rate cases, the Company updated the adjustment on rebuttal to reflect actual expense through September 30, 2014, resulting in the reduction from \$130.2 million to \$124.2 million.

PREPARER: Norman K. Ross

SPONSOR: Norman K. Ross