

**AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/25/2017
CASE NO.:	UE-170485 & UG-170486	WITNESS:	Elizabeth Andrews
REQUESTER:	UTC Staff - White	RESPONDER:	Don Falkner
TYPE:	Data Request	DEPT:	Tax Department
REQUEST NO.:	Staff – 041 Supplemental	TELEPHONE:	(509) 495-4326
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REQUEST:

Re: Adjustment 3.06, Pro Forma Property Taxes

Please provide an Excel spreadsheet listing actual property tax expense paid by the company for the calendar years 2012 through 2016. Please include separate analyses for electric- and natural gas-related properties. For years in which the property tax expense changed by more than 5% from the prior year, please provide a narrative explaining the reasons for the change (e.g., added significant new property.)

RESPONSE:

The reconciliation of 2016 property tax expense paid is currently not available. A listing of actual property tax expense paid by the company for the calendar years 2012 through 2016, as well as an explanation of changes greater than 5% year to year, will be provided in a supplemented response once available.

SUPPLEMENTAL RESPONSE:

Please see Staff_DR_041 Supplemental Attachment A for the actual property tax expense paid for 2012 through 2016.

In general, the year to year changes are related to changes in plant, financial earnings and cash flows generated by the company, but Avista's property tax levels are determined by professional assessors performing central assessment analysis for the various Departments of Revenue in the states of Washington, Idaho, Oregon and Montana where we have physical property. The professional assessors run various economic trending models using published financial information, generally FERC Form 1 and 2 and SEC 10-k information, as well as cost of capital information from national services. The assessors also incorporate professional judgement during their interpretation of the results of their economic modeling to produce annual assessed values. The central assessments are then allocated down to individual states, and then further down to individual counties, where numerous tax levy rates are applied to produce the property tax amounts that we are then required to pay those individual county offices.