

**ORDER OF THE KITTITAS COUNTY
BOARD OF EQUALIZATION**

Property Owner: Sagebrush Power LLC

Parcel Number: 957434

Assessment Year: 2012

Reference Number: 50-49-08274

Petition Number: BE 120210

Having considered the evidence presented by the party in this appeal, the Board hereby:

Sustains the determination of the assessor. Overrules the determination of the assessor.

Assessor's Appraised Value Determination

<input type="checkbox"/> Land	\$	
<input checked="" type="checkbox"/> Improvements	\$6,275,489	
<input type="checkbox"/> Timber/Minerals		
<input checked="" type="checkbox"/> Personal Property	\$74,392,721	

BOE Appraised Value Determination

<input type="checkbox"/> Land	\$	_____
<input type="checkbox"/> Improvements	\$	_____
<input type="checkbox"/> Timber/Minerals		
<input type="checkbox"/> Personal Property		

Assessor's Assessed Value Determination:

\$80,668,210

TOTAL Determination:

\$ _____

The issue before the Board is the assessed value of personal property/improvements.

A hearing was held on July 18, 2013. Those present: Board members: Ann Shaw, Reta Hutchinson, Jennifer Hoyt; Clerk Debbie Myers; Assessor Marsha Weyand; Appraiser Dana Glenn; Personal Property Deputy Edna Allphin; Appellant's representatives: Andrew Davis & Matthew Rakela with Ernst & Young LLP; John Taylor & Danielle Thurber with EDP Renewables North America LLC.

The Sagebrush Power LLC representatives stated their tax base would be really low if the income approach was used. They said they should not be taxed on the roads owned by the county or on intangible costs and referred to the assessment booklet provided on July 12, 2013. They also said they had been required to build two substations but had transferred the second substation in 2010 to BPA on the start up date.

There was discussion on tangible costs vs. intangible costs and soft costs vs. hard costs.

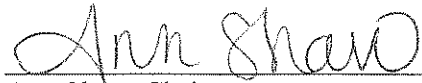
Assessor Marsha Weyand referred to exhibit B of the Assessor's Answer to Personal Property Petition, the Wind Turbine Guideline for 2012 from the Department of Revenue and said the hard costs are included in the sales and use costs and the costs the representatives referred to are soft costs and taxable. She also said they were not taxing roads; they are taxing costs to improve the roads. She said intangibles are assets and that soft costs going into the project are not intangibles.

Pursuant to RCW 84.40.0301, the value placed on the property by the assessor is presumed to be correct, and can only be overcome by clear cogent and convincing evidence. This means the appellant is required to provide enough information to convince this Board that it is highly probable the assessed value is incorrect.

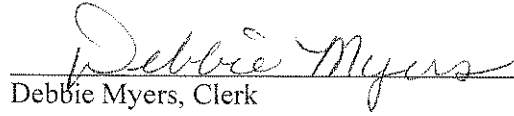
The Board determined there may be adjustments that need to be made to this personal property assessment but there is not enough supporting documentation provided by either party to justify a change by the Board of Equalization at this time. The information supplied by the taxpayer was suggestive that there are items of discussion but they did not give concrete evidence for justification for a change of value. Further

description/documentation of line items in the financial reports would be helpful in determining which line item should be considered and to evaluate if it is or is not a taxable item.

This order is signed and dated this 7th day of August, 2013.



Ann Shaw, Chairman



Debbie Myers, Clerk

NOTICE

This order can be appealed to the State Board of Tax Appeals by filing a notice of appeal with them at PO Box 40915, Olympia, WA 98504-0915, within thirty days of the date of mailing of this order. The Notice of Appeal form is available from either your county assessor or the State Board.

To inquire about the availability of this document in an alternate format for the visually impaired or a language other than English, please call (360) 753-3217. Teletype (TTY) users may call (800) 451-7985. You may also access tax information on our Internet home page at <http://www.wa.gov/dor/wador/htm>.

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