

ARIZONA DEPARTMENT OF REVENUE
Local Jurisdictions District – Centrally Valued Property Unit

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TAX YEAR 2024

ELECTRIC GENERATION COMPANIES

PROPERTY TAX FORM INSTRUCTIONS

FILING DUE DATE: APRIL 1, 2023

Reporting Year End December 31, 2022

FILING INFORMATION

This report is to provide information necessary for consideration in determining the full cash value of your electric generation property in Arizona for property tax purposes. (A.R.S. §§ 42-11051 through 42-11053, 42-14151 through 42-14153, 42-14156 through 42-14158, and 42-14001 through 42-14005). Additional information on the referenced statutes can be obtained on the internet at www.azleg.state.az.us/arizonarevisedstatutes.asp.

Forms will be mailed electronically via email, unless the taxpayer's email address is unknown or invalid. Due to the confidential nature of the information, taxpayers are encouraged to submit their Property Tax Form via secure and encrypted email chain initiated by the Department. The verification page must be signed, dated, and notarized for the report to be accepted by the Department. Please include all pages.

This form, supporting schedules and requested documents must be filed by April 1, or the extended due date if an extension is granted. Extension requests must be in writing and will be granted only for good cause. Extension requests should be only for reports, information, or documentation that is not available on April 1. The deadline for extension requests is March 20.

Refusal or failure to file a completed report on or before April 1, or on the extended due date if an extension is granted, will result in a valuation of one hundred five percent of the prior year's full cash value or a value based upon other information available to the Department. In addition, a penalty will be assessed in the amount of the lesser of one-half of one percent of the value estimated by the Department or one hundred dollars per day for each day the company fails to file the report calculated from the original due date, April 1. (A.R.S. §42-14152)

If a complete report is not filed by May 20, the taxpayer forfeits its right to appeal the valuation and classification of the property pursuant to A.R.S. § 42-14005. This report, even if submitted on or before the due date, will be considered incomplete, and therefore, delinquent and subject to a penalty pursuant A.R.S. § 42-14152, unless all information requested, including supplemental reports and company documents, are provided to the Department of Revenue. If additional information is requested by the Department, that information must be provided within the time period specified by the Department from the date of the request.

TAX YEAR 2024

FILING INSTRUCTIONS

1. File separate forms for each electric generation plant(s) owned, or partially owned as an undivided interest by the taxpayer. If the taxpayer is reporting multiple plants, copy the following forms, as needed. Each individual plant must be reported on its own and include DOR Form 82050, Tabs 2, 3, 4, 5, 6, 7, and 8. Combine all forms into a single filing.
2. Copies of the following reports and documents, as applicable to your company, as of December 31st of the preceding calendar year must be filed with this report, unless they are filed with your report for transmission and distribution property:
 - a. Financial statements of the entity owning the generation facility(s) as of December 31st of the preceding calendar year (audited statements, if available).
 - b. Annual report to stockholders, if applicable.
 - c. Parent company's or participating owner's annual report to stockholders, if applicable.
 - d. Federal Energy Regulatory Commission (FERC) Form 1, if applicable.
 - e. Energy Information Administration E.I.A-411 Report, "Coordinated Bulk Power Supply Program," if applicable.
 - f. Energy Information Administration E.I.A-412 Report, "Annual Report of Public Electric Utilities," if applicable.
 - g. Energy Information Administration E.I.A-759 or 900 Report, "Monthly Power Plant Report," whichever is applicable
 - h. Energy Information Administration E.I.A-860A or 860B Report, "Annual Electric Generation Report," whichever is applicable
 - i. Rural Utilities Service (RUS) Forms 12a, 12b, 12c, 12d, 12h, and 12i, if applicable.
 - j. Securities and Exchange Commission Form 10K. (If your company does not file this report, provide your parent company's Form 10K.)
3. All forms must be typewritten, or legibly printed in ink, or completed electronically using Microsoft Excel. If more space is required to complete any form, additional pages may be printed and attached as needed.
4. All amounts are to be rounded to the nearest dollar.
5. If filing electronically, input data in the blue highlighted cells only; yellow highlighted cells are formula computed. Reset print area as needed to include all reported data. Unless otherwise set, print area for each tab is preset to print one page of information.

ARIZONA PROPERTY TAX FORM INSTRUCTIONS
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STATEMENT OF ORIGINAL COST (PS1220-1)

LOCATION & ORIGINAL COST OF ALL REAL AND PERSONAL PROPERTY

**By Tax Area Code, Including Real Improvement CWIP,
Non-Capitalized Leased Property, and Materials and Supplies**

Companies who do not own transmission and distribution property in Arizona, and who have previously reported generation improvement/personal property cost, will receive a “Statement of Original Cost” (DOR form PS1220-01) report with their generation plant property tax form. This “Original Cost” data is used to allocate full cash value to the taxing jurisdictions where the generation plant property is located. For reference, the Statement of Original Cost will include real property improvements and personal property original costs as reported in the previous year, by county and tax area code. The taxpayer must update these figures in the current year columns to reflect the total original cost of real property improvements and personal property for each tax area code as of December 31st. If your company’s real improvements and personal property is being valued for the first time, please refer to Original Cost-Tab 10 of the Property Tax Form.

Utility companies with both generation and transmission and distribution property will receive a consolidated original cost report enclosed with the transmission and distribution property tax reporting form (DOR Form 82054).

Please update the Statement of Original Costs of real property improvements and personal property as of December 31st of the reporting year, including generation real property improvement construction work in progress, materials and supplies and non-capitalized leased property acquired during the year by county and tax area code. Do not include cost of fee land, land rights, licensed vehicles, or personal property construction work in progress on the Statement of Original Cost. **NOTE: Tax area codes are modified, added and deleted from time to time. Please review the Statement of Original Cost and make note of any tax area code change(s) and update your records accordingly. If you believe property is located within tax area codes not listed on the report, please verify that the tax area code is currently valid, then add the missing tax area code data to the bottom of the report as needed.** If tax area codes are not known, they can be obtained from the county assessor’s office in the county where the property is located.

OPERATING LAND BY TAXPAYER (PS1220-12)

Those taxpayers with land being valued for the first time as centrally valued property will not receive the Operating land by Taxpayer (PS1220-12) report, please complete and return Op Land Adds-Tab 8 of the Property Tax form in lieu of this report.

Taxpayers who do not own transmission and distribution property in Arizona, and who have previously reported generation plant land parcels to the Department, will receive a copy of a computerized report titled “Operating Land by Taxpayer” (PS1220-12) with their generation plant property tax form. This report contains all generation operating land parcels owned by the taxpayer that were valued by the Department in the previous year.

Utility companies with both generation, and transmission and distribution property, will receive a copy of their operating land report with the transmission and distribution property tax form. The report reflects operating land parcel information of both generation, and transmission and distribution utility property previously reported to the Department.

Please review this report to ensure the information listed is complete and correct. If a land parcel has sold or changed use during the previous calendar year, make note of the corrections.

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VALUATION METHODOLOGY

The full cash value of each electric generation facility will be the summation of the following:

1. The value of land used by the facility shall be the original cost to the current owner.
2. The valuation of real property improvements, used in operating the facility is the cost, including construction work in progress, multiplied by valuation factors prescribed by tables adopted by the Department.
3. The valuation of the personal property used in operating the facility is the cost multiplied by the valuation factors as prescribed by tables adopted by the Department, adjusted as follows:
 - a) For the first year of assessment, the value shall be adjusted to thirty-five percent (35%) of the scheduled depreciated value.
 - b) For the second year of assessment, the value shall be adjusted to fifty-one percent (51%) of the scheduled depreciated value.
 - c) For the third year of assessment, the value shall be adjusted to sixty-seven percent (67%) of the scheduled depreciated value.
 - d) For the fourth year of assessment, the value shall be adjusted to eighty-three percent (83%) of the scheduled depreciated value.
 - e) For the fifth and subsequent years of assessment, the value shall be the scheduled depreciated value of the property.
4. Materials and supplies as shown on the Taxpayer records as of December 31st of preceding calendar year.

In addition to the depreciation prescribed in paragraphs 2 and 3 above, the Taxpayer may submit documentation showing the need for, and the Department shall consider, an additional adjustment to recognize obsolescence using standard appraisal methods and techniques.

Personal property which is under construction and not in commercial service on December 31st of the preceding calendar year shall not be valued by the Department.

The valuation prescribed for real property improvements and/or personal property shall not reduce the valuation below ten percent of the cost of the property.

Notwithstanding paragraphs 2 and 3 above, the Department shall compute adjusted original cost for use in determining the 2024 full cash value of each existing electric generation facility that was in operation prior to January 1, 2001 pursuant to A.R.S. §42-14158. The adjusted original cost shall be used for computing the full cash value of those facilities for tax year 2001 and subsequent valuation years.

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REPORTING INSTRUCTIONS FOR PROPERTY TAX FORMS

On all reporting forms write the taxpayer name, designated DOR property taxpayer number, and generation plant name. Report data for each generation plant and/or fuel type on a separate form.

TAB 1 - PROPRIETARY INFORMATION (Tab 1)

Report proprietary information as outlined on the form.

TAB 2 – GENERATION PLANT DATA BY PLANT (Tab 2)

Enter the name and address of each generation plant. For each generation unit, report the date in operation, fuel type, turbine type, generator manufacturer, name plate MW capacity, net summer MW demand capacity, average heat rate, operation type, total gross generation kWh, and hours connected to load as outlined on the form.

TAB 3 – GENERATION PLANT LAND DESCRIPTION BY PLANT (Tab 3)

Report the plant name, county name, assessor parcel number, acre/size, original cost and whether owned or leased, for each parcel of land used in the operation of the generation plant. Land parcels not currently used directly in the operation of the generation plant should be reported to the local County Assessor for valuation as locally assessed property.

TAB 4 – REAL PROPERTY IMPROVEMENTS BY PLANT (Tab 4)

Report the plant name, number of buildings, use of each building, and a brief description including such information as building construction, size, etc. For site improvements, report the type of improvements along with a brief description to include such information as quantity, size, construction materials, etc.

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**TAB 5 – EXISTING GENERATION FACILITIES (2001 AND PRIOR)
REAL IMPROVEMENT AND PERSONAL PROPERTY COST BY PLANT (Tab 5)
COSTS INCURRED FOR YEARS 2001 AND PRIOR**

This tab is to be completed for electric generation plants in operation prior to January 1, 2001 only. On a separate reporting form for each plant and/or fuel type, report the plant name, total megawatts, the acquisition cost of all buildings and other real property improvements and personal property by year of acquisition as defined on page 8 of these instructions for 2001 and all prior years. Report the original cost of non-capitalized leased property on this form as plant in service cost in the year the lease commenced.

Columns 1 & 5: Report the cost of real property improvements and personal property of record as of December 31 by acquisition year. For costs incurred prior to 1968, report as one sum as if acquired in 1968.

Columns 2 & 6: Report the cost of additions, if any, recorded in the reporting year.

Columns 3 & 7: Report the cost of retirements, adjustments and transfers, if any, recorded in the reporting year, in the same year that the property retired was acquired.

Columns 4 & 8 Total costs reported in prior columns by year.

**TAB 6 – REAL IMPROVEMENT AND PERSONAL PROPERTY COST BY PLANT (Tab 6)
FOR COST INCURRED ON EXISTING PLANTS SINCE 2002 AND
NEW GENERATION FACILITIES COST SINCE 2001**

On a separate reporting form for each plant and/or fuel type, report the generation plant name, the fuel type, total megawatts, real property improvement construction work in progress (do not include personal property in the construction work in progress box), and materials and supplies as of December 31, in the designated boxes. For existing plants, in operation prior to January 1, 2001, report the total original cost of the real improvement property and personal property by acquisition year beginning with calendar year 2002 on this form (acquisition cost for years 2001 and prior are reported on tab 5). For generation plants in commercial service after January 1, 2001, report “cost” of real property improvements and personal property as defined on page 8 of these instructions in the year incurred beginning with year 2001. **Do not** report the cost of non-capitalized leased property on this form. Report leased property in Tab 7 – Non-Capitalized Leased Operating Property. Those costs will be combined with the cost of owned property in the valuation work papers in the respective acquisition year. Exclude the cost of Arizona licensed vehicles.

Columns 1 & 5: Report the cost of real property improvements and personal property of record as of December 31 by acquisition year

Columns 2 & 6: Report the cost of additions for real property improvements and personal property, if any, recorded in the reporting year.

Columns 3 & 7: Report the cost of retirements, adjustments and transfers, if any, recorded in the reporting year, in the same year that the property retired was acquired.

Columns 4 & 8 Total costs reported in prior columns by year.

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TAB 7 –NON-CAPITALIZED LEASED OPERATING PROPERTY BY PLANT (Tab 7)

On a separate reporting form for each plant and/or fuel type, report non-capitalized leased real and personal operating property located in Arizona as of December 31 of the reporting year. If there is no non-capitalized leased operating property to report, enter “None” on the first line in column one.

- Column 1 Name and address of the Lessor.
- Column 2 Name of the county in which the leased property is located.
- Column 3 Enter the letter “L” for land, “B” for buildings, or the letters “PP” for personal property.
- Column 4 A brief description of the leased property.
- Column 5 Original cost of the leased property to the lessor.
- Column 6 The start date of the lease.
- Column 7 The ending date of the lease.
- Column 8 Amount of lease payments made during the preceding calendar year.

TAB 8 – OPERATING LAND ADDITIONS BY PLANT (Tab 8)

For those generation plants previously valued by the Department, report land parcel additions that are not reflected on the enclosed “Operating Land Report”, PS 1220-12. On Tab 8, report only parcels purchased or which have changed use to electric generation operating property between January 1 and December 31 of the reporting year. Enter the county in which each parcel is located, four-digit tax area code, assessor’s parcel number, acreage, original cost, legal description and current use. Generation plants valued for the first time this year will not receive a PS 1220-12 computerized report. Instead, report all land parcel information associated with the operating generation facility, regardless of the date of acquisition, on Tab 8. Use a separate reporting form for each plant.

TAB 9 – NON-OPERATING PROPERTY (Tab 9)

Report all real and personal non-operating property, owned or leased, as of December 31 of the reporting year. Enter the county name, four-digit tax area code number, assessor’s parcel number(s), a brief property description, and size in acres. Include non-operating property carried under “Plant Held for Future Use” account.

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TAB 10 – STATEMENT OF ORIGINAL COST FIRST TIME FILERS (Tab 10)

This form is to be completed for generation plants filing real improvements and/or personal property costs for the first time. Generation plants valued for the first time this year will not receive an electronic version or a paper copy of the “Original Cost” report. Instead, report all original cost information associated with the operating generation facility, regardless of the date of acquisition, on this form. This form is used to allocate full cash value to the tax area code(s) in which the individual generation plant property is located. Report the original cost of all owned and leased property (original cost to lessor), real improvement construction work in progress, and materials and supplies, as of December 31 of the reporting year. Do not report the cost of land, land rights, licensed transportation equipment and personal property under construction in this schedule.

Generation properties previously valued by the Department will use the attached electronic version or the paper copy of the “Statement of Original Cost”, or the consolidated “Statement of Original Cost” enclosed or attached with the transmission and distribution property reporting forms for taxpayers with Arizona transmission and distribution property.

TAB 11 – ORIGINAL COST RECONCILIATION (Tab 11)
(For use only by Independent Power Producers without
Arizona electric transmission and distribution property)

Reconcile the cost of electric generation plant, as reported on DOR Form 82050, Tabs 5, 6, and 7, to the total amount reported on the enclosed or attached “Original Cost” report, or Tab 10 if this is the first year filing. The reconciliation includes real property improvements (including real improvement construction work in progress), personal property original cost, non-capitalized leased property (original cost to the lessor), and materials and supplies. Do not include the cost of land, land rights, licensed transportation equipment, or personal property under construction.

For taxpayers with both generation and transmission and distribution property in Arizona, original cost of generation assets is combined with the transmission and distribution property original cost and will be reconciled in the DOR Form 82054, “Electric Transmission and Distribution Companies.”

TAB 12 – VERIFICATION BY PLANT (Tab 12)

The completed form may be printed to .pdf and signed with a certified digital signature. The completed and signed .pdf may then be emailed to scasey@azdor.gov. It is not necessary to send a hard copy of the filing. If you prefer to sign by hand; paper copy of this page must be signed, dated, and notarized for the report to be accepted by the Department.

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GENERAL DISCLOSURE/REPRESENTAION AUTHORIZATION FORM 285-

A valid **Form 285** must be on file with the Department which authorizes the Department to release, disclose or discuss confidential information to the taxpayer’s contact person. If the contact person or employee is not a corporate officer or manager member of the company, the Department may be prohibited from discussing confidential information with the contact person or employee. Therefore, a valid **Form 285** must be on file for every person who will have interactions involving confidential information with the Department. **The Form 285 may be used to appoint such Appointee for multiple years.** Additionally, the **Form 285** may be used to grant an Appointee a Power of Attorney, if the appointed individual intends to represent the taxpayer before the Department in administrative matters.

The following are considered designated signatories for the Form 285: The following are considered designated signatories for the Form 285: (1) Corporate President; 2) Corporate Vice President; 3) Corporate Chief Executive Officer 4) Corporate Chief Financial Officer; 5) Corporate Principal Secretary; 6) Corporate Principal Treasurer; 7) Other Authorized Corporate Officer; 8) or LLC Manager Member.

If an employee, or anyone to whom all future correspondence is referred to, is completing the Property Tax Form on behalf of the company and is not one of Principal Corporate Officers or LLC Manager Members noted above, please have one of the Principal Corporate Officers or LLC Manager Members complete and sign a Arizona Form 285 (General Disclosure/ Representation Authorization Form) on behalf of the employee(s) if it is expected that the employee(s) may have to receive any future confidential information from the Department or field any future questions or clarify any information reported on the Property Tax Form submitted to the Department.

Finally, a **Form 285P** enables the taxpayer to designate a person or agent (“Appointee”) to whom the Arizona Department of Revenue can release confidential information concerning the taxpayer’s Centrally Valued Property, if the release of such information is not otherwise authorized by A.R.S. § 42-2003. **A separate Form 285P must completed for each appointed agent and must be filled out on a yearly basis.**

For a link to the website containing these authorization forms and instructions, go to:

<https://www.azdor.gov/Forms/PowerofAttorneyDisclosure.aspx>

Please Note: If you have previously filed a Form 285 General Disclosure/Representation Authorization Form with the Department, please review it and make sure it is current and up to date. If any revisions or changes need to be made, please make the appropriate changes and submit a new and updated Form 285 when you file this year’s Property Tax Form.

Otherwise, please submit a copy of the valid Form 285 with this year’s Property Tax Form.

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DEFINITIONS

1. **COMMERCIAL SERVICE** means the date the plant operator officially assumes operation and ownership of machinery and equipment used in a new facility constructed by others. For new machinery and equipment installed in an existing facility, or in a self-constructed plant, the commercial service date is that date for which it becomes useful for the intended purpose.
2. **CONSTRUCTION WORK IN PROGRESS** means the total of the balances of work orders for an electric generation plant in process of construction on December 31 of the preceding calendar year, exclusive of land rights and licensed vehicles.
3. **COST** means the cost of constructing the property, or acquiring the property in an arm's length transaction. The cost of personal property is the invoice cost of the personal property, the cost of transporting the property to the facility site and the cost of labor to install the property, plus any transaction privilege or use taxes paid. Please see A.R.S. § 42-14156 (A) (6) for a complete definition of cost.
4. **DEPRECIATION** means straight-line depreciation as prescribed in the valuation tables adopted by the Department.
5. **ELECTRIC GENERATION** is the process of taking a source of energy, including coal, natural gas, oil, nuclear fuel or renewable sources and converting the energy into electricity to be delivered to customers through a transmission and distribution system.
6. **LAND** means land owned or leased and used or useful for the generation of electric power.
7. **LAND RIGHTS** means interests, rights, and privileges held in land which is owned by others.
8. **MATERIALS AND SUPPLIES** means the cost, including sales, use and excise taxes and transportation costs to point of delivery in Arizona, less purchases and trade discounts, of all unapplied materials and supplies on hand in Arizona as of December 31 of the preceding calendar year.
9. **NON-CAPITALIZED LEASED OPERATING PROPERTY** means a lease agreement that transfers use of property to the lessee during the term of the lease and is property that is not capitalized on the lessee's balance sheet. The cost to be reported is the lessor's acquisition cost of said property, except in a lease financing transaction; the cost is the actual cost of construction based on the invoice cost just like any other type of financing.
10. **PERSONAL PROPERTY** means tangible property, except for land and real property improvements as described herein. It also includes foundations or supports for machinery or apparatus for which provided, including water-cooling towers.
11. **REAL PROPERTY IMPROVEMENTS** means buildings, including, but not limited to administration buildings, maintenance warehouses and guard shacks, as well as other improvements such as water retention ponds, sidewalks, drives, curbs, parking lots, tunnels, duct banks, canals, reservoirs, sewage treatment ponds, fencing and landscaping.