

Sorce File: P:\AA_Tax_Depreciation\AA_TAX_REFORM_2017\DEF_2nd_Set_Interrrogatories_15a.xlsx
DEF_OPC_ROG_15a_Response_Attachment_1.xlsx

Deferred Tax Example

***** ARAM - Average Rate Assumption Method *****

	Book (A)	Tax (B)	Timing Diff (C = A - B)	Cumulative Timing Diff (D)	Tax Rate (E)	GAAP FAS109				APB11			* ARAM *	
						Def Tax Cur Yr (F = C x E)	Tax Rate Change (G = PY D x Rate Diff)	Total Cur Yr (H = F + G)	Total Balance (I = Sum H)	Def Tax Cur Yr (J = C x E) OR (J = C x L)	Total Balance (K = Sum J)	ARAM Rate (L = K / D)	Regulatory Liability Cur Yr (M = J - H)	Regulatory Liability Balance (N = Sum M)
Year 1	2,000.00	4,500.00	(2,500.00)	(2,500.00)	35.00%	(875.00)		(875.00)	(875.00)	(875.00)		-	-	
Year 2	2,000.00	4,000.00	(2,000.00)	(4,500.00)	35.00%	(700.00)		(700.00)	(1,575.00)	(700.00)		-	-	
Year 3	2,000.00	3,500.00	(1,500.00)	(6,000.00)	21.00%	(315.00)	630.00	315.00	(1,260.00)	(315.00)		(630.00)	(630.00)	
Year 4	2,000.00	3,000.00	(1,000.00)	(7,000.00)	21.00%	(210.00)		(210.00)	(1,470.00)	(210.00)		-	(630.00)	
Year 5	2,000.00	2,500.00	(500.00)	(7,500.00)	21.00%	(105.00)		(105.00)	(1,575.00)	(105.00)		-	(630.00)	
Year 6	2,000.00	1,500.00	500.00	(7,000.00)	21.00%	105.00		105.00	(1,470.00)	147.00	29.40%	42.00	(588.00)	
Year 7	2,000.00	1,000.00	1,000.00	(6,000.00)	21.00%	210.00		210.00	(1,260.00)	294.00	29.40%	84.00	(504.00)	
Year 8	2,000.00	-	2,000.00	(4,000.00)	21.00%	420.00		420.00	(840.00)	588.00	29.40%	168.00	(336.00)	
Year 9	2,000.00	-	2,000.00	(2,000.00)	21.00%	420.00		420.00	(420.00)	588.00	29.40%	168.00	(168.00)	
Year 10	2,000.00	-	2,000.00	-	21.00%	420.00		420.00	-	588.00	29.40%	168.00	-	
	20,000.00	20,000.00	-			(630.00)	630.00	-		-		-		

ARAM is applied ASSET by ASSET in PowerTax