

NORMALIZATION CALCULATION FOR CORPORATE RATE REDUCTION

(Millions of dollars—Years)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total	
Tax expense	20	32	19.2	11.52	11.52	5.76	0	0	0	0	0	100
Book depreciation	10	10	10	10	10	10	10	10	10	10	10	100
Timing difference	10	22	9.2	1.52	1.52	(4.24)	(10)	(10)	(10)	(10)	(10)	0
Tax rate	35%	35%	21%	21%	21%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
Annual adjustment to reserve	3.5	7.7	1.9	0.3	0.3	(1.3)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	0
Cumulative deferred tax reserve	3.5	11.2	13.1	13.5	13.8	12.5	9.3	6.2	3.1	(0.0)	0	0
Annual adjustment at 21%						(0.9)	(2.1)	(2.1)	(2.1)	(2.1)	(2.1)	(9.3)
Annual adjustment at average rate						(1.3)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(13.8)
Excess tax reserve						0.4	1.0	1.0	1.0	1.0	1.0	4.5