

REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION

ref		Electricity Distribution Business:	Waipa Networks	
5			For Year Ended	2012
6				
7				
8				(\$000)
8		Earnings before interest and tax (EBIT)	6,726	from FS1
9				
10	add	Total Regulatory Depreciation	3,529	from FS1
11		Other Permanent Differences - not deductible	-	
12		Other Temporary Adjustments - Current Period	189	
13			3,718	
15	less	Non Taxable Capital Contributions and Vested Assets	637	
16		Tax Depreciation	2,499	
17		Deductible Discretionary Discounts and Customer Rebates	2,566	
18		Deductible Interest	2,082	from row 53
19		Other Permanent Differences - Non Taxable	-	
20		Other Temporary Adjustments - Prior Period	189	
21			7,974	
22				
23		Regulatory taxable income for Year	2,470	
24				
25	less	Tax Losses Available at Start of Year		
26		Net taxable income	2,470	
27				
28		Statutory Tax Rate	28%	
29		Regulatory Tax Allowance	692	to FS1

Notes to Regulatory Tax Allowance Calculation

36	FS3a: Description of adjustments classified as "other"
37	
38	The Electricity Distribution Business is to provide descriptions of items recorded in the four "other" categories above (explanatory
39	notes can be provided in a separate note if necessary).
40	
41	Employee entitlements
42	
43	
44	
45	

48	FS3b: Financing assumptions (for Deductible Interest and Interest Tax Shield calculation)		
49			
50	Standard Debt Leverage Assumption (debt/total assets)	40%	%
51			
52	Standard Cost of Debt Assumption	5.82%	%
53			
54	Deductible Interest	2,082	\$000
55			to row 18
56	Interest Tax Shield Adjustment	583	\$000
			to MP2