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December 26, 1986

Mr. Ralph Teed
Rates & Research Department
Arkansas Power & Light Company
P. O. Box 551
Little Rock, Arkansas 72203

Re: AP&L Cases Nos. AO-87-48 ✓ and ER-85-265

Dear Mr. Teed:

Enclosed herein is Mines Data Request No. 1 relative to the above captioned cases.

Your prompt attention to this Data Request will be appreciated.

Sincerely,

Robin E. Fulton

FILED
DEC 29 1986
PUBLIC SERVICE COMMISSION

REF:njc
Enclosure

cc: Mr. James Swearingen-w/encl.
Mr. Harvey Hubbs, Sec. PSC-w/encl. ✓

RECEIVED
DEC 29 1986
MR. PUBLIC SERVICE COMMISSION

ARKANSAS POWER & LIGHT COMPANY
Missouri Public Service Commission
Case Nos. AO-87-48 and ER-85-265

Mines Data Request No. 1

Item No.	Description
1.	<p>a. Are the deferred tax amounts that are set forth on Attachment One created by the Missouri Phase-In ordered by the Commission in ER-85-265?</p> <p>b. Is AP&L aware of any IRS rule or tax law provision that would preclude immediate refund of the deferred taxes set forth on Attachment One.</p>
2.	Please provide a copy of all bills from MSE to APL for Grand Gulf Power purchases from the commercial operation date through June 1986.
3.	Please provide an estimate of effects of the Tax Reduction Act on the purchased power expense for Grand Gulf Power for the test year ended June 1986 based on 1987 taxes and based on 1988 taxes.
4.	<p>a. Please provide a copy of all testimony, exhibits and workpapers submitted to the Arkansas PSC or its Staff in regard to the AP&L-Arkansas rate reduction related to the Tax Reform Act of 1986.</p> <p>b. Also provide a copy of all correspondence between AP&L and the Arkansas PSC or its Staff in this regard.</p>

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PUBLIC SERVICE COMMISSION

Mines Data Request No. 1
(continued)

Item
No.

Description

5.

- a. Please provide the effect of the tax law changes based upon the ICP jurisdictional allocation methodology approved by the Commission in Case No. ER-85-265
- b. Please provide copy of all workpapers used to develop the effect of the tax law changes on both the average & peak methodology and the ICP methodology.



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Attorneys for ASARCO Incorporated
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ARKANSAS POWER & LIGHT COMPANY

NON-DEPRECIATION RELATED ACCUMULATED DEFERRED INCOME TAX(*)
SUBJECT TO POSSIBLE REFUND DUE TO DECREASE IN FEDERAL TAX RATE(**)

FILE TAX8T34X

ACCT #	DESCRIPTION	12-31-86 ESTIMATED BALANCE @ 47.49% BALANCE @ 41.84% TAX RATE	BALANCE REQUIRED AT 41.84% TAX RATE	DEFERRED TAX TO BE TURNED AROUND	REFUND AMOUNT REVENUE CONV. @ 1.719%	MISSOURI ALLOCATION	MISSOURI REFUND AMOUNT
282.101	INTEREST CAP. ON NUCLEAR FUEL	129,962	114,500	15,462	26,585	0.0167	976
282.860	GG1 - MISSOURI RETAIL	1,331,492	1,173,081	158,411	272,372	1.0000	272,372
		1,461,454	1,287,581	173,873	298,957		273,348

ACCT #	DESCRIPTION	12-31-87 ESTIMATED BALANCE @ 41.84% BALANCE @ 36.22% TAX RATE	BALANCE REQUIRED AT 36.22% TAX RATE	DEFERRED TAX TO BE TURNED AROUND	REFUND AMOUNT REVENUE CONV. @ 1.5679	MISSOURI ALLOCATION	MISSOURI REFUND AMOUNT
282.101	INTEREST CAP. ON NUCLEAR FUEL	0	0	0	0	0.0167	0
282.860	GG1 - MISSOURI RETAIL	2,692,414	2,330,766	361,648	567,028	1.0000	567,028
		2,692,414	2,330,766	361,648	567,028		567,028
	TOTAL REFUND				865,985		840,376

(*) MISSOURI NORMALIZED ITEMS ONLY.
(**) DECREASE IN FEDERAL TAX RATE RESULTS IN AN INCREASE IN
THE STATE TAX RATE - OVERALL EFFECTIVE RATES ARE USED.