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2/27/87
February 27, 1987

Mr. Harvey G. Hubbs
Secretary
Missouri Public Service Commission
P. O. Box 360
Jefferson City, Missouri 65102

Re: Case No. AO-87-48

Dear Mr. Hubbs:

Enclosed for filing in the above-referenced proceeding is an original and fourteen (14) copies of Arkansas Power & Light Company's Motion for Rehearing, or in the Alternative, for Extension of Time.

If there are any questions, please let me know.

Sincerely yours,

HAWKINS, BRYDON & SWEARENGEN P.C.

By:

Gary W. Duffy
Gary W. Duffy

GWD/da
Enclosures
cc: All Parties of Record

FILED

FEB 27 1987

PUBLIC SERVICE COMMISSION

FILED
FEB 27 1987
PUBLIC SERVICE COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the investigation)
of the revenue effects upon)
Missouri utilities of the Tax)
Reform Act of 1986.)

Case No. AO-87-48

MOTION FOR REHEARING, OR IN THE ALTERNATIVE,
FOR EXTENSION OF TIME

Comes now Arkansas Power & Light Company (hereinafter "AP&L"), by counsel, pursuant to §386.500 RSMo 1986, and for its motion respectfully states as follows:

1. By Order dated February 20, 1987, the Commission denied Arkansas Power & Light Company's Motion of February 9, 1987. The motion had requested a waiver from the filing requirements for calendar year 1986 data and reiterated a request previously made by AP&L on December 15, 1986. AP&L notes that the Commission has granted waivers from the reporting requirements for other companies that appear to be factually indistinct from AP&L's request.

2. AP&L reiterates that no significant events have taken place since the filing of the data on December 15, 1986 to cause a substantial change in the tax savings. As proof of that assertion, AP&L states that the change in total company net plant from June 30, 1986 to December 31, 1986 amounts to an increase of approximately \$26,423,000, of which the Missouri jurisdictional portion would be approximately \$753,000. That in turn would

result in only a \$15,000 increase in the estimated Missouri jurisdictional tax savings above the \$1,650,000 level determined based upon June 1986 cost data, an amount that would be indistinguishable in changing rates. In light of this negligible difference, AP&L requests the Commission to reverse its prior order and not require AP&L to file December 1986 cost data by issuing an order relieving it from that obligation.

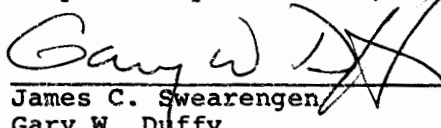
3. If the Commission remains unwilling to exempt AP&L from the pending requirement, AP&L suggests as an alternative that it be allowed to modify the June 1986 data to reflect an annualized revenue level and the single coincident peak jurisdictional allocation, which AP&L understands are Staff's primary objections. Such information can be provided in approximately a week after notification to AP&L that such an abbreviated filing would be an acceptable substitute to a full cost of service study.

4. AP&L does not have the requested December 1986 cost of service data available and it is physically impossible to create the data by March 2, 1987. To fully comply with the terms of the Commission's prior order will require the creation of three cost of service studies (at 46%, 40% and 34% tax rates) which AP&L estimates will consume approximately eight weeks of time. Such studies require the coordinated and sequential actions of the accounting, load research and rate departments to acquire the necessary data and process it. AP&L had sought to avoid the substantial expense involved in such a process knowing that the

tax savings estimate that will result from a December 1986 analysis will not be materially different from the June estimate filed on December 15, 1986. However, if the Commission is unwilling to exempt AP&L from the previously ordered filing requirement, or allow the company to substitute modified June 1986 data, AP&L requests an extension of time to and including April 24, 1987 to comply with the Commission's order.

WHEREFORE, for the above-stated reasons, AP&L moves the Commission to reverse its prior order and grant the waiver requested in AP&L's motion filed February 9, 1987. In the alternative, AP&L moves the Commission for an order stating that the data described in paragraph 3 hereof may be filed as a substitute for the previously ordered material, and that AP&L be allowed six full working days from the date following the issuance of the order to file such information. If neither alternative is acceptable, AP&L moves the Commission to issue an order granting it an extension of time for filing the data from March 2, 1987 to and including April 24, 1987.

Respectfully submitted,

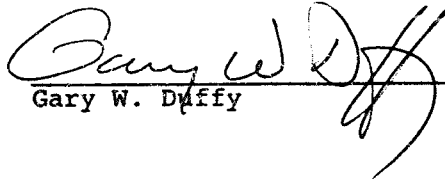


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Attorneys for Arkansas Power &
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Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing document was served on counsel for all parties to the above-referenced dockets by depositing a copy of same with the United States Postal Service this 27th day of February, 1987, at Jefferson City, Missouri.



Gary W. Duffy