

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF THE APPLICATION)
OF HOWARD W. MOTLEY, JR., FOR AN)
INQUIRY INTO THE EFFECT OF THE)
1986 TAX REFORM ACT ON OKLAHOMA)
UTILITIES.)

PUD CAUSE NO. 000260

APPLICATION

APPLICANT: Howard W. Motley, Jr., Director
Public Utility Division
500 Jim Thorpe Office Building
Oklahoma Corporation Commission
Oklahoma City, OK 73105

RESPONDENTS: Arkansas Louisiana Gas Company
Arkansas Oklahoma Gas Corporation
Empire District Electric Company
General Telephone Company of the Southwest
KPL Gas Service Company
Lone Star Gas Company
Oklahoma Gas & Electric Company
Oklahoma Natural Gas Company
Public Service Company of Oklahoma
Southern Union Gas Company
Southwestern Bell Telephone Company
Southwestern Public Service Company

ALLEGATIONS OF FACT:

On October 22, 1986, the President of the United States signed the 1986 Tax Reform Act. This act revises the corporate tax rate from 46 percent to 34 percent, effective July 1, 1987. As a result, calendar year companies will experience an effective tax rate of 40 percent for 1987 and a 34 percent rate for 1988.

It is in the public interest that this Commission act as quickly as possible to determine the effect of the Tax Act on Oklahoma utilities.

Therefore, the Staff requests that the Companies named herein be required to appear at a technical conference in order to establish the scope of the information required to determine the effect of the Tax Act. Further, the timing for providing such information for quantification and regulatory treatment should be established at this conference.

Other issues which should be addressed are unrecorded tax liabilities which have been disclosed for financial reporting purposes but not addressed from a regulatory standpoint and the treatment of the tax rate change on deferred taxes related to non-depreciation items.

LEGAL AUTHORITY:

Article IX, Section 18 of the Oklahoma Constitution, 17 O.S. §137 and 17 O.S. §151 et. seq.

FILED
OCT 23 1986
SECRETARY
CORPORATION COMMISSION
OF OKLAHOMA

CERTIFICATE OF MAILING

This is to certify that on the 23rd day of October, 1986, a true and correct copy of the above and foregoing Application was mailed, postage prepaid to:

Arkansas Louisiana Gas Company
P.O. Box 21743
Shreveport, LA 71151-0001

Arkansas Oklahoma Gas Corporation
P.O. Box 2406
Fort Smith, AR 72902-2406

Empire District Electric Company
P.O. Box 127
Joplin, MO 64802-0127

General Telephone Company of the Southwest
3030 Northwest Expressway, Suite 720
Oklahoma City, OK 73112

KPL Gas Service Company
2460 Pershing Road
Kansas City, MO 64108-2549

Lone Star Gas Company
P.O. Box 878
Sherman, TX 75090-0150

Oklahoma Gas & Electric Company
P.O. Box 321
Oklahoma City, OK 73101-0321

Oklahoma Natural Gas Company
P.O. Box 871
Tulsa, OK 74102-0871

Public Service Company of Oklahoma
P.O. Box 201
Tulsa, OK 74102-0201

Southern Union Gas Company
United Bank Tower, Suite 900
400 W. 15th Street
Austin, TX 78701-1647

Southwestern Bell Telephone Company
P.O. Box 26707
Oklahoma City, OK 73126-0707

Southwestern Public Service Company
P.O. Box 1261
Amarillo, TX 79105-1261

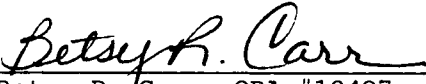
Mr. Michael Turpen
Attorney General
112 Capitol
Oklahoma City, OK 73105

Betsy K. Carr

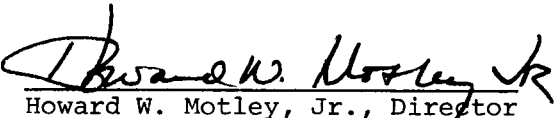
RELIEF SOUGHT:

WHEREFORE, Applicant requests this Commission require the companies named herein to appear at a technical conference as set forth herein.

Respectfully submitted,


Betsy R. Carr, OBA #10487
Assistant General Counsel
460 Jim Thorpe Office Building
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Oklahoma City, OK 73105

ATTORNEY FOR APPLICANT


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