

STATE OF FLORIDA

COMMISSIONERS:  
LILA A. JABER, CHAIRMAN  
J. TERRY DEASON  
BRAULIO L. BAEZ  
RUDOLPH "RUDY" BRADLEY  
CHARLES M. DAVIDSON



OFFICE OF THE GENERAL COUNSEL  
HAROLD A. MCLEAN  
GENERAL COUNSEL  
(850) 413-6199

# Public Service Commission

April 8, 2003

## STAFF'S THIRD DATA REQUEST

Martin Friedman, Esquire  
Rose, Sundstrom & Bentley, LLP  
600 S. North Lake Blvd., Suite 160  
Altamonte Springs, Florida 32701

**Re: Docket No. 020408-SU - Application for Rate Increase in Seminole County by Alafaya Utilities, Inc.**

Dear Mr. Friedman:

By this letter, the Commission staff requests that Alafaya Utilities, Inc. (Alafaya or utility) please provide responses to the following data requests.

### Special Depreciation Allowance and Accumulated Deferred Income Taxes

According to a new law implemented in 2002, a special depreciation allowance was created to allow the recovery of a portion of the cost of qualified property. Specifically, the new law provides for an additional first-year depreciation deduction equal to 30% of the adjusted basis of qualified property placed into service after September 10, 2001, and before September 11, 2004.

- a) If Alafaya has filed its 2002 tax return, did it claim the special depreciation allowance on any plant additions placed in service from September 10, 2001, to December 31, 2002?
  - 1) If so, please provide a calculation of the impact on the utility's accumulated deferred income taxes for the year ending December 31, 2002.
  - 2) If not, does Alafaya plan to amend its 2002 tax return in order to claim the special depreciation allowance? If yes, please provide a calculation of the impact on the utility's accumulated deferred income taxes for the year ending December 31, 2002.
  
- b) If Alafaya has not filed its 2002 tax return, does it plan to claim the special depreciation allowance on any plant additions placed in service from September 10, 2001, to December 31, 2002? If so, please provide a calculation of the impact on the utility's accumulated deferred income taxes for the year ending December 31, 2002.

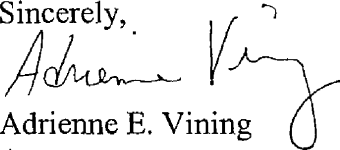
DOCUMENT NUMBER DATE  
04026 MAY-28  
FPSC-COMMISSION CLERK

Martin Friedman, Esquire  
Page 2  
April 8, 2003

c) For the 2003 tax year, does Alafaya plan to claim the special depreciation allowance on any pro forma plant additions reflected on MFR Schedule A-3? If so, please provide a calculation of the impact on the utility's accumulated deferred income taxes.

Please file the original and five copies of the requested information by April 30, 2003, with Ms. Blanca Bayó, Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6183 if you have any questions.

Sincerely,



Adrienne E. Vining  
Attorney

cc: Division of the Commission Clerk and Administrative Services  
Division of Economic Regulation (Fletcher)