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March 29, 1991

Mr. Steve Tribble
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0850

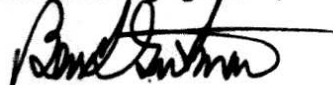
Re: Docket No. 900816-WS, Petition for Rate Increase in Martin
County by SAILFISH POINT UTILITY CORPORATION

Dear Mr. Tribble:

Enclosed for filing is the original and 15 copies of Utility's
Objections to Citizens First Request for Production of Documents
and for Inspection of Property of Sailfish Point Utility
Corporation in the above referenced rate case.

Thank you for your assistance.

Sincerely yours,



Ben E. Girtman

- ACK ✓
- AFA 1
- APP _____
- CAF _____
- CMU _____
- CTR BEG/sw
- EAG Enclosure
- LEG cc w/ enc.:
- LIN 1 w/m
- OPC _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

- Hal R. Bradford, Esq.
- Mr. Richard A. Sonntag
- Mr. William H. Weber
- Mr. Joe O'Gorman
- Mr. Frank Seidman

DOCUMENT NUMBER-DATE

03107 MAR 29 1991

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition for Rate Increase) Docket No.: 900816-WS
in Martin County by SAILFISH POINT) Submitted
UTILITY CORPORATION) for filing: March 29, 1991

UTILITY'S OBJECTIONS TO
CITIZENS FIRST REQUEST FOR PRODUCTION OF
DOCUMENTS AND FOR INSPECTION OF
PROPERTY OF SAILFISH POINT UTILITY CORPORATION

COMES NOW, Sailfish Point Utility Corporation, Petitioner for a rate increase in the above styled proceeding, and in support of its objections states that:

I. Background

A. On March 15, 1991, the Office of Public Counsel (OPC) filed its Notice of Intervention in the above styled cause.

B. Informal telephone communications between counsel for the Utility and counsel for OPC, including two conference calls with utility representatives and expert witnesses from OPC and the Utility, have resulted in the informal scheduling of a visit by OPC representatives to examine the plant and certain documents on April 1-3, inclusive.

C. On March 22, 1991, counsel for OPC hand delivered to the Utility's counsel its First Request for Production of Documents and for Inspection of Property of Sailfish Point Utility Corporation.

D. PSC Order No. 24136, Order Establishing Procedure, issued February 19, 1991 requires that an objection or request for clarification of a discovery request must be made within ten (10)

days of service of the discovery request, rather than the normal thirty (30) days provided under the applicable Florida Rules of Civil Procedure.

E. For the purposes of facilitating the handling of discovery and for raising objections and for clarification, the Utility responds to the OPC request as follows.

II. General Objections

In addition to objections raised in Parts III and IV, the Utility raises the following general objections:

1. The Utility objects if any document, other than as understood to be requested and as described herein, is subsequently interpreted to be included in the OPC Request for Production. The Utility is responding to the Request for Production as it reasonably interprets the Request, and another interpretation (if there is any) would result only from vagueness of the request.

2. Some requested documents are not within the possession, custody or control of the Utility, and to the extent that the Utility may attempt to acquire access to any or all of such documents for the purpose of responding to the OPC Request, the Utility reserves the right to object to this or any future request on the basis of lack of possession, custody or control. Furthermore, the Utility does not have authority to waive any objections or defenses that may now or hereafter be available to any person or entity which may have possession, custody or control.

3. Requests for separation of documents by value recited

therein (including but not limited to invoices for \$500 or more) are oppressive and would create an undue burden and expense. However, as more specifically set forth herein, reasonable efforts are being made to try to provide access to documents requested.

4. If any Request is interpreted in a manner which would require production of duplicative, unwieldy or large numbers of documents, the Utility objects to any such interpretation or the production of any such documents on the grounds of duplication, annoyance, oppression, undue burden and expense.

5. If any Request is interpreted in a manner which would require the production either of documents which have not been completed and published, or of any documents which are used in the preparation of such documents, the Utility objects on the grounds that they are protected by privilege, that they are confidential proprietary business information, and that they represent confidential communications in aid of accounting services governed by the accountant-client privilege.

6. If any request is interpreted to include documents or information not relevant to this proceeding, or not reasonably calculated to lead to discoverable or admissible evidence, the Utility objects to such interpretation and to such request.

7. For any request which may seek the production of documents showing salary levels of specific non-utility personnel, data is being provided to allow analysis of the propriety of the allocation and it is therefore unnecessary to provide the specific salary level. However, to the extent that specific salary

information is requested, any salary information outside the current test year is not relevant to the case and is not reasonably calculated to lead to discovery of admissible evidence. Such requests also infringe upon privacy rights of the individuals.

III. Documents Requested

1.a. The Utility objects to the request to produce the Mobil Corporation 1990 Annual Report to shareholders in that it is not in the possession, custody or control of the Utility. However, the Utility has requested a copy, if one is available.

1.b. The Utility objects to the request to produce the Mobil Corporation 1990 Form 10-K to shareholders in that in that it is not in the possession, custody or control of the Utility. However, the Utility has requested a copy, if one is available.

1.c. The Utility objects to the request to produce the Mobil Corporation Form 10-Q's for the first three quarters of 1989 and 1990 in that they are not in the possession, custody or control of the Utility. However, the Utility has requested a copy.

1.d. The Utility objects to the request to produce the Mobil Corporation Form 8-K's issued during 1989, 1990 and 1991 to date in that they are not in the possession, custody or control of the Utility. However, the Utility has requested a copy.

2. A service area map showing platted lots and customer locations will be provided. This is a copy of the same map provided to the PSC as part of the MFRs as required by Rule 25-30.440(1)(b), F.A.C. If other data is requested to be included on

a map, the Utility objects in that there is no showing that data is necessary other than as required by the Commission rule, or it is not relevant to this proceeding, or it is not reasonably calculated to lead to discoverable or admissible evidence.

3. Salary information will be provided for the current utility employees. A list of current utility employees, including job descriptions, has been provided in the MFR, Volume III, Section H. In regard to service provided by affiliated personnel:

a. There are no service agreements. The expenses of Mobil Land Development (Florida) Corporation [hereinafter MLD(FL)C] are billed to each subsidiary on an allocated basis.

b. The Utility objects to identifying individual service company personnel and their compensation. It is irrelevant and immaterial because the total MLD(FL)C expense is allocated based on head count. The Utility is providing the documentation supporting the allocation. It identifies each position in MLD(FL)C and the allocation of each position. A description of the services provided by each of the MLD(FL)C departments is also being provided. The total allocated charge to SPUC for 1989 and 1990 is also being provided, since the historic year overlaps 1989 and 1990.

IV. Request to Inspect and Copy

1. SPUC is making its best effort to have the tax workpapers generated by the Dallas Accounting Center available for the meeting scheduled April 1-3. If they cannot be available at that time,

such workpapers as are relevant to the tax treatment of utility property will be provided as soon thereafter as possible.

2. See Response to #1 above.

3. See Response to #1 above.

4. See Response to #1 above.

5. Copies of rate case expenses for which SPUC is seeking recovery (as billed to date) will be available April 1.

6. There are no management or service contracts, and therefore none can be provided.

7. Copies of loan agreements will be available April 1.

8. The Utility will provide a computer printout identifying all invoices exceeding \$500.00 by account #, vendor, short description and amount. The Utility will pull for inspection a reasonable number of invoices upon OPC request. The Utility objects to having to separate the invoices into groups above and below \$500.00, in that this is an overly broad, burdensome and expensive and unnecessary request.

9. Offering statements and other relevant documents will be available April 1.

10. The Utility objects to this request speculating on whether the Utility may one day be sold to a non-affiliated entity in that the request is irrelevant to this proceeding. The Utility further objects on the grounds that the request is not reasonably calculated to lead to discoverable or admissible evidence. And the Utility objects to the wording of the request in that it assumes an "intent" not shown to exist.

11. For continuing property records or fixed asset records, see response to Requests #12 and #13.

12. The Utility will make available for inspection the contracts, invoices or similar relevant documents. However, the Utility objects on the grounds that it would be overly burdensome to separate information on fixed assets by dollar amount. See also response to Request #8.

13. Purchase orders and the other relevant documents regarding fixed asset additions through the projected test period will be available April 1.

14. The collection of meter fees, connection charges and the like are based on PSC tariff charges and are not contractual, therefore no contracts can be provided.

15. There are no agreements between SPUC and SPI, and therefore none can be provided.

16. The Utility is making its best effort to have ITC data available on April 1. See response to Request #1 above.

17. The Utility is aware of only one allocation agreement, and that tax agreement will be available April 1.

18. Copies of monthly trial balances will be available April 1.

19. The Utility objects on the basis that Rule 25-30.440(4) F.A.C. requires filing water and wastewater operating reports only for the test year and the year proceeding the test year. Copies of the reports for the two years ended June 30, 1990 were filed as MFR Volume III, Section D. The Utility objects to production of

duplicate copies. However, copies of the DER monthly operating reports for January-June, 1988 will be available April 1 at Palm Beach Gardens, and those for July, 1990 through the current report will be available April 2 at the Utility plant.

20. The only "reports" that the Utility is aware of are 1) the plant operating reports which are provided under Request #19, and 2) the report submitted to obtain a construction permit for the plant expansion, which is available in response to Request #21. Those are the only "reports" submitted by the Utility, and the Utility objects to any other interpretation as being vague.

21. The Utility objects to the extent that the request does not recognize that the need to establish redundancy capabilities is not a specific requirement by DER that would be discussed in communications, but it is a design requirement necessary to comply with Rules 17-610.300(4)(c) and 17-610.462, F.A.C. In light of that interpretation, the request will be responded to by providing a copy of the application for the plant modification, and the intermediate communications leading up to and including the construction permit. The permit and some of the intermediate communications have already been made available in the MFR Volume III, Section F, pages 154-169. Communications not already included in the MFRs will be available April 1. The Utility objects to any other interpretation of this request as being vague.

22. The Utility is not aware of any information documenting any plan to address DER permit requirements other than that provided in response to Request #21, and the Utility objects to any

other interpretation of the request as being vague.

23. Documents relating to fire flow capacity will be available April 2 at the time of the OPC engineer's inspection of the plant.

24. On April 2 at the time of inspection of the plant, the Utility will make available to OPC a copy of the map depicting utility facilities which was submitted to the PSC as part of the MFRs as required by Rule 25-30.440(1)(a), F.A.C. The Utility objects to any other interpretation of the request as being vague.

In response to the request for the OPC engineer witness to inspect plant-in-service, by mutual agreement between counsel for OPC and for the Utility, the appropriate individual will be made available between 12:30 and 5:00 p.m. on Tuesday, April 2, to answer questions.

Respectfully submitted this 29th day of March, 1991.



Ben E. Girtman
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(904) 656-3232

Attorney for
Sailfish Point Utility Corporation

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been sent to Mr. Stephen C. Reilly,* Office of Public Counsel, 111 West Madison Street, 812 Claude Pepper Building, Tallahassee, FL 32399-1400, Wm. Reeves King, Esq., 500 Australian Avenue So., Suite 600, Clearlake Plaza, West Palm Beach, FL 33401, and Catherine Bedell, Esq., Florida Public Service Commission, Division of Legal Services, 101 East Gaines Street, Tallahassee, FL 32399-0873 by U.S. Mail, this 29th day of March, 1991.

* By hand delivery



Ben E. Girtman