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**Management & Regulatory Consultants, Inc.**

**ORIGINAL  
FILE COPY**

April 22, 1991

Mr. Steve Tribble, Director  
Division of Records and Reporting  
Florida Public Service Commission  
101 E. Gaines Street  
Tallahassee, Florida 32399-0870

Re: Docket No. 900816-WS Application of Sailfish Point Utility  
Corporation for Rate Increase in Martin County

Dear Mr. Tribble:

As provided for in your letter of April 12, I am enclosing the attached response to the Staff Audit Report, on behalf of the applicant, for consideration by the staff analyst.

Very truly yours,

MANAGEMENT AND REGULATORY CONSULTANTS, INC.

Frank Seidman,  
President

cc: J. A. O'Gorman, Controller  
Hal Bradford, Esq.  
Ben E. Girtman, Esq.

DOCUMENT NUMBER-DATE  
03980 APR 25 1991  
PSC-RECORDS/REPORTING

**SAILFISH POINT UTILITY CORPORATION**

**COMPANY RESPONSE TO STAFF AUDIT REPORT - DOCKET NO. 900816-WS**

**Audit Exception No. 1**

Company disagrees in part with this exception. According to Company compilation of CIAC and meter installations, the amount of \$3,150 shown for 1981 is correct. It represents 18 residential meters at \$175.00 each. Company agrees with the \$620.00 adjustment for 1982. Two \$310.00 fees were not included in the total for that year. Company disagrees with adjustment for 1983. According to its records, the \$84.00 fees for eleven docks are included in the total. See attached Schedule A.

**Audit Exception No. 2**

Company disagrees with this exception. The reclassifications shown on Schedule B-3 O & M Reclass Detail, page 3 (MFR p. 52) were all booked in July, and August, 1990. They are not expenses in the historic year ended June, 1990, therefore they cannot be deducted from that year. Since the O & M expenses for 1991 and 1992 are projected from the adjusted 1990 level, these expenses are not included in those years either. The membrane replacement expense of \$1,348 has been included as an adjustment to the June, 1990 expense so that it can be properly included as a basis for projecting the 1991 and 1992 expenses. The 1989 rate case expense was identified only as a basis for determining the amount to be included in Account 186 for amortization. It is carried over to Schedule B-7 at MFR p.77. No adjustment to MFR B-1 and B-2 is necessary.

**Audit Exception No. 3**

Company agrees with this exception.

**Audit Disclosure No. 1**

An audit adjustment has been made by the Mobil Tax Administration Department to reflect these assets as tax assets.

**Audit Disclosure No. 2**

No Comment

**Audit Disclosure No. 3**

Company agrees with the Statement of Fact and the conclusion that depreciation expense for the historic year is understated when compared to FPSC guideline rates. However, Company wishes to make clear that, since a rate change was not authorized, the computed difference in depreciation expense does not effect the depreciation reserve balance until after the historic year. Therefore this observation has no impact on the rate filing.

Audit Disclosure No. 4

Company notes that this disclosure is incorrect. The amortization of water CIAC for 1992 as calculated in the MFR is \$24,064 as shown on MFR p. 83. It is composed of \$22,571 for capacity fees and \$2,033 for meter fees. These components are shown separately on the MFR A-12 Page 2 referenced in the disclosure. The auditor apparently did not pick up the amortization from the meter column. After this correction, the staff forecasted amortization and the company projection differ by \$6.00 which is a rounding difference.

Audit Disclosure No. 5

Company notes that the seemingly large increase in salary for A. Sarno is due to the fact that Mr. Sarno was on workman's compensation for part of 1989 and therefore his full salary was not reflected in that year. The 1989 salary, adjusted to include the amount paid by workman's compensation, is \$25,156 and the difference from 1990 is 10.3%.

Audit Disclosure No. 6

For staff's information, the 1989 rate case expense is to be amortized over four years. It is shown as prior unamortized rate case expense at MFR p. 77.

# Schedule A

SAILFISH POINT UTILITY CORPORATION  
 SUMMARY OF CIAC AND METER FEES - INCEPTION THROUGH <sup>JUNE</sup> 1989

ACCT#	NAME	LOCATION	METER#	METER SIZE	WATER CIAC	SEWER CIAC	METER FEE	CONNECTION DATE	M
14673	2800 CONDOMINIUM	FIRE PUMP		HOOR					
1102	JEFFREY CASS	L-26 P-1	28829040	1	\$1,000.00	\$1,000.00	\$175.00	1981	
1190	LORETTA SEEBACH	L-28 P-1	42377726	1	\$1,000.00	\$1,000.00	\$175.00	1981	
5085	WARREN ANDREWS	L-21 P-1	27914183	1	\$1,000.00	\$1,000.00	\$175.00	1981	
1052	TIZIANA FIORE	L-8 P-1	25712005	1	\$1,000.00	\$1,000.00	\$175.00	1981	
1232	RICHARD CARROLL	L-14 P-1	27391604	1	\$1,000.00	\$1,000.00	\$175.00	1981	
1465	SAILFISH PT REALTY	P-1	27391610	1	\$1,000.00	\$1,000.00	\$175.00	1981	
1121	WILLIAM PONSOLDT	L-3 P-1	27441614	1	\$1,000.00	\$1,000.00	\$175.00	1981	
1050	CALVIN HOUGHAND	L-5 P-1	80745151	1	\$1,000.00	\$1,000.00	\$175.00	1981	
1061	THOMAS ENDICOTT	L-9 P-1	87045136	1	\$1,000.00	\$1,000.00	\$175.00	1981	
1063	ALLAN SALVATORI	TH-4	27202335	1	\$1,000.00	\$1,000.00	\$175.00	1981	
5129	MAXWELL RICE	TH-10	27836251	1	\$1,000.00	\$1,000.00	\$175.00	1981	
1078	GARLAND DUKE	L-22 P-1	27836256	1	\$1,000.00	\$1,000.00	\$175.00	1981	
1071	N V KEATS	TH-5	27836261	1	\$1,000.00	\$1,000.00	\$175.00	1981	
1039	WILFRED CASSEL	TH-7	27841675	1	\$1,000.00	\$1,000.00	\$175.00	1981	
5040	HUGH STEVENSON	TH-3	27841678	1	\$1,000.00	\$1,000.00	\$175.00	1981	
5051	JULES KNAPP	L-29 P-1	27841682	1	\$1,000.00	\$1,000.00	\$175.00	1981	
1350	ROBERT BRINKMAN	TH-6	27914179	1	\$1,000.00	\$1,000.00	\$175.00	1981	
1115	LORETTA SEABACH	TH-2	27914184	1	\$1,000.00	\$1,000.00	\$175.00	1981	
					\$18,000.00	\$18,000.00	\$7,150.00		
14622	SAILFISH PT POA	CAR WASH	26066154	1.5	NONE	NONE	\$310.00	1982	
	SAILFISH PT MARINA	FIRE HOSE	26105162	1.5	NONE	NONE	\$110.00	1982	
5071	CHARLES BUCKRIDGE	L-17 P-1	87044830	1	\$1,000.00	\$1,000.00	\$175.00	1982	
5060	MAC NAUGHTON	TH-11	28202345	1	\$1,000.00	\$1,000.00	\$175.00	1982	
5012	ROBERTA BURNAP	TH-8	28202346	1	\$1,000.00	\$1,000.00	\$175.00	1982	
5061	PHILLIP D'ANGELO	L-31 P-1	27914180	1	\$1,000.00	\$1,000.00	\$175.00	1982	
5037	CHARLES KNOFF	L-15 P-1	27914185	1	\$1,000.00	\$1,000.00	\$175.00	1982	
1023	SAM COVELLI	L-12 P-1	27914187	1	\$1,000.00	\$1,000.00	\$175.00	1982	
1074	LYNDA LOVETT	TH-1	27914190	1	\$1,000.00	\$1,000.00	\$175.00	1982	
5034	REGAL QUAD	L-38 P-1	27914192	1	\$1,000.00	\$1,000.00	\$175.00	1982	
5045	WILLIARD ASKEW	L-24 P-1	28202341	1	\$1,000.00	\$1,000.00	\$175.00	1982	
5225	JERALD BARNETT	TH-9	28202344	1	\$1,000.00	\$1,000.00	\$175.00	1982	
14661	2001 CONDOMINIUM	PLAT-1	15528	4	\$64,000.00	\$64,000.00	CONDO	1982	
	SAILFISH PT MARINA	DOCK 1&2	164914	0.75	\$800.00	NONE	\$84.00	1982	
	SAILFISH PT MARINA	DOCK 3	195747	0.75	\$800.00	NONE	\$84.00	1982	
14627	SAILFISH PT POA	SECURITY	27441613	1	\$1,000.00	\$1,000.00	\$175.00	1982	
14634	SAILFISH PT GOLF	STARTER	27441641	1	\$1,000.00	\$1,000.00	\$175.00	1982	
14641	SAILFISH PT MARINA	CHANDLERY	28828999	1	\$1,000.00	\$1,000.00	\$175.00	1982	
1337	HARBOR FEDERAL	L-27 P-1	27836257	1	\$1,000.00	\$1,000.00	\$175.00	1982	
14631	SAILFISH PT GOLF	REST STA 1	27836262	1	\$500.00	NONE	\$175.00	1982	
14632	SAILFISH PT GOLF	REST STA 2	28202342	1	\$500.00	NONE	\$175.00	1982	
14626	SAILFISH PT GOLF	MAINT BLDG	26066148	1.5	\$3,000.00	\$3,000.00	\$310.00	1982	
14624	SAILFISH PT POA	SPA	26105161	1.5	\$8,000.00	\$8,000.00	\$310.00	1982	
14625	SAILFISH PT POA	COUNTRY CLUB	26106916	2	\$9,000.00	\$9,000.00	\$474.54	1982	
14633	SAILFISH PT GOLF	CLUBHOUSE	26106917	2	\$9,000.00	\$9,000.00	\$405.18	1982	
14647	SAILFISH PT MARINA	PIER H	18712	3	\$1,500.00	NONE	\$685.32	1982	
14643	SAILFISH PT MARINA	PIER F	7763632	3	\$1,500.00	NONE	\$734.30	1982	
14644	SAILFISH PT MARINA	PIER G	7763653	3	\$1,500.00	NONE	\$689.70	1982	
					\$114,100.00	\$107,000.00	\$6,577.04		
1024	DR ROBERT BLEWS	L-7 P-1	87044811	1	\$1,000.00	\$1,000.00	\$175.00	1983	
5123	MICHAEL FEINBERG	L-33 P-1	25711999	1	\$1,000.00	\$1,000.00	\$175.00	1983	
5044	MERLE THORPE	L-32 P-1	25712002	1	\$1,000.00	\$1,000.00	\$175.00	1983	
14672	2800 CONDOMINIUM	WEST BLDG	26257028	4	\$43,000.00	\$43,000.00	\$806.46	1983	
14671	2800 CONDOMINIUM	EAST BLDG	26257031	4	\$43,000.00	\$43,000.00	\$806.46	1983	
14671	SAILFISH PT POA	HELIPORT	141242P	0.75	\$1,000.00	NONE	\$85.00	1983	
1350	ROBERT BRINKMAN	DOCK 12	83K023247	0.75	\$142.86	NONE	\$84.00	1983	
1031	N V KEATS	DOCK 22	83K023248	0.75	\$142.86	NONE	\$84.00	1983	
1115	LORETTA SEABACH	DOCK 16	83K023250	0.75	\$142.86	NONE	\$84.00	1983	
5040	HUGH STEVENSON	DOCK 19	83K023251	0.75	\$142.86	NONE	\$84.00	1983	
1074	LYNDA LOVETT	DOCK 18	83K023255	0.75	\$142.86	NONE	\$84.00	1983	
1039	WILFRED CASSEL	DOCK 9	83K023258	0.75	\$142.86	NONE	\$84.00	1983	
5225	JERALD BARNETT	DOCK 6	83K023259	0.75	\$142.86	NONE	\$84.00	1983	
5060	MAC NAUGHTON	DOCK 2	83K023263	0.75	\$142.86	NONE	\$84.00	1983	
5012	ROBERTA BURNAP	DOCK 7	83K023264	0.75	\$142.86	NONE	\$84.00	1983	
5129	MAXWELL RICE	DOCK 1	83K023265	0.75	\$142.86	NONE	\$84.00	1983	
1063	ALLAN SALVATORI	DOCK 20	83K023267	0.75	\$142.86	NONE	\$84.00	1983	
					\$91,571.46	\$89,000.00	\$3,146.92		
5199	ICR DEV CORP	L-19 P-1	28829027	1	\$2,500.00	\$1,500.00	\$175.00	1984	