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May 24, 1991

Stephen C. Reilly, Esq.
Assoc. Public Counsel
Office of Public Counsel
111 W Madison St., Room 801
Tallahassee, FL 32399-1400

**ORIGINAL
FILE COPY**

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

Dear Mr. Reilly:

As a result of your recent letter several inquiries have been
made regarding your comments in that letter.

You assert that the information provided " . . . is inadequate
because actual consolidated tax returns were not provided."

In response, the Schedule M's previously provided to you are
the relevant portions of the tax returns, in that they were filed
with the tax returns. Therefore, you have the information which
was requested. Information from the Schedule M's is consolidated
with approximately 300 different subsidiaries to arrive at the
actual numbers in relevant categories on the returns. The enclosed
affidavit of Mr. C. T. Olson further explains the process used in
consolidating the Schedule M documents with the return.

As to the question of the SPI tax/book depreciation
information for 1983 and 1984, according to my records, you were
provided copies of the M-1, the CO-4-16-1 and the general ledgers
for those years, which should be sufficient to reconcile tax/book
depreciation. As for the SPI depreciation schedule for 1981, a
response was provided explaining that the 4-16 form had not been
located but that the 1981 amounts could be determined from the 1980
ending balance and the 1982 beginning balance. Subsequent to that
response, the 1981 SPI depreciation schedule has been located and
a copy is enclosed. The form number has been changed to form 4-16
from the earlier number, so that the 1981 data is on form CO-4-16-1
(pages 1-3) containing a listing of assets, and form CO-4-17-1
(pages 1-3) containing the reserve for depreciation.

If, after receiving the additional confirmation provided
herein, you feel it is still necessary, your witness will be
provided access to the tax returns at Mobil's Dallas office for all
years relative to the Utility so that he can confirm the inclusion
of the Schedule M's and any other relevant information he wants to

DOCUMENT NUMBER-DATE

05357 MAY 29 1991

PSC-RECORDS/REPORTING

Stephen C. Reilly, Esq.

May 24, 1991

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examine. A company representative will be available to assist Mr. DeWard in going through those voluminous materials. In addition, my client is prepared to advance the air fare and all other reasonable fees and expenses necessary for Mr. DeWard's trip. Please have Mr. DeWard call me and provide an estimate of those amounts so I can get final approval for the payment of those costs. So as to resolve any concern Mr. DeWard may have, we would like the visit to be completed in advance of the preliminary prehearing conference on June 5, 1991. Reimbursement will be made after submission of receipts and a statement confirmed as accurate and complete by your office.

Please notify me as soon as possible when Mr. DeWard would be available to fly to Dallas to meet with Mr. Olson so that he can provide additional review of the tax information.

Sincerely yours,



Ben E. Girtman

BEG/sw

cc w/enc: Mr. Tom DeWard
Catherine Bedell, Esq.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

AFFIDAVIT

STATE OF TEXAS

COUNTY OF DALLAS

BEFORE ME, the undersigned authority, personally appeared Affiant, C. T. "Terry" Olson, who, by me being first duly sworn, deposed and says:

1. Affiant is the Manager, Federal Income Tax Compliance, Tax Administration-Dallas, Mobil Administrative Services Company, Inc.

2. Affiant has personal knowledge of the subject matter contained herein. The Federal Income Tax Compliance group has been responsible for preparing and filing the consolidated tax returns of Mobil Corporation during 1980-1989, which included the tax information for Sailfish Point, Inc. and Sailfish Point Utility Corporation, as applicable, for the years 1980-1989. The tax return for tax year 1990 currently is being prepared based

upon a request for extension filed by Mobil Corporation. To ensure no inconsistency in tax treatment outside 1982-1990, the years covered by the two requests for production filed by the Florida Office of Public Counsel, Affiant has also reviewed the 1980 and 1981 consolidated tax returns for Mobil Corporation and found the tax treatment in 1980 and 1981 to be the same as the tax treatment during 1982-1989.

3. Affiant has worked with Mr. Joe O'Gorman at the Florida offices of Mobil Land Development Corporation in the location and presentation of tax workpapers in response to the two requests for production filed on behalf of the Florida Office of Public Counsel in the above styled proceeding.


4. Affiant hereby affirms that the Schedule M workpapers for Sailfish Point, Inc. and for Sailfish Point Utility Corporation, were filed with the Internal Revenue Service as part of the consolidated tax returns of Mobil Corporation, during the years 1980-1989, showing that the assets of the Utility were depreciated and not written off as a cost of sales. The 1990 tax return currently is being prepared for filing, and the Schedule M adjustments also will be filed with that return.

5. Each consolidated tax return of Mobil Corporation consolidates information from various subsidiaries, and therefore, the actual numbers from the Schedule M documents of Sailfish Point, Inc. and of Sailfish Point Utility Corporation are added with data from other subsidiaries in arriving at the consolidated number on the return. However, the data provided in

each Schedule M from Sailfish Point, Inc. and from Sailfish Point Utility Corporation, as applicable to each given year, were carried over and consolidated on Mobil Corporation's consolidated tax returns. Therefore, the tax treatment on the Schedule M documents as depreciation were included as a part of the consolidated tax depreciation amount on the tax return.

6. Based on the Mobil Corporation consolidated tax returns (including the Schedule M workpapers), as filed and/or amended, and Affiant's understanding of Mobil's accounting procedures, the cost of the assets (land, plant, mains, lines, pumps, equipment and other assets), presently owned by Sailfish Point Utility Corporation and currently or previously used to provide water and wastewater utility services to customers at Sailfish Point, has not been deducted as a cost of doing business, or as a cost of sales, or as any other cost or expense on the consolidated Mobil Corporation tax returns, except for depreciation of non-land assets.

FURTHER AFFIANT SAYETH NOT.



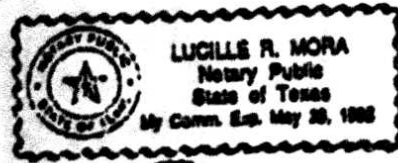
C. T. "Terry" Olson

SWORN TO AND SUBSCRIBED before me this 24 day of May,
1991.

Lucille R. Mora

NOTARY PUBLIC
State of Texas

My Commission Expires:

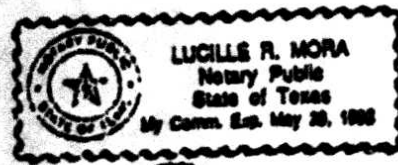


SWORN TO AND SUBSCRIBED before me this 24 day of May,
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Lucille R. Mora

NOTARY PUBLIC
State of Texas


My Commission Expires:



each Schedule M from Salfish Point, Inc. and from Salfish Point Utility Corporation, as applicable to each given year, were carried over and consolidated on Mobil Corporation's consolidated tax returns. Therefore, the tax treatment on the Schedule M documents as depreciation were included as a part of the consolidated tax depreciation amount on the tax return.

6. Based on the Mobil Corporation consolidated tax returns (including the Schedule M workpapers), as filed and/or amended, and Affiant's understanding of Mobil's accounting procedures, the cost of the assets (land, plant, mains, lines, pumps, equipment and other assets), presently owned by Salfish Point Utility Corporation and currently or previously used to provide water and wastewater utility services to customers at Salfish Point, has not been deducted as a cost of doing business, or as a cost of sales, or as any other cost or expense on the consolidated Mobil Corporation tax returns, except for depreciation of non-land assets.

FURTHER AFFIANT SAYETH NOT.



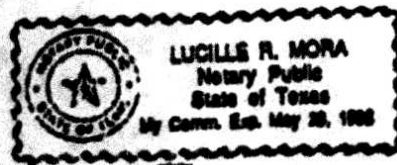
C. T. "Terry" Olson

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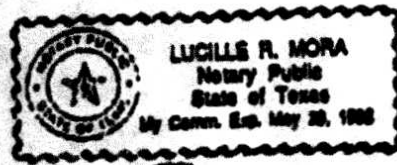


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Lucille R. Mora

NOTARY PUBLIC
State of Texas

My Commission Expires:



#1
PROGRAM ATX010DD
PRODUCTION DATE 09-01-82
REPORTED IN WHOLE DOLLARS

RETURN

726 SAILFISH POINT
PROPERTIES, PLANTS AND EQUIPMENT
0726 SAILFISH POINT

PAGE 2
CO 1-16-1
AS OF 12-31-1981

CLASS DESCRIPTION	CLASS NO.	MOD	BALANCE BEGIN-	AUDIT	NEW	USED MATER-	INTER-	RETIREMENTS	
			NING OF YEAR	ADJUSTMENTS		IAL, ETC.	ADDITIONS		
			SALES	INTER-		INTRA-	INTRA-	BALANCE	
				DEDUCTIONS		ADDITIONS	DEDUCTIONS	END OF YEAR	
BUILDINGS	01200	31	321,193		14,021			335,214	1 2
TOTAL 150 REG		31	321,193		14,021			335,214	1 2
TOTAL 150		39	321,193		14,021			335,214	1 2
DECLINING BALANCE-200X-A.D.R.									
00.241 TRUCKS-LIGHT	05500	43	19,250					19,250	1 2
00.27 TRAILERS	05900	43	10,098					10,098	1 2
70.15 OFFICE MECH EQUIPMT	07400	43	5,575					5,575	1 2
TOTAL 200 ADR		43	34,923					34,923	1 2
TOTAL 200		49	34,923					34,923	1 2
A.D.R.-CONV. 200X D.B./SYD									
00.22 AUTOMOBILES	05378	55	8,840					8,840	1 2
TOTAL ADR 200DB		55	8,840					8,840	1 2
TOTAL SYD		59	8,840					8,840	1 2
ACRS REAL PROPERTY									1 2
REAL PROPERTY-JANUARY	40181	81							1 2
REAL PROPERTY-SEPTEMBE	40981	81			724,981			724,981	1 2

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CLASS DESCRIPTION	CLASS NO.	MOD	BALANCE BEGIN-	AUDIT	NEW	USED MATER-	INTER-	RETIREMENTS	
			NING OF YEAR	ADJUSTMENTS	MONEY	IAL, ETC.	ADDITIONS	BALANCE	
			SALES	INTER-		INTRA-	INTRA-	END OF YEAR	
				DEDUCTIONS		ADDITIONS	DEDUCTIONS		
BUILDINGS	01200	31	321,193		14,021			335,214	1 2
TOTAL 150 REG		31	321,193		14,021			335,214	1 2
TOTAL 150		39	321,193		14,021			335,214	1 2
DECLINING BALANCE-200X-A.D.R.									
00.241 TRUCKS-LIGHT	05500	43	19,250					19,250	1 2
00.27 TRAILERS	05900	43	10,090					10,090	1 2
70.13 OFFICE MECH EQUIPMT	07400	43	5,575					5,575	1 2
TOTAL 200 ADR		43	34,925					34,925	1 2
TOTAL 200		49	34,925					34,925	1 2
A.D.R.-CONV. 200X D.B./SYD									
00.22 AUTOMOBILES	05370	55	8,840					8,840	1 2
TOTAL ADR 20000		55	8,840					8,840	1 2
TOTAL SYD		59	8,840					8,840	1 2
ACRS REAL PROPERTY									1 2
REAL PROPERTY-JANUARY	40101	81							1 2
REAL PROPERTY-SEPTEMBE	40901	81			724,981			724,981	1 2

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 PROGRAM AIXBLODD
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 PROPERTIES, PLANTS AND EQUIPMENT
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CLASS DESCRIPTION	CLASS NO.	MOD	BALANCE BEGIN- -NING OF YEAR	ADDET	NEW	USED MATER- -IAL, ETC.	INTER-	RETIREMENTS	BALANCE	
				ADJUSTMENTS			ADDITIONS			
			SALES	INTER- DEDUCTIONS		INTRA- ADDITIONS	INTRA- DEDUCTIONS			
REAL PROPERTY MOVEMBER	41181	81			953,593				953,593	1
TOTAL ACRS REAL		81			1,678,574				1,678,574	2
TOTAL ACRS REAL		89			1,678,574				1,678,574	2
TOTAL DEP ASSET		90	364,956		4,881,384				5,166,260	2
NON-DEPRECIABLE ASSETS										
INCOMPLETE CONSTRUCTION	90200	92			3,857				3,857	1
TOTAL NON-DEPR		93			3,857				3,857	2
TOTAL ASSETS TX		94	364,956		4,885,161				5,170,117	1
BOOK TO TAX ADJUSTMENT					1,678,574-				1,678,574-	2
TOTAL ASSETS BX		98	364,956		3,126,587				3,491,543	2

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CLASS DESCRIPTION	CLASS NO.	MOD	BALANCE BEGIN- NING OF YEAR	ADDT	NEW MONEY	USED MATER-	INTER-	RETIREMENTS	BALANCE END OF YEAR	
				ADJUSTMENTS		IAL, ETC.	ADDITIONS			
			SALES	INTER- DEDUCTIONS		INTRA- ADDITIONS	INTRA- DEDUCTIONS			
REAL PROPERTY-NOVEMBER	41181	81			953,593				953,593	1
TOTAL ACRS REAL		81			1,678,574				1,678,574	2
TOTAL ACRS REAL		89			1,678,574				1,678,574	2
TOTAL DEP ASSET		90	364,956		4,801,304				5,166,260	2
NON-DEPRECIABLE ASSETS										
INCOMPLETE CONSTRUCTION	90200	92			3,857				3,857	1
TOTAL NON-DEPR		93			3,857				3,857	2
TOTAL ASSETS TX		94	364,956		4,805,161				5,170,117	1
BOOK TO TAX ADJUSTMENT					1,678,574-				1,678,574-	2
TOTAL ASSETS BX		98	364,956		3,126,587				3,491,543	2

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 PROGRAM ATR818DD
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 8726 SAILFISH POINT

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CLASS DESCRIPTION	CLASS NO.	MOD	RESERVE BEGIN-	AUDIT	ADDITNS ADR DRD	ADDITIONS	CHARGES DUE TO	CHARGES DUE
			NING OF YEAR	ADJUSTMENTS	RETIRMT PROCEEDS	RESTORATION	RETIREMENTS	TO SALES
			INTER-CHARGES	INTER-ADDITIONS	INTRA-CHARGES	INTRA-ADDITIONS	CURRENT YR PROVISION	RESERVE END OF YEAR
ACRS PROCEDURES								
MISCELLANEOUS	04481	11						1 2
00.22 AUTOMOBILES	05381	11					1,487-	1,487- 1 2
00.241 TRUCKS-LIGHT	05581	11					4,925-	4,925- 1 2
00.242 TRUCKS-HEAVY	05681	11					5,325-	5,325- 1 2
00.26 TRACTORS DR UNITS	05881	11					5,143-	5,143- 1 2
00.27 TRAILERS	05981	11					6,949-	6,949- 1 2
40.32 HF RADIOMICROMSYST	07881	11					943-	943- 1 2
00.4 IND STEAM & ELEC SYS	07981	11						1 2
79.0 RECREATION	08081	11					34,983-	34,983- 1 2
57.0 DISTR TRADE & SER PP	09581	11						1 2
49.3 WATER UTILITIES	09881	11					137,050-	137,050- 1 2
TOTAL ACRS PROC		11					196,813-	196,813- 1 2
TOTAL ACRS PROC		19					196,813-	196,813- 1 2
DECLINING BALANCE-150X								
BUILDINGS	01200	51	30,112-				55,892-	86,004- 1 2

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 0726 SAILFISH POINT

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CLASS DESCRIPTION	CLASS NO.	MOD	RESERVE BEGIN-	AUDIT	ADDITMS ADR DRD	ADDITIONS	CHARGES DUE TO	CHARGES DUE
			NING OF YEAR	ADJUSTMENTS	RETIRMT PROCEEDS	RESTORATION	RETIREMENTS	TO SALES
			INTER-CHARGES	INTER-ADDITIONS	INTRA-CHARGES	INTRA-ADDITIONS	CURRENT YR PROVISION	RESERVE END OF YEAR
ACRS PROCEDURES								
MISCELLANEOUS	04481	11						1 2
00.22 AUTOMOBILES	05381	11					1,487-	1,487- 2
00.241 TRUCKS-LIGHT	05581	11					4,925-	4,925- 2
00.242 TRUCKS-HEAVY	05681	11					5,325-	5,325- 2
00.26 TRACTORS DR UNITS	05881	11					5,143-	5,143- 2
00.27 TRAILERS	05981	11					6,949-	6,949- 2
48.32 HF RADIOMICROMSYST	07881	11					943-	943- 2
00.4 IND STEAM & ELEC SYS	07981	11						1 2
79.0 RECREATION	08081	11					34,983-	34,983- 2
57.0 DISTR TRADE & SER PP	09581	11						1 2
49.3 WATER UTILITIES	09881	11						1 2
TOTAL ACRS PROC		11					137,050-	137,050- 2
TOTAL ACRS PROC		19					196,813-	196,813- 2
TOTAL ACRS PROC		19					196,813-	196,813- 2
DECLINING BALANCE-150X								
BUILDINGS	01200	31	30,112-				55,892-	86,004- 2

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CLASS DESCRIPTION	CLASS NO.	PRO	RESERVE BEGIN- NING OF YEAR	AUDIT ADJUSTMENTS	ADDITNS ADR ORD RETRMT PROCEEDS	ADDITIONS RESTORATION	CHARGES DUE TO RETIREMENTS	CHARGES DUE TO SALES	
			INTER-CHARGES	INTER- ADDITIONS	INTRA- CHARGES	INTRA- ADDITIONS	CURRENT YR PROVISION	RESERVE END OF YEAR	
TOTAL 150 REG	31		30,112-						
TOTAL 150	39		30,112-				55,892-	86,004-	1 2
DECLINING BALANCE-200X-A.D.R.							55,892-	86,004-	1 2
00.241 TRUCKS-LIGHT	05580	63	6,417-				8,554-	14,973-	1 2
00.27 TRAILERS	05980	43	2,020-				3,231-	5,251-	1 2
70.13 OFFICE MECH EQUIPMT	07400	43	797-				1,365-	2,162-	1 2
TOTAL 200 ADR	43		9,234-						
TOTAL 200	49		9,234-				13,152-	22,386-	1 2
A.D.R.-CONV. 200X D.B./SYD							13,152-	22,386-	1 2
00.22 AUTOMOBILES	05378	55	8,349-				491-	8,840-	1 2
TOTAL ADR 200DB	55		8,349-				491-	8,840-	1 2
TOTAL SYD	59		8,349-				491-	8,840-	1 2
ACRS REAL PROPERTY									
REAL PROPERTY-JANUARY	40181	81							1 2
REAL PROPERTY-SEPTEMBE	40981	81					28,999-	28,999-	1 2
REAL PROPERTY-NOVEMBER	41181	81					19,072-	19,072-	1 2

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CLASS DESCRIPTION	CLASS NO.	PRO	RESERVE BEGIN- NING OF YEAR	AUDIT ADJUSTMENTS	ADDITNS ADR ORD RETRMT PROCEEDS	ADDITIONS RESTORATION	CHARGES DUE TO RETIREMENTS	CHARGES DUE TO SALES
			INTER-CHARGES	INTER- ADDITIONS	INTRA- CHARGES	INTRA- ADDITIONS	CURRENT YR PROVISION	RESERVE END OF YEAR
TOTAL 150 REG	31		30,112-				55,892-	86,004- 1 2
TOTAL 150	39		30,112-				55,892-	86,004- 1 2
DECLINING BALANCE-200X-A.D.R.								
00.241 TRUCKS-LIGHT	05580	43	4,417-				8,554-	14,973- 1 2
00.27 TRAILERS	05904	43	2,020-				3,231-	5,251- 1 2
70.13 OFFICE MECH EQUIPMT	07400	43	797-				1,365-	2,162- 1 2
TOTAL 200 ADR	43		9,234-				13,152-	22,386- 1 2
TOTAL 200	49		9,234-				13,152-	22,386- 1 2
A.D.R.-CONV. 200X D.B./SYD								
00.22 AUTOMOBILES	05378	55	8,349-				491-	8,840- 1 2
TOTAL ADR 200DB	55		8,349-				491-	8,840- 1 2
TOTAL SYD	59		8,349-				491-	8,840- 1 2
ACRS REAL PROPERTY								
REAL PROPERTY-JANUARY	40181	81						1 2
REAL PROPERTY-SEPTEMBER	40981	81					28,999-	28,999- 1 2
REAL PROPERTY-NOVEMBER	41181	81					19,072-	19,072- 1 2

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 PROGRAM AIX01000
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 RESERVE FOR DEPRECIATION, DEPLETION AND AMORTIZATION
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CLASS DESCRIPTION	CLASS NO.	MOD	RESERVE BEGIN- NING OF YEAR	AUDIT	ADDITNS ADR GRD	ADDITIONS	CHARGES DUE TO	CHARGES DUE
				ADJUSTMENTS	RETIRMT	RESTORATION	RETIREMENTS	TO SALES
				INTER- ADDITIONS	INTRA- CHARGES	INTRA- ADDITIONS	CURRENT YR PROVISION	RESERVE END OF YEAR
TOTAL ACRS REAL	81							
TOTAL ACRS REAL	89						48,071-	48,071- 1 2
TOTAL RESERVE TAX	90		67,695-				48,071-	48,071- 1 2
TOTAL DEPRN AND DEPL RES-TAX	94		67,695-				314,419-	342,114- 1 2
BOOK TO TAX ADJUSTMENT			18,153				314,419-	342,114- 1 2
TOTAL DEPRN AND DEPL RES-BOOK	98		29,542-				121,150	139,363 1 2
							193,269-	222,811- 1 2