

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 \_\_, 1991  
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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

LDJ001.WP/90

DOCUMENT NUMBER-DATE

05356 MAY 29 1991

PSC-RECORDS/REPORTING

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.

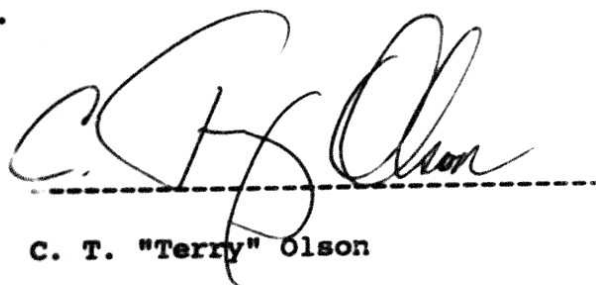
4. Affiant hereby affirms that the Schedule M workpapers for Sailfish Point, Inc. and for Sailfish Point Utility Corporation, were filed with the Internal Revenue Service as part of the consolidated tax returns of Mobil Corporation, during the years 1980-1989, showing that the assets of the Utility were 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:

