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REPLY TO ALTAMONTE SPRINGS

August 12, 2002

020553

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DISTRIBUTION CENTER

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. 020553-WS; Application for Amendment of Certificates No. 294-S and 338-W by Burkim Enterprises, Inc.
Our File No. 35037.06

Dear Ms. Bayo:

This letter is in response to Patti Daniel's July 11, 2002, correspondence requesting certain information in connect with the above-referenced docket. The Utility provides the following responses:

1. On July 24, 2002, Burkim Enterprises, Inc., filed an Amended Territory Description to eliminate those properties for which the description was incorrect. Based on discussions with Staff, this eliminates any re-noticing requirements.
2. Enclosed are copies of current financial statements for Burkim Enterprises, Inc., which along with prior information provided in this Docket is sufficient to prove Burkim Enterprises, Inc.'s financial ability.
3. The system maps provided to the Commission Staff did not note proposed water and wastewater lines since the lines to serve the existing territory are already in place. The one line to the single-family dwelling

AUS	_____
CAF	_____
CMP	_____
COM	_____
CTR	_____
ECR	_____
GCL	_____
OPC	_____
MMS	_____
SEC	_____
OTH	_____

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north of the wastewater treatment plant will be installed by the property owner wholly within his property and will only require connections at the plant site.

4. Burkim Enterprises, Inc., believes that with the Amendment to the Territory to eliminate certain property because of incorrect legal descriptions, eliminates the problems which Staff has noted with the inability to correlate the legal description to the map.
5. As noted, the Commission in Burkim Enterprises, Inc.'s SARC, which was concluded by Order No. PSC-012511-PAA-WS, the Utility's water treatment plant was rated at 100% capacity. That determination was made taking into consideration the currently served portion of the Territory Amendment and included customer growth. Thus, the only portion of the proposed Territory that was not included in that analysis is for the single-family residence to the north of the current service area which can be included within the 17 ERCs of customer growth as included in the Utility's SARC. Further, the repairs to the distribution system are reducing the unaccounted for water which allows for further capacity for potable water use.
6. No permit will be required for the property upon which the single-family home is located since the connection to the existing system will be made by the customer through service laterals.
7. This Application will not require the Utility to build a new wastewater treatment plant nor upgrade the existing plant. Effluent disposal is currently through percolation ponds.
8. The Utility does not provide reuse since the wastewater treatment plant does not produce sufficient wastewater flow to allow for permitting for reclaimed water.

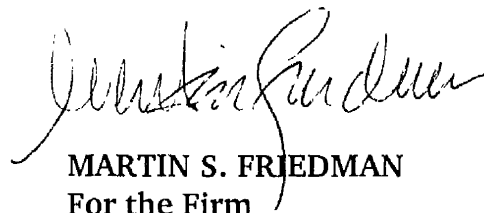
As the Staff has noted on several occasions, including in the Order resulting from the Utility's recent SARC, the problem with fire-flow and pressure was a direct result of the fact that there was no hydroneumatic tank in operation. As the Staff is aware, there is a new hydroneumatic tank providing constant water pressure utilizing three high service pumps. The Brevard County Fire Marshall made his original inspection as a result of residents' complaints as a result of the Utility filing for a

Ms. Blanca Bayo
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SARC, and although the alleged problems noted have been corrected, the Fire Marshall has not taken it upon himself to reevaluate the system nor can the Utility force him to do.

Should you or that Staff have any further questions regarding this matter, please do not hesitate to give me a call.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF:dmp

cc: Mr. Keith Burge
Mr. Richard Redemann

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08/12/02

Accrual Basis

Burkim Enterprises, Inc.
Profit & Loss
 January 1 through August 12, 2002

	Jan 1 - Aug 12, 02
Ordinary Income/Expense	
Income	
400 · Operating Revenues	
461 · Metered Water Revenue	
461.1 · Metered Sales/Resident.Cust.	61,136.29
Total 461 · Metered Water Revenue	61,136.29
474 · Other Water Revenues	20.00
522 · Measured Revenues	
522.1 · Residential Revenues	63,785.70
Total 522 · Measured Revenues	63,785.70
Total 400 · Operating Revenues	124,941.99
Total Income	124,941.99
Expense	
401 · Operating Expenses	
601 · Salaries/Wages- Employees	13,168.00
604 · Employee Pensions/Benefits	996.00
615 · Purchased Power	2,838.43
616 · Fuel for Power Production	23.10
618 · Chemicals	1,166.10
620 · Materials & Supplies	3,359.81
630 · Contractual Services	6,540.27
640 · Rents	992.70
660 · Transportation Expenses	1,108.86
655 · Insurance Expense	5,021.20
675 · Miscellaneous Expenses	3,398.68
701 · Salaries/Wages- Employees	13,019.67
704 · Employee Pension/ Benefits	996.00
715 · Purchased Power- Sewer	3,745.75
718 · Chemicals- Sewer	346.00
720 · Materials & Supplies- Sewer	2,130.87
730 · Contractual Services- Sewer	5,097.36
740 · Rents- Sewer	992.70
750 · Transportation Expenses- Sewer	1,108.86
755 · Insurance Expenses- Sewer	5,224.19
775 · Miscellaneous Expense	3,098.67
Total 401 · Operating Expenses	74,371.22
408 · Taxes Other Than Income	
408S · Property Taxes- Sewer	800.25
408W · Property Taxes- Water	647.58
408 · Taxes Other Than Income - Other	5,389.74
Total 408 · Taxes Other Than Income	6,837.57
6560 · Payroll Expenses	18,807.43
Total Expense	100,016.22
Net Ordinary Income	24,925.77
Other Income/Expense	
Other Income	
421 · Nonutility Income	40.00
Total Other Income	40.00
Other Expense	
427 · Interest Expense	13,838.58
Total Other Expense	13,838.58
Net Other Income	-13,598.58
Net Income	11,327.19

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08/12/02

Accrual Basis

Burkim Enterprises, Inc.
Balance Sheet
 As of August 12, 2002

	Aug 12, 02
ASSETS	
Current Assets	
Checking/Savings	
131 - Fidelity Federal Bank & Trust	-3,565.57
131.100 - O/O Protection Fidelity Federal	-291.19
Total Checking/Savings	-3,856.76
Accounts Receivable	
141 - Customer Accounts	-204.79
Total Accounts Receivable	-204.79
Total Current Assets	-4,061.55
Fixed Assets	
101.100 - Fixed Asset Acq. Costs- Deposit	263,085.05
101S - Utility Plant In Service-Sewer	
354S - Structures & Improvements- Sewer	800.00
363S - Services to Custom.-Sewer	4,933.03
380S - Treat & Disposal Equip.-Sewer	4,221.71
390S - Office Furn./Equip.-Sewer	2,425.00
391S - Transportation Equip- Sewer	16,822.00
Total 101S - Utility Plant In Service-Sewer	29,201.74
101W - Utility Plant In Service- Water	
309W - Supply Mains- Water	442.50
311W - Pumping Equipment- Water	8,181.97
320W - Water Treatmt Equip.- Water	8,395.49
334W - Meters & Meter Install.- Water	15,909.47
335W - Hydrants- Water	1,730.01
340W - Office Furn. & Equip.-Water	1,906.41
341W - Transportation Equipment- Water	11,304.26
343W - Tools/Shop/Garage Equip.-Water	496.07
Total 101W - Utility Plant In Service- Water	48,366.18
105S - Constr. Work In Progress- Sewer	
00-01S - Project Number 00/01- Sewer	5,976.76
00-02S - Project Number 00/02- Sewer	1,159.47
00-03S - Project Number 00/03- Sewer	2,716.31
00-04S - Project Number 00/04- Sewer	368.30
00-05S - Project Number 00/05- Sewer	91.11
00-06S - Project Number 00/06- Sewer	1,331.02
Total 105S - Constr. Work In Progress- Sewer	11,642.97
105W - Constr. Work in Progress- Water	
00-01W - Project Number 00/01- Water	150.58
00-02W - Project Number 00/02- Water	6,888.87
00-03W - Project Number 00/03- Water	18,193.16
00-04W - Project Number 00/04- Water	2,184.71
00-05W - Project Number 00/05- Water	2,217.89
00-06W - Project Number 00/06- Water	1,072.67
00-07W - Project Number 00/07- Water	5,258.38
00-08W - Project Number 00/08- Water	25,606.11
00-09W - Project Number 00/09- Water	170.00
00-10W - Project Number 00/10- Water	1,889.29
Total 105W - Constr. Work In Progress- Water	61,631.66
Total Fixed Assets	413,927.60
TOTAL ASSETS	409,866.05
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
231 - Accounts Payable	11,295.03
Total Accounts Payable	11,295.03

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08/12/02
Accrual Basis

Burkim Enterprises, Inc.
Balance Sheet
As of August 12, 2002

	Aug 12, 02
Other Current Liabilities	
2100 · Payroll Liabilities	569.80
Total Other Current Liabilities	<u>569.80</u>
Total Current Liabilities	11,864.83
Long Term Liabilities	
224 · Long Term Debt	
224.1 · Longterm Debt- Fidelity Federal	195,873.70
224.2 · Long Term Debt- N/P Laniger Ent	400.00
224.3 · Long Term Debt-N/P Keith Burge	12,408.25
224.4 · Long Term Debt-GMAC	14,664.39
224.5 · Long Term Debt- Fidelity Fed.	29,561.00
224.6 · Long Term Liability- N/P Amex	<u>6,075.48</u>
Total 224 · Long Term Debt	259,002.82
271S · CIAC- Sewer	5,554.00
271W · CIAC- Water	65,031.00
272W · Acc. Amort. of CIAC- Water	<u>18,768.25</u>
Total Long Term Liabilities	<u>348,356.07</u>
Total Liabilities	360,220.90
Equity	
211 · Other Paid In Capital	128,594.86
3000 · Opening Bal Equity	-1,000.00
3900 · *Retained Earnings	-89,276.90
Net Income	<u>11,327.19</u>
Total Equity	<u>49,645.15</u>
TOTAL LIABILITIES & EQUITY	<u><u>409,866.05</u></u>