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Division of Commission Clerk and Administrative Service
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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RE: Docket No. 011379-SU

To Whom It May Concern:

Back on November 9, 2001 I was send a copy of the enclosed deficiency letter on the sewer plant I once owned. I would like to know if the transfer has occurred and if so on what date. I would like to know the current status of this case as I am a party to it.

Very truly yours,



Ike Duren
Box 9595
Panama City Beach, FL 32417
(850) 832-0949

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Stephanie Clapp for resp.

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DIVISION OF REGULATORY OVERSIGHT
DANIEL M. HOPPE, DIRECTOR
(850) 413-6480

Public Service Commission

November 9, 2001

Mr. Frank J. Seifert
ESAD Enterprises, Inc.
PO Box 503
Port St. Joe, Florida 32457

Re: Docket No. 011379-SU - Application for transfer of Certificate No. 422-S in Gulf County from Gulf Aire Properties d/b/a Gulf Aire Wastewater Treatment Plant to ESAD Enterprises, Inc.

Dear Mr. Seifert:

The above referenced application has been received and reviewed by my staff. This letter is a follow up to the review and subsequent telephone call to you concerning deficiencies which need to be cured and additional clarifications or corrections necessary to process the application. Enclosed, for your reference, is a copy of Rule 25-30.037, Florida Administrative Code (F.A.C.), which staff referenced while reviewing the transfer application. Please refer to the copy of the Rule when preparing your response to this deficiency letter.

Deficiencies

1. Public Interest. Pursuant to Rule 25-30.037(2)(f), F.A.C., the application is to contain a statement of how the transfer is in the public interest, including a summary of the buyer's experience in water or wastewater utility operations, a showing of the buyer's financial ability to provide service, and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters. The application contained an inadequate statement. Please provide a statement which addresses all of the areas mentioned above.
2. Federal Tax Returns. Pursuant to Rule 25-30.037(2)(o), F.A.C., the application is to contain a statement from the buyer that it has obtained or will obtain copies of all of the federal income tax returns of the seller from the date the utility was first established. The

application did not contain this statement from the buyer. Please provide a statement regarding this matter.

3. Condition of Utility. Pursuant to Rule 25-30.037(2)(p), F.A.C., the application is to contain a statement from the buyer that after a reasonable investigation, the system appears to be in satisfactory condition and in compliance with all applicable standards set by the Department of Environmental Protection. No statement was provided by the buyer. Please provide a statement regarding this matter.
4. Utility Owns Land. Pursuant to Rule 25-30.037(2)(q), F.A.C., the application is to contain evidence that the utility owns the land upon which the utility treatment facilities are located. Please provide a copy of the recorded warranty deed in the name of ESAD Enterprises, Inc.
5. Tariff Sheets. Pursuant to Rule 25-30.037(2)(s), F.A.C., the application is to contain an original and two copies of sample tariff sheets reflecting the change in ownership. No tariff sheets were provided with the application. A printed copy of the model tariff is enclosed. A copy of the model tariff on floppy disk is also enclosed. Please provide the tariff for the wastewater utility.
6. Current Certificate. Pursuant to Rule 25-30.037(2)(t), F.A.C., the application is to include the utility's current certificate. No certificate was returned with the application. Please submit the current certificate.
7. Notice of Actual Application. Pursuant to Rule 25-30.030, F.A.C., three notices regarding the transfer are to be issued by the utility. The application referenced the three notices, however, the notices were issued incorrectly as they contained no township and range references. Enclosed are 1) a copy of Rule 25-30.030, F.A.C., 2) a sample notice and 3) a dated list of officials and utilities to receive official notification. Note that the list is valid for only 60 days. Please reissue all notices and submit the proper documentation to support the renoticing.

Additional Information

The application was completed and submitted by the seller of the utility. Many of the items listed below were provided by the seller, but the Rule requires that they be submitted by the buyer.

1. Name(s) and Address(es) of Corporate Officers. Pursuant to Rule 25-30.037(2)(d), F.A.C., the application is to contain the name(s) and address(es) of all of the buyer's corporate officers. The application included only the president and the vice president names and addresses. Please confirm that E S A D Enterprises, Inc. only has the two corporate officers listed or provide a complete list of the names and addresses of all of the corporate officers.
2. Other Owned Water or Wastewater Utilities. Pursuant to Rule 25-30.037(2)(f), F.A.C., the application is to contain the names and locations of other water or wastewater utilities owned by the buyer. The application stated that there were no other water or wastewater utilities

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owned by the buyer. Please confirm this information or provide correct information.

3. **Financing the Purchase.** Pursuant to Rule 25-30.037(2)(i) and (k), F.A.C., the application is to contain a statement describing the financing of the purchase of the utility and all entities upon which the applicant is relying to provide funding to the buyer. The application contained a statement that the transfer was a cash transaction using funds the buyer had on hand. Please confirm this statement or provide a statement describing the financing of the purchase of the utility by the buyer.
4. **Proposed Net Book Value.** Pursuant to Rule 25-30.037(2)(l), F.A.C., the application is to contain a statement as to the proposed net book value of the system as of the date of the proposed transfer. The application contained a statement that there never has been a net book value established for this system. Please review your documents, such as previous annual reports, and submit a statement of your proposed net book value of the system as of the date of the transfer.
5. **Acquisition Adjustment.** Pursuant to Rule 25-30.037(2)(f), F.A.C., the application is to contain a statement setting out the reasons for the inclusion of an acquisition adjustment, if one is requested. The application contained a statement that the applicant was not requesting an acquisition adjustment. Please provide a statement, as the buyer, regarding any request for an acquisition adjustment.
6. **Annual Report.** The Annual Report is due to be received by the Public Service Commission by March 31 of each year for the previous year. The Annual Report for 2000 was not received until October 19, 2001. Please provide an explanation as to why this was late.

The original and four copies of the response to the information requested in this letter should be filed with the Commission on or before **December 10, 2001**. When filing the response, please be sure to refer to the docket number and to direct the response to:

Division of Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850


Mr. Frank J. Seifert

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Should you have any questions concerning the information in this letter, please contact Stephanie Clapp, of my staff, at 850-413-6997.

Sincerely,

A handwritten signature in cursive script that reads "Patti Daniel".

Patti Daniel, Chief
Bureau of Certification

PD/sac

cc: Division of Regulatory Oversight (Clapp, Rieger)
Division of Legal Services (Harris)
Division of Commission Clerk and Administrative Services
Mr. Issac Duren