

VOTE SHEET

AUGUST 20, 2002

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. d/b/a Beaches Sewer System.

ISSUE 1: Should the transfer of Certificate No. 422-S from Gulf Aire to ESAD Enterprises, Inc. be approved?

RECOMMENDATION: Yes. The transfer of Certificate No. 422-S from Gulf Aire to ESAD should be approved. However, ESAD should be formally put on notice of its obligation to comply with all of the requirements of Chapter 367, Florida Statutes, and Rule 25-30, Florida Administrative Code. The failure to do so may result in the initiation of show cause proceedings and the possible imposition of sanctions, including penalties, fines, and possible revocation of the certificate. ESAD should be responsible for all future RAFs and annual reports. A description of the territory being transferred is appended to staff's August 8, 2002 memorandum as Attachment A.

DEFERRED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

08806 AUG 20 02

FPSC-COMMISSION CLERK

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ISSUE 2: What is the rate base of Gulf Aire at the time of transfer?

RECOMMENDATION: The rate base, which for transfer purposes reflects the net book value at the time of transfer, is \$7,371 for the wastewater system as of December 1, 2000.

ISSUE 3: Should an acquisition adjustment be approved?

RECOMMENDATION: No. An acquisition adjustment was requested; however, an acquisition adjustment should not be included in the calculation of rate base for transfer purposes.

ISSUE 4: Should the rates and charges approved for this utility be continued?

RECOMMENDATION: Yes. ESAD should continue charging the rates and charges approved for Gulf Aire, with the exception of AFPI for treatment facilities, until authorized to change by the Commission in a subsequent proceeding. The tariff pages reflecting the transfer should be effective for services provided or connections made on or after the stamped approval date on the tariff sheets.

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ISSUE 5: Should the utility be required to discontinue collection of Allowance for Funds Prudently Invested (AFPI) for treatment facilities and to refund the overcollection of AFPI?

RECOMMENDATION: Yes. The utility should be required to discontinue collection of AFPI for treatment facilities and to refund overcollection of AFPI. The refunds should be made with interest pursuant to Rule 25-30.360, Florida Administrative Code, to each customer who paid the excess AFPI.

ISSUE 6: Should this docket be closed?

RECOMMENDATION: No. If no timely protest by a substantially affected person is received to the proposed agency action issues, a Consummating Order should be issued upon the expiration of the protest period. The docket should remain open until the utility provides verification that the refund recommended in Issue 5 has been properly completed, at which time the docket should be closed administratively.