



Public Service Commission

-M-E-M-C-R-A-N-D-U-M-

DATE: February 5, 1997
TO: Division of Records and Reporting
 Division of Legal Services, Alice Crosby
FROM: Division of Water & Wastewater, J. Travis Coker *JTC BMSJW*
RE: Docket No. 960095-WS; Application for name change on Certificates No. 517-W and 450-S from Aquarina Developments, Inc. to Service Management Systems, Inc. in Brevard County.

Aquarina Developments, Inc. (Aquarina or Utility) is a Class C utility located in Brevard County. Aquarina was granted Certificates Nos. 517-W and 450-S by Order No. 22075, issued on October 19, 1989 in Docket No. 880595-WS. The utility currently serves 94 water and wastewater customers in the Aquarina and Hammock developments. According to most recent information available, Aquarina's 1995 annual report filed with this Commission, the utility had annual operating revenues of \$71,660 for the water and wastewater operations and a net income of (\$839,970).

On January 26, 1996, Aquarina filed an application with this Commission for acknowledgment of a change in the name of the utility to Service Management Systems, Inc. (SMSI), which is a subsidiary of Aquarina. However, upon reviewing the application it was determined that it was more accurately a reorganization which resulted in the transfer of utility assets from one corporation to another within the organization.

On January 26, 1996, Aquarina filed an application to change the name of the utility to Service Management Systems, Inc. According to the application, the effective date of the name change was January 1, 1996.

From the information provided, however, what has occurred is a corporate reorganization which resulted in utility assets being transferred from Aquarina to SMSI, a subsidiary of Aquarina. The reason given for the reorganization was so that Aquarina could "better comply with the Public Service Commission's order that we maintain our Utility Accounts in strict utility industries standards."

The reorganization has not resulted in any change in ownership or control of the utility or its assets. Before and after the reorganization, Aquarina was and is 20 percent owned by Mr. Albert Cramer and 80 percent owned by TransNation Properties, Inc. TransNation Properties, Inc. was and is 100 percent owned by Mr. Albert Cramer. Consequently, the reorganization does not rise to the level of a transfer of certificate or change in majority organizational control as contemplated by Section 367.071, Florida Statutes. The rates and charges for the customers of Aquarina are not affected by the reorganization nor will the reorganization affect the utility's management, operations, and customer service.

DOCUMENT NUMBER-DATE

01356 FEB-56

FPSC-RECORDS/REPORTING

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This reorganization is similar to that acknowledged by this Commission in Order No. PSC-95-0578-FOF-WU (The Peoples Water Sewer Company), Order No. PSC-0230-FOF-SU (Fountain Lakes Sewer Corporation), Order No. PSC-93-0500-FOF-WS (LeHigh Acres Utilities, Inc.), and Order No. PSC-96-0042-FOF-WS (Econ Utilities Corporation). As was done in the referenced orders, Aquarina requests that the Commission acknowledge this reorganization. Staff recommends that the Commission acknowledge this reorganization. Since no further action is necessary and the docket should be closed.

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