



Public Service Commission

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

DATE: April 8, 1997
 TO: Division of Records and Reporting
 FROM: Martha A. Golden, Economic Analyst, Division of Water & Wastewater *MAZ*
 RE: Docket No. 970167-WU, St. George Island Utility Company, Ltd.

Please find attached the original and two copies of staff's administrative recommendation for Docket No. 970167-WU for St. George Island Utility Company, Ltd. Please feel free to call me at 413-7015 if you have any questions. Thank you.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC 1
- WAS _____
- OTH _____

DOCUMENT NUMBER-DATE
 03629 APR-95
 FPSC-RECORDS/REPORTING



Public Service Commission

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

DATE: April 8, 1997
TO: Alice Crosby, Division of Legal Services
Division of Records and Reporting
FROM: Martha A. Golden, Division of Water & Wastewater *mad GW JKW*
RE: Docket No. 970167-WU, Request for approval of internal reorganization and name change on Certificate No. 302-W from St. George Island Utility Company, Ltd. to Water Management Services, Inc. in Franklin County

On February 6, 1997, St. George Island Utility Company, Ltd. (St. George) filed an application to request approval of a name change and internal reorganization. The complete name, address, and type of business entity of the certificated utility is St. George Island Utility Company, Ltd., 3848 Killlearn Court, Tallahassee, Florida 32308, a Florida limited partnership. The proposed change in name and type of business is Water Management Services, Inc. (Water Management), a Florida corporation. The application states that the name change and corporate reorganization is being accomplished as part of a refinancing of the utility's debt. The new lender requires a more straightforward and comprehensible corporate structure.

Regarding the name change, Water Management is an existing corporation which has been in business since April 10, 1981. Mr. Gene D. Brown, President and Chief Executive Officer of St. George, informed staff that Water Management has been responsible for the management of St. George for many years. A copy of Water Management's certificate of good standing issued by the Florida Department of State (State) was provided as proof that the State has accepted the entity's new name.

Regarding the corporate reorganization, the general partner of St. George is Leisure Properties, Ltd. (Leisure.) The managing general partners of Leisure are St. George's Plantation, Inc. and Water Management. The proposed reorganization would result in the utility's assets being transferred to Water Management. According to the application, Mr. Gene D. Brown is the President and Chief Executive Officer of St. George, St. George's Plantation, and Water Management. A statement has been furnished by Mr. Brown that ownership and control of the utility and its assets will not change as a result of the reorganization into Water Management. The application states that both before and after the name change and internal reorganization, the Public Service Commission (PSC) regulated water utility will be effectively owned and controlled by St. George. Although the utility's assets will be transferred to Water Management, all of the stock (100%) of Water Management will be owned and controlled by St. George after the reorganization. Further, Mr. Gene D. Brown will continue to serve as President and Chief Executive Officer of Water Management.

DOCUMENT NUMBER-DATE

03629 APR-96

FPSC-RECORDS/REPORTING

The application also states that no money is being paid by, to or among any of the parties as part of this internal reorganization. The offices, management and all personnel of the utility will remain unchanged. Further, there will be no change in the operations or level of service.

A copy of the proposed notice to be sent to the customers of St. George informing them of the change in utility name was furnished with the petition, as well as an original and two copies of the proposed water tariffs reflecting the name change. Staff has verified that there are no substantive changes in the tariffs other than the proposed name change. The applicant has provided the utility's original water certificate so that it may be revised to reflect the new name. The name change and corporate reorganization will be effective upon approval by the Commission.

According to Rule 25-30.039, Florida Administrative Code, a name change shall apply to a certificated utility that changes its name only, with no change in the ownership or control of the utility or its assets. Further, Section 2.07(C)(3) of the Administrative Procedures Manual grants the Director of the Division of Records and Reporting, in coordination with the appropriate industry division and the Division of Legal Services, the authority to approve changes of names of regulated utilities where no change of ownership or control or transfer of assets is involved. As stated in the petition, the ownership, and control of St. George will not change under the new name. Although the reorganization involves the transfer of assets from St. George to Water Management, the majority organizational control of the assets will not change. Therefore, the transfer of assets may be viewed as a transfer of assets within the organization, which does not rise to the level of a transfer of assets requiring an application pursuant to Rule 25-30.037, Florida Administrative Code.

Staff finds that the application is in compliance with all provisions of Rule 25-30.039, Florida Administrative Code, and recommends that an administrative order be issued approving the change of name on Certificate No. 302-W to Water Management Services, Inc. and acknowledging the corporate reorganization. Staff recommends that the order approve the utility's proposed customer notice and require that the notice be sent to all existing customers upon issuance of the administrative order. In accordance with Rule 25-30.039(3), the notice may be sent with the next regular billing. Staff also recommends that the utility's proposed water and wastewater tariffs be approved and become effective for services rendered or connections made on or after the stamped approval date on the tariff sheets. Furthermore, staff recommends that this docket be closed.