

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of transfer of majority organizational control of CWS Communities LP d/b/a Palm Valley, holder of Certificate Nos. 277-W and 223-S in Seminole County, from CWS Communities Trust to CP Limited Partnership, known in Florida as Chateau Communities Limited Partnership.

DOCKET NO. 020122-WS
ORDER NO. PSC-02-1029-FOF-WS
ISSUED: July 29, 2002

The following Commissioners participated in the disposition of this matter:

LILA A. JABER, Chairman
J. TERRY DEASON
BRAULIO L. BAEZ
MICHAEL A. PALECKI
RUDOLPH "RUDY" BRADLEY

ORDER APPROVING TRANSFER OF MAJORITY
ORGANIZATIONAL CONTROL AND CLOSING DOCKET

BY THE COMMISSION:

Background

On February 14, 2002, CWS Communities LP d/b/a Palm Valley (Palm Valley or utility) filed an application for approval to transfer majority organizational control of the utility from CWS Communities Trust (Trust or seller) to CP Limited Partnership, known in Florida as Chateau Communities Limited Partnership (Chateau or buyer). The Agreement as to Transfer of Florida Public Service Commission Certificated Utilities (Agreement) was executed on August 2, 2001. The closing occurred on August 3, 2001, contingent upon Commission approval.

Palm Valley is a Class C utility serving 55 individually metered residential water and wastewater customers and one general service customer in Seminole County. The utility is located in the St. Johns River Water Management District (SJRWMD), which is considered a water use caution area. Palm Valley was granted Certificates Nos. 277-W and 223-S by Order No. 7518, issued

DOCUMENT NUMBER 020122-WS

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FPSC-COMMISSION CLERK

ORDER NO. PSC-02-1029-FOF-WS
DOCKET NO. 020122-WS
PAGE 2

November 22, 1976, in Docket No. 750660-WS. The Certificates have been amended by Order No. 9626, issued November 5, 1980, in Docket No. 791519-WS; Order No. 12714, issued November 30, 1983, in Docket No. 830530-WS; Order No. 14480, issued June 18, 1985, in Docket No. 850040-WS; Order No. 23094, issued June 20, 1990, in Docket No. 900166-WS; and Order No. PSC-00-2243-PAA-WS, issued November 27, 2000, in Docket No. 001138-WS. The Certificates have also been transferred twice by Order No. 16360, issued July 16, 1986, in Docket No. 860583-WS, and Order No. PSC-00-1675-PAA-WS, issued September 19, 2000, in Docket No. 991984-WS.

Palm Valley is one of three regulated utilities transferred as part of a larger transaction. The other two utilities are CWS Communities, LP and CWS Communities, LP d/b/a Crystal Lake Club. According to information provided, the transaction included 46 manufactured home communities and three recreational vehicle communities in 11 states.

We have jurisdiction pursuant to Section 367.071, Florida Statutes.

Application

The application is in compliance with Section 367.071, Florida Statutes, and other pertinent statutes and provisions of the Florida Administrative Code. In particular, the application contains the correct filing fee, pursuant to Rule 25-30.020, Florida Administrative Code. The application also contains proof that the utility owns the land upon which its facilities are located as required by Rule 25-30.037(3)(i), Florida Administrative Code.

The application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. No objections to the application have been received and the time for filing such has expired.

Pursuant to Rules 25-30.037(3)(e) and (g), Florida Administrative Code, the application contains a statement describing the financing of the purchase, the entities providing funding to the buyer, and an explanation of the manner and amount of such funding. According to the buyer, the following were used

to finance the transaction: 2,040,878 operating partnership units (OP units) at a value of \$30.935 per OP unit, \$151 million in assumed liabilities, \$9.9 million in 10 year 7.5 percent unsecured installment notes, and \$323 million in cash (including the payoff of \$20 million in debt). Those with ownership interests in the Trust were given OP units or cash.

Pursuant to Rule 25-30.037(3)(h), Florida Administrative Code, the application contains a statement that the buyer performed a reasonable investigation of the system. We confirmed with the Florida Department of Environmental Protection (DEP) that the system is currently in compliance with respect to DEP standards. Also, according to SJRWMD, the utility has no outstanding compliance issues.

The application contains a statement that the transfer is in the public interest because the customers will continue to receive the same quality service to which they are accustomed. Although the buyer has limited prior utility experience, Palm Valley's existing structure and staff will be retained allowing for a seamless transfer from one owner to another.

To indicate financial ability, the buyer provided a 2000 annual report for Chateau Communities which contains consolidated financial statement that indicate sufficient liquid assets to maintain normal utility operations and handle any utility emergencies which may arise. The buyer also provided a statement of intent to fulfill the commitments, obligations, and representations of the seller with regard to utility matters.

With regard to rate base and an acquisition adjustment, it has been Commission practice not to establish rate base for transfers of majority organizational control because a stock transfer has no regulatory impact on rate base. Similarly, an acquisition adjustment is not made for a stock transfer. Therefore, rate base is not being set for Palm Valley in this proceeding. Rate base was established for the utility in Docket No. 991984-WS at \$139,173 for the water system and \$564,877 for the wastewater system as of August 30, 1999.

Based on the foregoing, we find that the transfer of majority organizational control of Palm Valley from the Trust to Chateau is

in the public interest and it is approved. The territory the utility is authorized to serve is shown on Attachment A of this Order, which by reference is incorporated herein.

Rates and Charges

The utility's current rates and charges became effective February 16, 1999, pursuant to a price index rate adjustment. The utility's service availability charges became effective April 16, 1991, pursuant to Order No. 24181, issued March 1, 1991, in Docket No. 900402-WS. Palm Valley's current rates and charges are set forth below.

Water - Monthly Service Rates

Residential Service

Minimum Charge (Includes 2,000 Gallons)	\$ 2.69
All Usage Over 2,000 Gallons Per 1,000 Gallons	\$.54

General Service

Gallonage Charge Per 1,000 Gallons	\$.54
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Wastewater - Monthly Service Rates

Residential Service

Base Facility Charge
Meter Size

All Meter Sizes Flat Rate	\$ 8.77
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General Service

Gallonage Charge Per 1,000 Gallons	\$.56
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Service Availability Charges

Water

Initial Connection Charge

Residential - Per Equivalent	
Residential Connection (300 GPD*)	\$170.00

Wastewater

Initial Connection Charge

Residential - Per Equivalent	
Residential Connection (170 GPD*)	\$1,835.00

*Gallons Per Day

Rule 25-9.044(1), Florida Administrative Code, requires the new owner of a utility to adopt and use the rates and charges, classifications, and regulations of the former owner unless authorized to change by this Commission. Chateau has not requested to change the rates and charges of the utility, and we see no reason to change them at this time. Palm Valley shall continue to charge the rates and charges approved in its tariff until authorized to change by this Commission in a subsequent proceeding. Because there has been no change in the utility organization or operation as a result of the transfer of majority organizational control, Palm Valley's current tariff shall remain in effect.

It is, therefore,

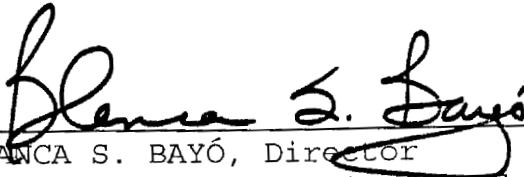
ORDERED by the Florida Public Service Commission that the transfer of majority organizational control of CWS Communities LP d/b/a Palm Valley from CWS Communities Trust to CP Limited Partnership, known in Florida as Chateau Communities Limited Partnership, is hereby approved. The territory the utility is authorized to serve is shown on Attachment A of this Order, which by reference is incorporated herein. It is further

ORDERED that CWS Communities LP d/b/a Palm Valley shall continue to charge the rates and charges approved in its tariff until authorized to change by this Commission in a subsequent proceeding. It is further

ORDER NO. PSC-02-1029-FOF-WS
DOCKET NO. 020122-WS
PAGE 6

ORDERED that this docket is hereby closed.

By ORDER of the Florida Public Service Commission this 29th
day of July, 2002.



BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

(S E A L)

ALC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of

ORDER NO. PSC-02-1029-FOF-WS
DOCKET NO. 020122-WS
PAGE 7

the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

ORDER NO. PSC-02-1029-FOF-WS
DOCKET NO. 020122-WS
PAGE 8

ATTACHMENT A

**CWS COMMUNITIES LP D/B/A PALM VALLEY
WATER AND WASTEWATER TERRITORY
SEMINOLE COUNTY**

Order No. 7518

In Township 21 South, Range 31 East, Seminole County

Sections 34 and 35

Portions of said Sections 34 and 35 known as Palm Valley Mobile Home Park and more particularly described as follows:

Lots 7 and 15 according to the plat thereof as recorded in Plat Book 11, Page 43, of the Public Records of Seminole County, Florida.

Order No. 9626

Township 21 South, Range 31 East

Section 24

- Begin at the East 1/4 Corner of said Section 34, thence North 00 degrees 18 minutes 03 seconds East, a distance of 1333.33 feet; thence North 89 degrees 23 minutes 00 seconds West, a distance of 257.38 feet; thence South 00 degrees 18 minutes 03 seconds West, a distance of 228.21 feet, thence South 88 degrees 35 minutes 41 seconds West, a distance of 541.44 feet; thence South 00 degrees 18 minutes 03 seconds West, a distance of 720.49 feet to an iron pipe on the South right-of-way of park Road; said point being on a curve with a radius of 2625.65 feet, thence continue Easterly along said South right-of-way a distance of 334.71 feet to a concrete monument, said point being the point of curve of said curve; thence South 89 degrees 13 minutes 35 seconds East, a distance of 225.0 feet more or less to the Northeast corner of Lot 7 as recorded in Plat Book 11, page 43 of the Public Records of Seminole County, Florida, thence South 00 degrees 02 minutes, 08 seconds West, a distance of 1485.0 feet more or less; thence South 00 degrees 02

minutes 08 seconds West, a distance of 560.00 feet; thence South 89 degrees 37 minutes 00 seconds East a distance of 235 feet more or less to a point on the East boundary of said Section 34; thence North 00 degrees 18 minutes 03 seconds East, a distance of 1100 feet to the POINT OF BEGINNING.

ALSO

Beginning at a point on the East right-of-way line of Alafaya Trail 279.01 feet South of the South right-of-way line of Park Road running thence South 89 degrees 27 minutes 05 seconds East 613.86 feet to a point; thence North 00 degrees 03 minutes 18 seconds North 300.31 feet to a point on the South right-of-way line of Park Road; thence along the South right-of-way line of Park Road, following the arc of 1156.78 feet radius curve 315.38 feet to a point; thence continuing along said South right-of-way line of Park Road North 63 degrees 49 minutes 52 seconds East, a distance of 1152.76 feet to a point; thence South 00 degrees 02 minutes 08 seconds West, a distance of 1670 feet more or less to a point; thence North 89 degrees 37 minutes 00 seconds West, a distance of 670 feet to a point, thence North 00 degrees 02 minutes, 05 seconds East, a distance of 381.05 feet to a point; thence North 89 degrees, 27 minutes, 05 seconds West a distance of 1275.70 feet to the Westerly right-of-way line of Alafaya Trail; thence North along said right-of-way line North 00 degrees 03 minutes 18 seconds West, 350.02 feet to the POINT OF BEGINNING.

ALSO

Begin at the Southwest corner of Lot 19, Orlando Industrial Park, run West 00 degrees 02 minutes 08 seconds East, 921 feet; thence North 89 degrees 57 minutes 05 seconds East 105 feet, thence North 00 degrees 02 minutes 08 seconds East, 25 feet; thence North 63 degrees 04 minutes 52 seconds East, 807.00 feet; thence South 60 degrees 02 minutes 08 seconds West, 889.52 to the Northerly right-of-way of Park Road; thence South 63 degrees 49 minutes 53 seconds West along said right-of-way 935.93 feet to the POINT OF BEGINNING. Said parcel known as Fox Run Subdivision.

Section 35

Begin at the West 1/4 corner of said Section 35; thence North 00 degrees 18 minutes 03 seconds East, a distance of 1333.33 feet; thence South 89 degrees 34 minutes 49 seconds East, a distance of 332.63 feet; thence South 00 degrees 14 minutes 18 seconds West 1333.71 feet; thence South 00 degrees 30 minutes 22 seconds East 1087.76 feet; thence North 89 degrees 37 minutes 00 seconds West 340 feet more or less to a point on the West boundary line of said Section 35; thence North 00 degrees 18 minutes 03 seconds East, a distance of 1100 feet more or less to the POINT OF BEGINNING.

Order No. 12714

Township 21 South, Range 31 East

Section 34

From the South 1/4 corner of said Section 34, run South 89 degrees 37 minutes 00 seconds East a distance of 740 feet along the South line of said Section; thence North 00 degrees 02 minutes 08 seconds East a distance of 2040 feet more or less, along the East R-O-W line of Seminole Avenue to a point at the intersection of said East line with the South R-O-W line of Jessup Street for a Point of Beginning. From said Point of Beginning thence run South 89 degrees 37 minutes 00 seconds East a distance of 800 feet along said South R-O-W line of Jessup Street, thence South 00 degrees 02 minutes 08 seconds West a distance of 500 feet parallel with said Seminole Avenue, thence North 89 degrees 37 minutes 00 seconds West a distance of 800 feet to said Seminole Avenue, thence North 00 degrees 02 minutes 08 seconds East a distance of 500 feet to the Point of Beginning.

Order No. 14480

Township 21 South, Range 31 East

Section 34

That portion of said Section 34 and all of Lot 8 and a portion of Lot 13, Orlando Industrial Park as recorded in Plat Book 10,

Page 100 of the Public Records of Seminole County, Florida described as follows:

Commencing at the Southeast corner of said section, thence run North 89 degrees 37'00" West along the South line of said section and the centerline of an 80 foot R-O-W for a distance of 799.25 feet to a Southerly projection of the East line of Lot 11, Orlando Industrial Park; thence run North 00 degrees 02'08" East along said project line and the East line of Lot 11 for a distance of 840 feet to the Easterly most corner of Lot 13 of said Orlando Industrial Park for the Point of Beginning; thence run South 74 degrees 26'00" West along the South line of said Lot 13 a distance of 365.07 (calc) 364.01 (plat) to the Northeast corner of Lot 12 of said industrial park; thence run North 89 degrees 37'00" West along said South line of Lot 13 for a distance of 760.19 feet to the Southwest corner of said Lot 13; thence run North 00 degrees 02'08" East along the West line of said Lot 13 for a distance of 387.76 feet; thence South 89 degrees 37'00" East for a distance of 225 feet; thence North 00 degrees 02'08" East a distance of 18.88 feet; thence South 89 degrees 37'00" East for a distance of 288 feet; thence North 01 degrees 20'29" West for a distance of 208.09 feet; thence North 89 degrees 37'00" West for a distance of 508 feet to the aforementioned West line of said Lot 13; thence run North 00 degrees 02'08" East along said West line a distance of 185.44 feet to the Northwest corner of said Lot 13; thence run South 89 degrees 37'00" East Along the North line of said Lot 13 for a distance of 800 feet to the Southwest corner of Lot 8 of said industrial park; thence run North 00 degrees 02'08" East along the West line of said Lot 8 a distance of 500 feet to the Northwest corner of said Lot 8; thence run South 89 degrees 37'00" East along the North line of said Lot 8 a distance of 780 feet to the Northeast corner of said Lot 8; thence run South 00 degrees 02'08" West along the East line of said Lot 8 a distance of 500 feet to the Southeast corner of said Lot 8; thence run North 89 degrees 37'00" West along the South line of said Lot 8 a distance of 355.63 feet to a point which lies South 89 degrees 37'00" East a distance of 424.37 feet from the aforementioned Southwest corner of Lot 8; thence South 00 degrees 29'25" East a distance of 218.33 feet; thence South 01 degrees 39'42" East a distance of 481.67 feet; thence North 89 degrees 37'00" West a distance of 129.01 feet to the Point of Beginning.

Section 35

The West 1/4 of the Northwest 1/4 of the Northwest 1/4 of said Section 35,

AND the East 1/2 of the West 1/2 of the Northwest 1/4 of the Southwest 1/4 of said Section 35,

AND the South 453.34 feet of the East 1/2 of the West 1/2 of the Southwest 1/4 of the Northwest 1/4 of said Section 35.

Order No. 23094

Township 21 South, Range 31 East

In Sections 34 and 35

Parcels 5 and 6: This description is in Order No. 14480, except that is in a different format.

From a Northeast Corner of Section 34, run South along the East line of Section 34 3,250 feet. Thence run west 1,100 feet to the point of beginning. Thence South 00 degrees 30' 26" East 218.31 feet. Thence South 01 degrees 42' 27" East 180.76 feet. Thence South 01 degrees 42' 27" East 300.87 feet. Thence North 89 degrees 36' 50" West 129.82 feet. Thence South 74 degrees 26' 00" West 364.01 feet. Thence North 89 degrees 40' 34" West 68.30 feet. Thence North 89 degrees 40' 34" West 691.70 feet. Thence North 00 degrees 00' 38" West 387.73 feet. Thence South 89 degrees 34' 08" East 224.94 feet. Thence North 00 degrees 54' 35" East 18.92 feet. Thence South 89 degrees 44' 01" East 287.87 feet. Thence North 01 degrees 21' 41" West 208.21 feet. Thence North 89 degrees 40' 28" West 508.25 feet. Thence North 00 degrees 02' 34" West 185.42 feet. Thence South 89 degrees 38' 18" East 800.12 feet. Thence South 89 degrees 37' 25" East 424.39 feet to the point of beginning.

Parcel A-2:

The South 1/2 of the East 3/4 of the Southwest 1/4 of the Northwest 1/4, less the South 453.34 feet of the East 1/2 of the West 1/2 of said Southwest 1/4 of the Northwest 1/4, all in Section 35.

ORDER NO. PSC-02-1029-FOF-WS
DOCKET NO. 020122-WS
PAGE 13

Order No. PSC-00-2243-PAA-WS

Addition 8

That part of the Northwest 1/4 of Section 35, Township 21 South, Range 31 East, Seminole County, Florida, being further described as follows:

Commence at the Northwest corner of Section 35, Township 21 South, Range 31 East, Seminole County, Florida and run thence N89 degrees 52'09"E 332.91 feet (N89 degrees 45'42"E 332.85 feet record) along the North boundary of Section 35 to the point of beginning; thence continue N89 degrees 47'40"E 662.10 feet (N89 degrees 45'42"E 665.73 record) along the North boundary of said Section 35; thence S00 degrees 15'18"E 1332.93 feet; thence N89 degrees 49'23"E 333.79 feet (N89 degrees 42'41"E record) to the Northwest corner of SE 1/4 of NW 1/4 of said Section 35; thence continue along the boundary of Brighton Park at Carillon according to the map or plat thereof as recorded in plat book 42, pages 86-89 of the Public Records of Seminole County, Florida, N89 degrees 49'23"E 283.75 feet to the appropriate centerline of a creek; thence continue along the boundary of said subdivision S09 degrees 24'12"E 271.06 feet (S09 degrees 24'12"E 273.12 feet record); thence continue along the said subdivision S06 degrees 51'54"W 400.91 feet (S06 degrees 51'54"W 389.91 feet record); thence S89 degrees 47'41" W 278.55 feet to the 40 acre line; thence continue S89 degrees 47'41"W 1003.11 feet along the Northerly boundary of Palm Valley Manufactured Housing; thence N00 degrees 00'32"W 1998.66 feet (N00 degrees 14'22"E deed) along the Easterly boundary of Palm Valley Manufactured Housing to the point of beginning.

Containing 1,755,983.6218 square feet of 40.3118 acres M.O.L.

Addition 8A

The East quarter of the Northwest quarter of the Northwest quarter of Section 35, Township 21 South, Range 31 East, Seminole County, Florida.

Containing 443,725.39 square feet or 10.1865 acres M.O.L.