

DOCKET NO. 760349-WU

REQUEST TO ESTABLISH DOCKET

Date: March 18, 1996

1. Division Name/Staff Name: Division of Water and Wastewater (P. BRADY)

2. OPR: Division of Water and Wastewater (P. Brady) pb gn

3. OCR: Division of Legal Services

4. Suggested Docket Title: Petition for acknowledgement of a corporate reorganization of Hobe Sound Water Company in Martin County.

5. Suggested Docket Mailing List (attach separate sheet if necessary)

A. Parties (Provide names of regulated companies or use abbreviation from list below if Parties should include all regulated companies in one or more industries; provide names and addresses of nonregulated companies; provide names, addresses, and affiliation (i.e., attorney, company liaison officer, or customer) of individuals.)

~~Mr. R. Leigh Duemler  
Lane & Wittendorf LLP  
10 Golf View Road  
Palm Beach, Florida 33480  
TEL: 407/833-2229~~

Mr. Nathaniel P. Reed, President  
Hobe Sound Water Company  
P.O. Box 68  
Hobe Sound, Florida 33475-0068  
TEL: 407/546-2511

B. Interested Persons/Companies (Provide names, complete mailing addresses, and affiliation. Use abbreviation from list below if interested Persons should include all regulated companies in one or more industries.)

~~LANE & WITENDORF LLP  
c/o Mr. R. Leigh Duemler  
320 Park Avenue  
New York, New York 10022-3200~~

REGULATED INDUSTRIES

Investor-Owned Electrics	(EI)	Water and Wastewater Utilities	(WS)
Electric Cooperatives	(EC)	Local Exchange Telephone Cos.	(TL)
Municipal Electrics	(EM)	Interexchange Telephone Cos.	(TI)
Gas Utilities	(GU)	Coin-Operated Telephone Cos.	(TC)
Water Utilities	(WU)	Shared Tenant Telephone Cos.	(TS)
Wastewater Utilities	(SU)	Alternate Access Vendors	(TA)

6. Check One: WU

- Documentation attached.
- Documentation will be provided with recommendation.

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March 6, 1996

Florida Public Service Commission  
Division of Water and Wastewater  
2540 Shumad Oak Boulevard  
Tallahassee, FL 32399  
Attention: Billie Messer

### Re: Hobe Sound Water Company

Dear Sirs:

The Hobe Sound Company, a Delaware corporation (the "Parent Company"), owns and operates facilities for the Jupiter Island Club in Martin County, Florida. It also owns all the outstanding capital stock of Hobe Sound Water Company (the "Water Company"), which holds a certificate issued by the Public Service Commission authorizing it to provide water service to portions of Martin County.

Approximately 60% of the common stock of the Parent Company is owned by a trust (the "Trust") created by Joseph Verner Reed, as settlor, under an agreement, dated December 16, 1964, for the benefit of his descendants. Members of the Jupiter Island Club other than the Reed family own virtually all the common stock of the Parent Company not owned by the Trust.

The club members and the Reed family have determined that it is in their best interests to reorganize the corporate structure to separate the ownership and control of the Parent Company's club operations from its other operations, including those of the Water Company. In one of the transactions proposed to accomplish the reorganization, the Trust will exchange a portion of its shares in the Parent Company for all of the capital stock of the Water Company. The Trust's ownership interest in the Water Company will, therefore, increase from 60% to 100%. It is not contemplated that the name of the Water Company will be changed.

As the majority shareholder of the Parent Company, the Trust has been in control of the Water Company, and the composition of the Board of Directors of the Water Company has been determined

indirectly by the trustees of the Trust. That Board now consists of two members, and they are both members of the Reed family: Nathaniel P. Reed and Samuel F. Pryor. Nathaniel P. Reed has been President of the Water Company for many years. It is contemplated that after the Trust acquires direct ownership of all the shares of the Water Company the Reed family will continue to constitute a majority of the directors of the Water Company and that Nathaniel P. Reed will continue as its President.

The closing of the proposed transaction has been tentatively scheduled for June 30, 1996, and we are now commencing to prepare contracts and other documentation to complete the transaction by that date. On behalf of and as counsel for the Trust and the Water Company, I respectfully request that you provide the Water Company with an acknowledgement of its corporate reorganization as described in this letter.

If additional information is needed or would be helpful in determining the response to the foregoing, please telephone the undersigned at 407-833-2229 or send a fax to 407-833-7347.

Respectfully submitted,



R. Leigh Duemler