



Public Service Commission

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

DATE: July 16, 1997
TO: Division of Records and Reporting
 Division of Legal Services, Alice Crosby
FROM: Division of Water & Wastewater, J. Travis Coker *JTC*
RE: Docket No. 970635-WU; Application for name change on Certificate No. 588-W from Pinecrest Ranches to Pinecrest Ranches, Inc. in Polk County.

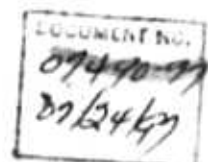
On May 14, 1996, the Board of County Commissioners of Polk County adopted a resolution pursuant to Section 367.171, Florida Statutes, declaring the privately owned water and wastewater utilities in that County subject to the provisions of Chapter 367, Florida Statutes. The resolution was acknowledged by this Commission on July 11, 1996, by Order No. PSC-96-0896-FOF-WS. Pursuant to Section 367.171, Florida Statutes, a utility subject to the jurisdiction of this Commission must obtain a certificate of authorization.

On October 17, 1996, Pinecrest Ranches (Pinecrest or utility) filed an application for a grandfather certificate to provide water service in Polk County pursuant to Section 367.171(2)(b), Florida Statutes.

Pinecrest is a Class C utility which provides water service to a mobile/manufactured home community. The utility currently serves approximately 139 single family residences. According to the grandfather application, the utility was established in mid-1987. Pinecrest was granted Certificate No. 588-W by Order No. PSC-970367-FOF-WU, issued on April 2, 1997 in Docket No. 961253-WU. Pinecrest has not submitted an annual report, therefore, no recent financial information is available.

On May 28, 1997, Pinecrest filed an application with this Commission for acknowledgment of a change in the name of the utility to Pinecrest Ranches, Inc. According to the application, the effective date of the name change was May 1, 1997.

From the information provided, what has occurred is the water utility operations have been incorporated and separated from the land sales operation known as Pinecrest Ranches. The reason given for the reorganization was so that Pinecrest Ranches, Inc. could keep finances, assets and reporting requirements on the water system separate from the real estate operation and the utility can "better comply with the Public Service Commissions order that we maintain our Utility Accounts in strict utility industries standards."



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The reorganization has not resulted in any change in ownership or control of the utility or its assets. Before and after the reorganization, Pinecrest Ranches, Inc. was and is wholly owned by Mr. James O. Vaughn. 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 Pinecrest Ranches, Inc. are not affected by the reorganization nor will the reorganization affect the utility's management, operations, and customer service. Staff recommends that the Commission acknowledge this reorganization. Since no further action is necessary and the docket should be closed.

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