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Public Service Commission

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DATE: June 8, 2001

TO: Alice Crosby, Division of Legal Services Blanca Bayó, Director, Division of the Commission Clerk and Administrative Services

FROM: Cheryl Johnson, Division of Regulatory Oversight

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RE: Docket No. 010670-WS, Application for acknowledgment of corporate reorganization and utility name change from MHC-DeAnza Financing Limited Partnership d/b/a Colonies Water Company holder of Certificates Nos. 417-S and 481-W to CM Utility Systems, L.L.C. d/b/a Colonies Water Company in Broward County.

On April 3, 2001, MHC-DeAnza Financing Limited Partnership d/b/a Colonies Water Company filed an application to request approval of a name change and acknowledgment of its corporate reorganization. The complete name, address, and type of business entity of the certificated utility is MHC-DeAnza Financing Limited Partnership d/b/a Colonies Water Company, 2210 N. Tamiami Trail N.E., North Fort Myers, Florida 33903, a Florida limited partnership. The proposed name change and type of business on Certificate No. 366-W is CM Utility Systems, L.L.C. d/b/a Colonies Water Company a Florida limited partnership. The application was filed pursuant to Rule 25-30.039, Florida Administrative Code, which provides for changes in name only, with no change in the ownership or control of the utility or its assets. The application states that the purpose of the name change and the reorganization is to ensure that the Utility's facilities would not be encumbered by a mortgage loan which closed on June 30, 2000, as part of a larger property refinancing transaction involving MHC, Inc. and its affiliates. An authorized representative of BE provided a signed statement that the ownership and control of the Utility and its assets will not change under the proposed name change.

The application states that both before and after the name change and the reorganization, the Utility is 100% owned by MHC Operating and MHC, Inc., there is no change in ownership or majority organization control and the assets remain with the Utility. All that has occurred in the reorganization is that a legal entity (CM Utility Systems, L.L.C. d/b/a Colonies Water Company) was created as the entity owning the Utility's facilities.

Regarding the reorganization, the details of the corporate reorganization are the following. The Utility's facilities were owned by MHC-DeAnza Financing Limited Partnership (MHC-DeAnza) whose sole general partner is MHC-QRS DeAnza, Inc. (MHC-QRS) and whose sole limited partner is MHC Operating Limited Partnership (MHC Operating). Manufactured Home Communities, Inc. (MHC, Inc.) is the sole shareholder of MHC-QRS and the sole general partner of MHC Operating. On June 30, 2000, the Utility's facilities were assigned to CM Utility Systems, L.L.C. for no consideration. Liquid Assets, L.L.C. (Liquid) is the 100% member of BE. The 100% member of Liquid is MHC Operating, whose sole general partner is MHC, Inc.

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The effective date of incorporation was June 26, 2001. The petition included a copy of the certificate issued by the Florida Department of State showing its acceptance of the Delaware limited liability company. The petition also included the owner's affidavit that ownership and control of the utility and its assets will not change under the new name. A copy of the proposed notice to be sent to the customers of the utility informing them of the change in utility name was included 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 name change and internal reorganization will be effective upon approval by the Commission.

The application 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.

Section 2.07(C)(3) of the Administrative Procedure's 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. Staff finds the request for name change is in compliance with the provisions of Rule 25-30.039, Florida Administrative Code, and recommends that an administrative order be issued within 30 days approving the change of name on Certificates Nos. 487-W and 417-S to CM Utility Systems, L.L.C. d/b/a Colonies Water Company. The utility should be required to give notice to customers as soon as practicable after the order is issued. The tariff filing should be approved and effective for services rendered or connections made on or after the stamped approval date. Finally, upon issuance of the order, the docket should be closed.

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cc: Division of Economic Regulation (Hicks)

Division of the Commission Clerk and Administrative Services (Grant)