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DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

April 19, 1999

Mr. Gary K. Turner
Morningside Utility, Inc.
4144 Oakwood Drive
St. Cloud, FL 34772

Re: Docket No. 990248-WU, Application for transfer of majority organizational control of Morningside Utility, Inc., holder of Certificate No. 595-W in Osceola County, from George DeVillers to Gary K. Turner.

Dear Mr. Turner:

Your application for transfer of majority control was filed on March 3, 1999 and assigned the above referenced docket number and name. Please be sure to reference the docket number on any correspondence related to this docket. Staff has preliminarily reviewed the application and noted several deficiencies below. However, the matter that needs to be addressed first is the name of the utility.

I understand you have already been informed of the problem with the utility's name by Ms. Stephanie Crossman, staff's legal counsel. The utility's certificate is, and must be, the name recorded with Florida Department of State, Division of Corporations. Right now that name is, "Morningside Utility, Inc." However the legal documents filed in support of the application are in the name of "Morningside Utilities, Inc." There are only two ways to resolve this dilemma: (1) change all the legal documents, or (2) change the name of the utility with Florida's Department of State. I believe you and Ms. Crossman decided that the second option was the easiest to accommodate.

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- RRR _____
- SEC _____
- WAW _____
- OTH _____

Deficiencies
Name Change: If you wish to change the utility's name to "Morningside Utilities, Inc.," that change can be handled in this docket by providing the following additional information. Since the change in name would primarily be for purposes of the legal documents used to transfer majority control, the request to change the name must be submitted by, or on behalf of, the transferrer, Mr. George DeVillers.

DOCUMENT NUMBER - DATE
05002 APR 20 99
FPSC-RECORDS/REPORTING

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- a. A statement of the proposed change in name.
- b. A statement of the business entity under the new name, i.e., corporation, partnership, sole proprietorship, etc.
- c. A statement setting out the reason(s) for the name change.
- d. The effective date of the name change.
- e. In the case of a corporation, limited partnership, or any other type of entity that is chartered by the State of Florida, a copy of the certificate or other document issued by the state showing its acceptance of the entity's new name.

(Note: You may obtain information and forms to change a corporate name by calling the Department of State, Division of Corporations, at (850) 488-9000. According to their offices, once they have received a completed application, it normally only takes about 5 working days to process the request.)

- f. Normally, an original and two copies of the utility's water tariff, including all standard forms, would be required under a proposed name change. In this case, the proposed water tariff provided with the application for transfer of majority control has already been submitted under the proposed new name so another tariff is not necessary.
2. Renoticing. It will not be necessary to renotice the application for transfer of majority control if you chose to change the utility name to that given in the notice. If for some reason that turns out not to be the case, please contact staff for a current listing of governmental entities and local utilities and instructions for renoticing.
 3. Closing Date. Pursuant to Section 367.071(1), Florida Statutes, no utility may transfer majority control without determination and approval of the Commission that the proposed transfer is in the public interest. From the documents filed with the application for transfer of majority control, it appears the closing has already occurred although the date is not clear.
 - a. Please indicate the date of closing.
 - b. If the closing has already occurred, please provide an additional statement indicating the reason the closing occurred prior to Commission approval. If you need more information regarding this requirement, please contact Ms. Stephanie Crossman or Ms. Alice Crosby, staff's legal counsels, at (850) 413-6179 and 413-6222, respectively.

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3. Mortgage Deed. Rule 25-30.037(3)(i), Florida Administrative Code, requires evidence that the utility owns the land upon which the utility treatment facilities are located. As evidence of ownership, a Warranty Deed dated January 22, 1999 was provided with the application in which Mr. George DeVillers transferred title to Morningside Utilities, Inc. However, this Warranty Deed is superseded by a Mortgage Deed dated February 27, 1999 which places a lien on the property in favor of the transferrer, George DeVillers.

Please provide an additional affidavit from Mr. George DeVillers stating that Morningside Utilities, Inc., by evidence of the Warranty Deed dated January 22, 1999, does in fact own and possess legal title to the land upon which the utility facilities are located.

4. Financial Ability. In addition to the buyer's experience, Rule 25-30.037(3)(f), Florida Administrative Code, requires a showing of the buyer's financial ability to provide service. Please provide a showing of financial ability such as a financial statement for year-end 1998 or an irrevocable letter of credit from a lending institution indicating the amount of credit that would be extended to you for utility emergencies.
5. Tariff. As indicated in Item 1.(g.), above, a new tariff is not required if you intend to file for a name change to Morningside Utilities, Inc. However, there are a couple of tariff modifications necessary.
 - a. Tariff Sheets Nos. 3.1 and 3.2 were submitted under the existing utility name. These sheets should be resubmitted under the proposed new name.
 - b. Tariff Sheets Nos. 5.0 through 12.0 were omitted from the proposed new tariff. Please provide copies of these tariff pages under the transferee's name. Note that on Tariff Sheet No. 5., after Item 5.0 "Company", you should state the proposed company name.
 - c. Tariff Sheet No. 20.0 indicates that no application for water service is required. The utility should have an application for service. A sample was provided with the model tariff sent with the application package. Please provide an application for service to be included in your tariff.

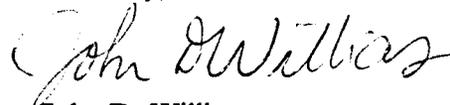
An original and five copies of the response to the information requested in this letter should be filed with the Commission no later than May 19, 1999. Due to the problem with the utility's name, staff intends to wait to issue its recommendation on the utility's application for a territory amendment in Docket No. 990247-WU until after the Commission's vote on your name change in this docket. Therefore, it is important for you to complete the deficiency requirements listed above as soon as possible. When filing the response, please be sure to reference the docket number for this docket and to direct the response to:

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**Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850**

Should you have any questions concerning the information requested in this letter, please contact Patricia Brady, of my staff, at (850) 413-6686.

Sincerely,



John D. Williams
Chief, Bureau of Policy Development
and Industry Structure

JDW:pb

cc: Division of Water and Wastewater (Hill, Lowe, Redemann)
Division of Legal Services (Crossman, Crosby)
Division of Records and Reporting