

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for transfer of	)	DOCKET NO. 910117-WU
majority organizational control of	)	ORDER NO. 24977
A.P. Utilities, Inc. in Marion	)	ISSUED: 8/26/91
County from Michael D. Blake to	)	
Philip Woods	)	
	)	

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman  
 J. TERRY DEASON  
 BETTY EASLEY  
 MICHAEL MCK. WILSON

ORDER APPROVING TRANSFER OF MAJORITY CONTROL

BY THE COMMISSION:

A.P. Utilities, Inc. (utility) is a Class C utility providing water service to 683 customers. The utility serves twelve subdivisions in Marion County, Florida.

On November 1, 1990, Mr. Michael D. Blake and Mr. Philip Woods entered into an agreement whereby Mr. Woods would purchase 1,000 shares of common stock issued by the utility for \$499,613.41, contingent upon Commission approval. The agreement included the purchase of Aqua Pure Water Company (Aqua Pure) and Marico Properties (Marico). The transfers of Aqua Pure and Marico are the subject of a different docket.

On February 6, 1991, the utility filed an application with this Commission for a transfer of majority organization control of the utility from Mr. Blake to Mr. Woods pursuant to Section 367.071, Florida Statutes. Section 367.071, Florida Statutes, requires that the utility obtain the prior approval of the Commission based on a determination that the proposed transfer is in the public interest.

The application included a \$900 filing fee pursuant to Rule 25-30.020, Florida Administrative Code. Also, the utility provided evidence that the utility owns the land upon which the utility's facilities are located as required by Rule 25-30.037(1)(o), Florida Administrative Code. Further, the application states that the utility has met all noticing requirements under Rule 25-30.030, Florida Administrative Code.

DOCUMENT NUMBER-DATE

08526 AUG 26 1991

FPSC-RECORDS/REPORTING

ORDER NO. 24977  
DOCKET NO. 910117-WU  
PAGE 2

According to the aforementioned purchase agreement, Mr. Blake would receive \$41,463 in cash and Mr. Wood would assume the remaining \$458,150 in promissory notes which together totals the purchase price of \$499,613.41. Mr. Woods would make monthly payments of approximately \$4,196 for assuming the notes. Mr. Woods would use two \$100,000 Certificates of Deposits as security for the notes assumed by the utility.

We were concerned about the amount of debt that Mr. Woods would be assuming. Consequently, we requested a financial analysis report regarding the operation of the utility. According to the report, the subdivisions served by the utility are growing rapidly. The report shows 81 connections within a year's time. In the initial years of operation, the utility believes that it would collect just enough to cover expenses. However, the analysis shows that the utility should be profitable within six years.

Although the utility will be struggling in its initial years of operation, we believe that the customers of the utility will benefit from this organizational change since Mr. Blake wishes to get out of the utility business. Moreover, Mr. Woods is a professional engineer who is in the process of getting certified as a plant operator and has been managing the utility for nine (9) months. He has been aggressive in preventive maintenance and has made substantial efforts in keeping the utility in compliance with the Department of Environmental Regulations (DER) standards. In addition, Mr. Woods submitted a statement assuring this Commission that he would fulfill the commitments, obligations and representations of the transferor.

Based on the facts as presented, the Commission hereby approves the transfer of majority organizational control of the utility as being in the public interest.

There is no need to establish rate base in this case since the sale of the stock does not alter the utility's asset or liability accounts. Accordingly, the transfer of stock ownership does not change the rate base balance.

The utility's approved rates were effective April 11, 1988 pursuant to Order No. 19016 issued in Docket No. 880236-WU, a price index application. The utility's approved charges were effective July 15, 1986 pursuant to Order No. 16145 issued in Docket No. 850366-WU, a staff-assisted rate case. Mr. Woods has not requested a change in the rates and charges of the utility and we see no reason to change them at this time. The utility must file a revised tariff reflecting the change in issuing officer due to the

ORDER NO. 24977  
DOCKET NO. 910117-WU  
PAGE 3

transfer of majority organizational control within sixty days of the date of this Order. The revised tariff filing will be effective for services provided or connections made after the stamped approval date on the tariff sheets.

It is, therefore

ORDERED by the Florida Public Service Commission that the transfer of majority organizational control by A.P. Utilities, Inc. from Mr. Michael D. Blake to Mr. Philip Woods is hereby approved. It is further

ORDERED that A.P. Utilities, Inc. shall file a revised tariff reflecting the change in issuing officer due to the transfer of majority organizational control within sixty days of the date of this Order. It is further

ORDERED that the revised tariff filing shall be effective for services provided or connections made after the stamped approval date on the tariff sheets. It is further

ORDERED that this docket be closed.

By ORDER of the Florida Public Service Commission, this  
26th day of AUGUST, 1991.

  
\_\_\_\_\_  
STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

NRF

ORDER NO. 24977  
DOCKET NO. 910117-WU  
PAGE 4

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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 Records and Reporting 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 or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting 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.