

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for transfer) DOCKET NO. 951331-WU
of control of Certificate No.) ORDER NO. PSC-96-0570-FOF-WU
551-W issued to Seven Rivers) ISSUED: May 1, 1996
Utilities, Inc. in Citrus County)
from T. O. Sullivan and June)
McFarland to John H. Hotaling.)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER APPROVING TRANSFER OF MAJORITY ORGANIZATIONAL
CONTROL AND CLOSING DOCKET

BY THE COMMISSION

On November 8, 1995, Seven Rivers Utilities, Inc. (Seven Rivers or utility) filed an application for transfer of majority organizational control of the utility from T. O. Sullivan and June McFarland to John H. Hotaling, pursuant to Section 367.071, Florida Statutes. Seven Rivers, which is located in Citrus County, has been operating under Certificate No. 551-W since June 10, 1993. Its Terrace Unit 11, Kenwood North and Meadow Drive water systems serve approximately 151 residential customers. Wastewater is provided by septic tanks.

By Stock Purchase and Trade Agreement (Agreement) executed on June 29, 1995, majority organizational control of Certificate 551-W, held by Seven Rivers, was transferred from T. O. Sullivan and June McFarland to John H. Hotaling. Prior to the transfer, control of the utility was held equally between Mr. Terence O. Sullivan, Ms. June McFarland and Mr. Hotaling. Subsequent to the transfer, Mr. Hotaling owns 100 percent of the stock.

Pursuant to Section 367.071(1), Florida Statutes, a utility must obtain the approval of the Commission prior to a transfer. As stated previously the transfer occurred on June 25, 1995; the

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application for approval of the transfer was filed on November 8, 1995. Although the Agreement did not contain a provision that the transfer is contingent upon Commission approval, a supplemental statement was provided that the transfer of majority organizational control is subject to Commission approval.

Application

Except as discussed previously, the application is in compliance with Section 367.071, Florida Statutes, and other pertinent Statutes and provisions of the Florida Administrative Code. In particular, the application contains a filing fee in the amount of \$750, pursuant to Rule 25-30.020, Florida Administrative Code. Seven Rivers also provided evidence that it owns the land upon which its facilities are located, in accordance with Rule 25-30.037(3)(i), Florida Administrative Code.

Seven Rivers provided proof of compliance with the noticing requirements of Rule 25-30.030, Florida Administrative Code. No objections to the notice have been received and the time for filing such has expired.

The description of the territory Seven Rivers serves is shown on Attachment A of this order, which by reference is incorporated herein. The description was simplified by Seven Rivers for purposes of noticing.

According to the application, the purchase is being financed through an exchange of stock. No other entities other than Mr. Hotaling will provide funding for the transfer.

According to information provided, Mr. Hotaling has adequate financial resources to continue to operate the utility. As proof of Mr. Hotaling's technical ability to operate the utility, the application states that he is a registered professional engineer. He has specialized in water and wastewater studies and design since 1963 and has owned and/or managed a number of water and wastewater utilities. In addition to Seven Rivers, Mr. Hotaling owns Sumter Water Company and U.S.A. Utilities Unit 2, Inc. (USA). USA owns a small water system in Hillsborough County.

Seven Rivers' annual report and regulatory assessment fees are current, and there are no outstanding fees, penalties or fines. There are no changes in the provision of water service or in customer rates and charges as a result of the transfer.

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Based on the foregoing, we find that the transfer of majority organizational control of Seven Rivers from Mr. Sullivan and Ms. McFarland to Mr. Hotaling is in the public interest and it is approved.

Rate Base

Traditionally, rate base is established by the Commission at the time a utility is transferred because the purchase price is part of determining whether the transfer is in the public interest. Rate base is not normally established when the transfer involves the sale of stock.

Rate base was recently established by Order No. PSC-95-0342-FOF-WU, issued on March 13, 1995, in Docket No. 940726-WU. Therefore, we do not find it necessary to establish rate base in this docket.

Rates and Charges

Seven Rivers' rates and charges became effective on January 3, 1994, pursuant to a correction to the utility's 1993 price index rate adjustment. The rates and charges were subsequently reviewed in Docket No. 940726-WU and found to be appropriate.

Seven Rivers has not requested a change in the rates and charges and we see no reason to change them at this time. Seven Rivers shall continue to charge the rates and charges approved in its tariff until authorized to change by this Commission in a subsequent proceeding. Since there is no change in the issuing officer as a result of the transfer, it is not necessary for the utility to file revised tariff sheets.

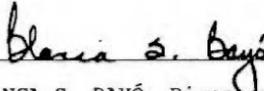
It is, therefore,

ORDERED by the Florida Public Service Commission that the transfer of majority organizational control of Seven Rivers Utilities, Inc., 8401 Blackstone Court, Post Office Box 26572, Tampa, Florida 33623, from Terence O. Sullivan and June McFarland to John H. Hotaling is hereby approved. It is further

ORDERED that Seven Rivers Utilities, Inc. shall continue to charge the rates and charges approved in its tariff until authorized to change by this Commission in a subsequent proceeding. It is further

ORDERED that Docket No. 951331-WU is hereby closed.

By ORDER of the Florida Public Service Commission, this 1st
day of May, 1996.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

ALC

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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 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 and/or wastewater 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.

ATTACHMENT A

Seven Rivers Utilities, Inc.

Territory Description

HOMOSASSA VILLA TERRACE UNIT 11 WATER SYSTEM is situated in the Northeast 1/4 of Section 24, Township 19 South, Range 17 East; Citrus County, Florida, being a recorded subdivision - Sub. 0110, Pb. 1, Pg. 52, further shown on the County Aerial No. 72D, County Map 218A and further being described as follows:

Beginning at a point of commencement - the Northeast corner of Section 24 and running due West along the North line of Section 24, 1373.08 feet to the POINT OF BEGINNING. From the POINT OF BEGINNING, going due south along the center line of Country Club Place a distance of 405.00 feet to a point. Thence going due East along the center line of Grant Drive 283.51 feet to a point of curvature. Thence along the curve having a radius of 2315.10 feet, an arc of 232.74 feet, a chord of 230.78 feet and a chord bearing of North 87°08'00" East to a point. Thence going due South along the center line of Citrus Avenue 611.50 feet to a point of curvature. Thence along the curve having a radius of 470.00 feet, an arc of 738.27 feet, a chord of 666.26 feet and a chord bearing of South 45°00'00" West to a point. Thence going due North a distance of 10 feet to a point. Thence going due West a distance of 170.00 feet to a point. Thence going due North along the center line of Country Club Place a distance of 390.00 feet to a point. Thence going due West along the center line of Pershing Avenue a distance of 983.35 feet to a point on the center line of Rosedale Avenue and also a point of curvature. Thence along the curve having a radius of 1378.24 feet, an arc of 225.99 feet, a chord of 225.66 feet and a chord bearing of North 04°24'35" East to a point. Thence continuing due North along the center line of Rosedale Avenue a distance of 850.00 feet to a point on the North Section Line of Section 24. Thence going due East along the North Section Line, a distance of 1090.00 feet to the POINT OF BEGINNING.

KENWOOD NORTH WATER SYSTEM is situated in the West 1/2 of the Northwest 1/4 of the Northeast 1/4 of Section 25, Township 19 South, Range 17 East; Citrus County, Florida, being an unrecorded subdivision 1D000, further shown on the County Aerial No. 73A, County Map 219A and being further described as follows:

From a POINT OF BEGINNING - Being the Southwest corner of the Northwest 1/4 of Section 25, Township 19 South, Range 17 East, North 00°25'47" West 1288.98 feet to a point on the South right-of-

way of Grover Cleveland Boulevard. Thence along the South right-of-way - South 89°58'00" East, 666.04 feet to a point. Thence leaving the South right-of-way South 00°18'48" East, 1292.47 feet to a point. Thence North 89°39'48" West, 663.43 feet to the POINT OF BEGINNING.

MEADOW STREET WATER SYSTEM is situated within Green Acres Pb. 5, Pg. 4, Sub 0200 within the Southeast 1/4 of Section 36, Township 19 South, Range 17 East, and within Green Acres Subdivision No. 1, Sub. 0210 Pb. 5, Pg. 5, within the North 1/2 of the Southwest 1/4 in Section 31, Township 19 South, Range 18 East; Citrus County, Florida, and further shown on the County Aerial 86C, County Map 375C, being further described as follows:

From a Point of Commencement being the Southeast corner of Section 36, Township 19 South, Range 17 East North a distance of 1966.84 feet to the POINT OF BEGINNING on the North right-of-way of Meadow Street. Thence South 89°44'44" West, 332.02 feet to a point. Thence leaving the right-of-way North 00°04'49" East, 623.43 feet to a point. Thence South 89°29'56" East, 331.09 feet to a point. Thence South 00°05'32" East, 622.00 feet to the POINT OF BEGINNING. FURTHER being the East 1/2 of Lot 22 within Section 36, Township 19 South, Range 17 East.

Also the following within Section 31, Township 19 South, Range 18 East.

Beginning at a Point of Commencement being the Southwest corner Section 31, North 1294.56 feet to the POINT OF BEGINNING: Thence North 00°13'45" East, 622.28 feet to a point on the South right-of-way of Meadow Street. Thence North 88°49'19" East, 336.54 feet to a point on the right-of-way. Thence leaving the right-of-way South 00°14'28" West, 624.90 feet to a point. Thence 89°15'59" West, 336.37 feet to the POINT OF BEGINNING, being Lot 40.

Beginning at a Point of Commencement being the Southwest corner of Section 31, North 1966.84 feet to a point on the North right-of-way of Meadow Street. Thence along the right-of-way North 88°49'19" East, 336.55 feet to the POINT OF BEGINNING on the West property line of Lot 42. Thence North 00°14'28" East, 624.90 feet to a point. Thence along the North property line of Lots 42 and 43, North 88°22'40" East, 673.54 feet to a point on the Northeast corner of Lot 43. Thence South 00°15'54" West, 630.13 feet to a point on the North right-of-way of Meadow Street. Thence along the North right-of-way, South 88°49'19" West, 673.10 feet to the POINT OF BEGINNING, being Lots 42 and 43.

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BEGINNING at a Point of Commencement, being the Southwest corner of Section 31, North 1966.84 feet to a point on the North right-of-way of Meadow Street. Thence along the North right-of-way, North $88^{\circ}49'19''$ East, 1346.20 feet to the POINT OF BEGINNING on the West property line of Lot 45. Thence North $00^{\circ}16'37''$ East, 632.74 feet to the Northwest corner of Lot 45. Thence along the North property line of Lots 45 and 46, North $88^{\circ}22'40''$ East, 673.56 feet to the Northeast corner of Lot 46. Thence South $00^{\circ}18'02''$ West, 637.96 feet to a point on the North Right-of-way of Meadow Street. Thence along the North right-of-way South $88^{\circ}49'19''$ West, 673.10 feet to the POINT OF BEGINNING, being Lots 45 and 46.