

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for staff-assisted rate case in Bay County by Bayside Utilities, Inc.

Docket No. 971401-WS Filed: October 15, 1998

PROTEST OF PROPOSED AGENCY ACTION

The undersigned customers of Bayside Utilities, Inc., each individually in his own name, and collectively as representatives of Bayside Homeowner's Association, hereby object to certain portions of the proposed action embodied in PSC Order No. PSC-98-1269-FOF-WS, and petition for a hearing on specified issues. As grounds, Petitioners state:

1. Section 367.081, Florida Statutes, assures that water and wastewater utilities may only charge rates which are just and reasonable. Unless the Public Service Commission (PSC) implements the changes recommended in this Petition, the rates established by Order No. PSC-98-1269-FOF-WS will be excessive. Each Petitioner is a customer of Bayside Utilities, Inc. ("Bayside Utilities"). As such, each Petitioner will be affected directly and individually by the rates charged. If Bayside Utilities is allowed to charge excessive rates, Petitioners will be deprived of their statutorily guaranteed protections. Thus, each Petitioner's substantial interest is affected by Order No. PSC-98-1269-FOF-WS.

2. Petitioner Tarver Kitchens is president of Bayside Homeowner's Association (Bayside Homeowners), and through the governing process of that association, has been authorized to represent Bayside Homeowners for the purpose of this petition. By virtue of their being customers of Bayside Utilities, each of the Bayside Homeowners members' substantial interest is affected by the PSC's proposed action.

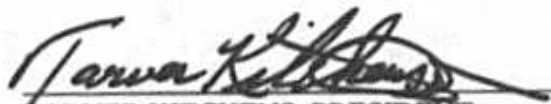
ACK []
AFA []
APP []
CAF []
CMU []
CTR []
EAG []
LEG []
LIN []
OPC []
RCH []
SEC []
WAS []
OTH []


DOCUMENT NUMBER-DATE
11545 OCT 15 98
FPSC-RECORDS/REPORTING

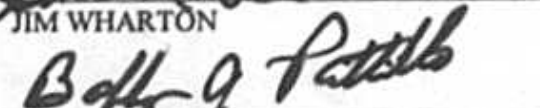
3. Test year revenue is understated because campers "behind the fence" paid the utility revenue for water and wastewater service that was not recorded on the utility's books.
4. Test year revenue is understated because base facility charges for vacant lots paid by the mobile home park to the utility have not been recorded on the utility's books.
5. The utility's rate base is overstated. The proposed rates are established on the basis of 222 equivalent resident connections (ERC), but the calculation of used and useful is based on 283 ERCs.
6. Bayside Utilities' authorized ROE should be reduced to reflect the mismanagement manifested by the utility's failure to keep its books and record in compliance with PSC Rule 25-30.115, F.A.C.
7. Depreciation expense and consequently accumulated depreciation has been incorrectly calculated and is overstated.
8. Various purported charges included in operating and maintenance expense are unsupported.
9. Operating and Maintenance expenses are overstated; rate base is overstated; revenues are understated; and revenue requirement is overstated.

WHEREFORE, Petitioners object to the proposed action contained in Order No. PSC-98-1269-FOF-WS, and seek a hearing on the issues raised within this Petition.

Respectfully submitted,


TARVER KITCHENS, PRESIDENT
BAYSIDE HOMEOWNERS ASSOC.


JIM WHARTON


BOBBY J. ATILLO

**CERTIFICATE OF SERVICE
DOCKET NO. 971401-WS**

I HEREBY CERTIFY that a true and correct copy of the above and foregoing PROTEST OF PROPOSED AGENCY ACTION has been delivered by (*)hand-delivery or U.S. Mail to the following parties this 15th day of October, 1998.

Robert Casey, Esquire
Florida Public Service Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Bayside Utilities, Inc.
6325 Big Daddy Drive
Panama City Beach, Florida 32407-5506


TARVER KITCHENS, PRESIDENT
BAYSIDE HOMEOWNERS ASSOC.