BAYSIDE PARTNERSHIP D/B/A/BAYSIDE MOBILE HOME PARK 6325 Big Daddy Drive

Panama City Beach, FL 32407 (850) 234-6668

June 13, 2001

Mr. Troy Rendell State of Florida Public Service Commission **Division of Economic Regulation 2540 Shumard Oak Boulevard** Tallahassee, Florida 32399-0850

BAYSIDE'S FIRST RESPONSE TO_ STAFF'S FIRST DATA REQUEST

Sent by Telefax and USPS, June 13, 2001

RE: Docket No. 010726-WS-Complaint by Bayside Mobile Home Park against Bayside Utilities Inc., regarding denial of request for water and wastewater service in Bay County.

Dear Mr. Rendell:

By this letter, Bayside Mobile Home Park, as the complainant, answers Staff's First Data Request with the following responses.

As to Item,

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- (1)76 connections for water and wastewater
- (2)Yes. With everyone involved including staff members, Bayside Utility Services, Inc. employees and their Attorney, Mr. Girtman.
- (3) We have refused to sign the developer agreement because the utility tariff states that the company will extend the system to supply water and sewer service within the territory granted by the Commission. The only charges allowed in the tariff are a \$15.00 Initial Connection Fee, "at a location where service did not exist previously," and a \$300.00 Service Availability Fee for Main Extension Charge. We are completely willing to pay those charges. Also, as we outlined in our complaint, if we signed the developer agreement, we, as a private company, would be agreeing to spending an enormous amount of money, entirely for the benefit of another private company. We cannot determine at any place in the Florida Statutes or the rules of the Florida Public Service Commission, where it is stated that one private company must give to another private company an asset that it has had to spend its fund developing. Other reasons would include the onerous requirement, included in the developer agreement, that after spending our funds to build the system and then giving it to the privately owned for profit Utility Company, we would then be required to guarantee the system's integrity and to maintain it against problems for an extended period of time after completion.

The estimate stated by the attorney for Bayside Utility Services, Inc. is "roughly \$100,000.00" but one and one half years ago, our engineering firm estimated the approximate cost of installation to be \$222,000.00 with a 10% contingency.

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FPSC-RECORDS/REPORTING

- No. These proposed lots are located within Bayside Mobile Home Park, and will provide affordable housing for the buyer. I am not aware of any other mobile home subdivision offering affordable lots for sale in all of Bay County. To include the cost in the price of the lots would put an unfair burden on this developer as the land acquisition costs and other development costs would jeopardize both the potential for sales and a reasonable profit on the venture. Further, there seems to be no requirement at Law that would impose upon a developer, the responsibility to develop an asset, and then give it to another private for profit company. For example, when we owned the Utility Company there became a need for expansion and upgrades. The Florida Public Service Commission, without hesitancy, ordered the Utility Company and us as the owners, to borrow \$250,000.00, personally guarantee it, and to complete the expansion and upgrades. (See 1984 1987 prior rate cases of Bayside Utilities, Inc. and take testimony from Mr. Ted Davis, Mr. John Kraynak, and Ms Christine Romig, Commission employees).
- (6) Yes, on several occasions, but they cannot sincerely discuss the possibility of interconnection of this system with the City of Panama City Beach because the Commission staff and Bayside Utility Services, Inc. made it very clear during the change of ownership of the Utility, during the subsequent protest to the sale by the customers, and during the public hearing that followed, that the area of expansion is within the territory assigned to, and protected by, the Forida Public Service Commission. (Take testimony from Commission Staff members Bob Casey, Ted Davis, and Ralph Jaeger).
- (7) No, they would not pay to install the system. Please be informed that this territory is not located within the limits of the City of Panama City Beach. It is located within Bay County and not within any city boundaries.
- (8) $2\frac{1}{2}$ to $3\frac{1}{2}$ years.

If you have any questions please contact Leonard Jeter at (850)234-6668 or (850)235-2440. Leonard Jeter is General Manager of Bayside Mobile Home Park, and has operated the Utility Company since before the Florida Public Service Commission established jurisdiction of the Utility, and until it was sold to Bayside Utility Services, Inc.

Sincerely

Dorothy J. Burton

Dorothy J. Burton, General Partner Bayside Partnership

cc: Division of Records and Reporting Ralph Jaeger, Senior Attorney

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