

STATE OF FLORIDA

JULIA L. JOHNSON
CHAIRMAN



CAPITAL CIRCLE OFFICE CENTER
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0854
(850) 413-6044

Public Service Commission

December 3, 1997

Mr. Leonard Jeter, General Manager
Bayside Utilities Inc.
6325 Big Daddy Drive
Panama City Beach, Florida 32407

Re: Docket No. 971401-WS - Application for a Staff Assisted Rate Case for Bayside Utilities Inc. in Bay County

Dear Mr. Jeter:

The initial review of eligibility for Bayside Utilities Inc. (Bayside) staff assisted rate case (SARC) shows the utility owes past due regulatory assessment fees of \$4,362.52 (including penalty and interest charges through 11/30/97) for the years of 1995 and 1996. Rule 25-30.455(8)(c), Florida Administrative Code, lists one of the conditions of deciding whether to grant or deny a SARC application as "Whether the applicant has paid applicable regulatory assessment fees;"

Rule 25-30.120(1), Florida Administrative Code, requires utilities to pay a regulatory assessment fee in the amount of four and one-half per cent of gross revenues for the entire year. Rule 25-30-120(2)(a), Florida Administrative Code, requires payment of the regulatory assessment fee by March 31 for the year preceding ending on December 31. According to Commission records, Bayside did not timely pay regulatory assessment fees under these provisions. It also appears Bayside is in violation of Commission Order No. PSC-96-1071-FOF-WS, issued August 20, 1996, for not paying all outstanding 1995 regulatory assessment fees, including penalty and interest, by December 31, 1996.

Based on this information, the Commission must deny the utility's application for a SARC. However, once these past due regulatory assessment fees are paid, the utility may resubmit their application for consideration. Commission staff will be in contact with the utility to make arrangements for payment of the past due regulatory assessment fees.

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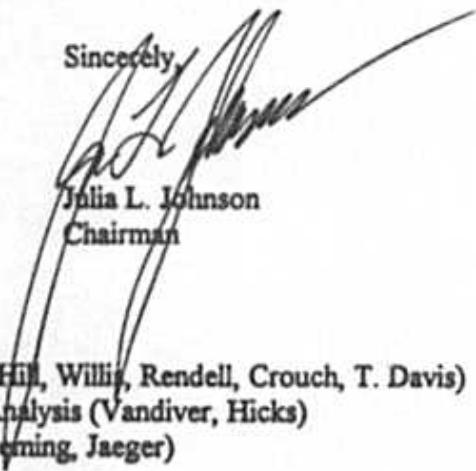
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If you have any questions, you can contact Bob Casey in the Water and Wastewater Division at (850) 413-6974.

Sincerely,



Julia L. Johnson
Chairman

JLJ:rjc

cc: Division of Water and Wastewater (Hill, Willis, Rendell, Crouch, T. Davis)
Division of Auditing and Financial Analysis (Vandiver, Hicks)
Division of Legal Services (Jaber, Fleming, Jaeger)