



**ORIGINAL**  
**Public Service Commission**

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** August 3, 1998  
**TO:** Blanca Bayo, Director of Records and Reporting  
**FROM:** Bob Casey, Regulatory Analyst, Water and Wastewater Division *BC*  
**RE:** Docket No. 971401-WS, Application for a Staff Assisted Rate Case by Bayside Utilities, Inc. in Bay County

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Please place a copy of the attached letter of comments and questions received from the Bayside Homeowners Association at the July 29, 1998 customer meeting, in the above official Docket file for review by all interested parties. Thank You.

cc: Division of Water and Wastewater (Hill, Willis, Rendell, Crouch, T. Davis)  
Division of Legal Services (Jaeger)  
Bayside Homeowners Association (Kitchens)

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- AFA \_\_\_\_\_
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RECORDS/REPORTING

**RE: DOCKET NO. 971401-WS**

AUGUST 97, PER ITS OWN LETTER , THE UTILITY NEEDED A ONE TIME PASS THROUGH CHARGE OF 16.16, BASED ON 228 CUSTOMERS, THIS COMES TO \$3,684.48.  
IF THIS WAS ALL THAT WAS NEEDED IN AUGUST OF 1997, TO FIX FINANCIAL PROBLEMS, WHY IS SO MUCH MORE NEEDED NOW?

**PAGE 14, 1<sup>ST</sup> PARAGRAPH**

THE THIRD (EASTERN ) LIFT STATION DRAWS POWER THROUGH A METER THAT IS COMMON WITH AT LEAST ONE OTHER USER ( 5 CAMPING TRAILERS) AND 1 MOBILE HOME.

YOUR REPORT ACKNOWLEDGES THAT ELECTRICITY WAS BEING DIVERTED TO OTHER PARTIES FOR THEIR OWN USE, THAT WAS CHARGED TO US, THE CUSTOMERS OF THE UTILITY. WHAT WAS THE TRUE READING OF THIS METER?

WHO PAID TO RUN WATER AND SEWER CONNECTIONS TO THESE TRAILERS? WHO PAID FOR THE WATER AND SEWAGE USE OF THESE TRAILERS ?.

WHO PAID FOR THE EXPANSION LINES THAT WERE RUN FOR APPROXIMATELY .8 OF A MILE FROM THE WEST END OF BIG DADDY EASTWARD TO THE UN-PLATED AREA WHERE THESE CAMPERS ARE LOCATED?

**PAGE 21 , PARAGRAPH 3-**

DURING THE TEST YEAR, BAYSIDE PROVIDED SERVICE TO APPROX. 218 RESIDENTIAL AND 11 CAMPERS.

DID BAYSIDE MOBILE HOME PARK PAY THE BASE FACILITY RATE OF ALL THE EMPTY LOTS TO THE UTILITY?

**PAGE 26 LAST PARAGRAPH**

THE UTILITY HAS EXPERIENCED A HIGH AMOUNT OF BAD DEBT

EXPENSE OVER THE PAST FEW YEARS, LARGLEY DUE TO LOSS OF CUSTOMERS FROM HURRICANE OPAL AND ITS TRANSIENT CUSTOMER BASE. STAFF IS RECOMMENDING THE UTILITY INITIATE A CUSTOMER DEPOSIT PROVISION IN ITS TARIFF TO REDUCE THE AMOUNT OF BAD DEBT EXPENSE. IF THE UTILITY CHOSE TO HAVE A LOWER THAN NEEDED DEPOSIT POLICY, WHY ARE THE CUSTOMERS PENALIZED BY THIS BAD MANAGEMENT DECISION?

PAGE 32 ISSUE 16

STAFF ANALYSIS: DURING THE TEST YEAR THE UTILITIES BOOKS WERE NOT MAINTAINED IN CONFORMITY WITH THE UAOA. AS REQUIRED BY THE ORDER ISSUED IN 1988.

ON PAGE 10, LAST PARAGRAPH OF THE ORIGINAL ORDER, THE UTILITY WAS ALLOWED AN EXPENSE TO SET UP ITS BOOKS IN COMPLIANCE WITH COMMISSION REQUIREMENTS.

PAGE 32, OF THE CURRENT RATE CASE ANALYSIS, STATES THAT FOR THE 1997 TEST YEAR, THE UTILITY **DID NOT** MAINTAIN ITS BOOKS CONSISTANT WITH THE PRIOR 1984 NARUS SYSTEM OF ACCOUNTS. WAS THIS THE SAME SYSTEM THAT IT WAS GIVEN AN EXPENSE ALLOWANCE FOR IN 1988? IF THE UTILITY DID NOT MAINTAIN THESE BOOKS IN THE PROPER SYSTEM OF ACCOUNTS, WHAT CREDIBILITY DO THESE BOOKS HAVE AND HOW COULD YOU USE THEM TO DETERMINE NEW RATES?

PAGE 33, PARAGRAPH 4

PARAGRAPH 4 STATES: THE UTILITY **SHALL** PROVIDE REASONABLE PROTECTION FOR RECORDS SUBJECT TO THE REGULATIONS IN THIS PART FROM DAMAGES BY FIRE AND **FLOODS** AND OTHER HAZARDS. ISN'T A HURRICANE A HAZZARD?

**PARAGRAPH 17 PAGE 33**

SHOULD THE UTILITY BE FINED FOR VIOLATIONS OF RULE 25-30.110(1) (A), FLORIDA ADMINISTRATIVE CODE, FOR DESTRUCTION OF UTILITY RECORDS AND FAILURE TO NOTIFY THE COMMISSION OF SUCH WITHIN 90 DAYS?

**QUESTION:**

WHY NOT???

ALL UTILITY RECORDS PRIOR TO NOVEMBER 1995 WERE DESTROYED BY HURRICANE OPAL AND THE COMMISSION WAS NOT NOTIFIED. THE UTILITY'S OFFICE WAS FLOODED BY SALTWATER DUE TO THE FORCE OF THE HURRICANE. ALL UTILITY EFFORTS AFTER THE HURRICANE WERE GEARED TO RESTORING UTILITY OPERATIONS. BECAUSE OF THE EXTRAORDINARY CIRCUMSTANCES AND DESTRUCTIVE FORCE OF THIS HURRICANE, THE UTILITY SHOULD NOT BE FINED FOR FAILURE TO NOTIFY THE COMMISSION OF THE DESTRUCTION OF UTILITY RECORDS.

**QUESTION?**

AS PER YOUR REPORTS THIS UTILITY HAS VIOLATED VARIOUS RULES REGULATIONS AND ORDERS SOME APPARENTLY FOR AS LONG AS 10 YEARS. IN THAT YOU CHOOSE NOT TO IMPOSE ANY PUNITIVE MEASURES ON THIS UTILITY, HOW THEN WILL THEY BE CAUSED TO ACT IN ACCORDANCE WITH SAID RULES AND REGULATIONS?

IN AS MUCH AS THE COMMISSION HAS BEEN INVOLVED IN THIS CASE SINCE LAST OCTOBER 1997, WHO IS BEARING THE EXPENSE OF THIS RATE CASE?

**WE ARE :**

**TARVER KITCHENS, PRESIDENT BAYSIDE HOMEOWNERS  
ASSOC.**

**JIM WHARTON, HOMEOWNER**

**BOBBY PATTILLO, HOMEOWNER**

ORIGINAL

Honorable U. S. Senator Bob Graham  
Page 2  
August 4, 1998

Once the recommendation is filed, a copy of the recommendation will be sent to you to allow you to review what Commissioners will be considering at the September 1, 1998 Agenda Conference. If you have any further questions, or we can be of any further service, please don't hesitate to contact us.

Sincerely,



Bill Lowe  
Assistant Director

BL:rc

cc: Mr. William D. Talbott  
Mr. Jack Shreve, Florida Public Counsel  
Division of Water and Wastewater (Hill, Willis, Rendell, Crouch, Casey, T. Davis)  
Division of Legal Services (Jaeger)  
Division of Records and Reporting (971401-WS)