

RAYSIDE UTILITIES, INC.
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Panama City Beach, FL 32407
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Florida Public Service Commission
Division of Water and Wastewater

August 17, 1998

Mr. Robert J. Casey
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

971401-WS

Dear Mr. Casey,

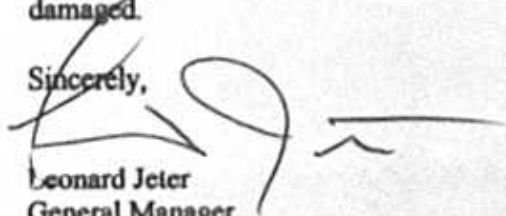
In order to keep you apprized, I am enclosing two pieces of tubing from our water system. Both pieces of tubing have either been cut or nicked with shovels or probes of some kind. My crew and I were called out Sunday morning to repair two water breaks within 50 feet of each other and now we have been called out to repair a third water break within 50 feet of the other two. All of the water breaks were in the island at Bay Circle within 50 feet of each other and within hours of each other. It is interesting that all of the water breaks were within 100 feet of the homes of the leaders of the so-called Bayside Association which is in opposition to the rate increase.

In addition to the water breaks, we have had to unstop the pumps at the eastern lift station which receives sewer from the same area. Strangely, the blockages of the pumps were each hand towels, which apparently were flushed down the toilets. I have received notification from unidentified Utility customers that even though they oppose the Utility increases, they strongly object to and are not a part of what is rumored to be a deliberate effort to sabotage our equipment. It has been indicated to me that the reason for such action is that they now realize that the one way they can seriously effect the rates and possibly cause a reduction in the rates is to show that our quality of service and customer relations are very poor.

I assure each of you involved in this rate case that I can fill that Commission hall with Utility customers that, although objecting to the rate increase, will quickly tell you that we have good customer relations with them and that we respond and solve problems in every instance quickly.

I expect more of this to continue and have prepared my crews to handle the problems no matter what occurs. I have indicated to everyone to simply smile and repair whatever is broken or damaged.

Sincerely,


Leonard Jeter
General Manager

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