

To: Florida Public Service Commission
Director, Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

From: Bayside Homeowners Association
Tarver A. Kitchens, President
1045 Bay Circle
Panama City Beach, Florida 32407-9501

Reference: Notice of Application for Transfer of
Certificates Nos. 469-W and 358-S to
Bayside Utility Services, Inc.

This letter is to advise the Public Service Commission that
the Bayside Homeowners Association objects to the referenced
Application for Transfer of Certificates.

The Public Service Commission Staff has just completed a full analysis
of the Rate Structure of the current operations. The new rates, approved by
the full commission on September 1, are set to provide a 9.53% rate of return
for the current owner. The new rates were a substantial increase but were
deemed necessary to ensure the profit required by statute.

We believe that Utilities Inc. is a holding company for a number of small
utilities. We have questions as to their plans for our existing areas.
These are:

- To improve water and sewer service
- To raise or lower rates—now or in the future
- To expand
- To eliminate debt burden—manifested in high base facility charges
- To lower operation and maintenance costs—producing lower rates

Inasmuch as the recently approved Rate Case is currently under litigation, we
believe that it would be improper to transfer ownership and management and
operation of the facilities at this time.

ACK _____
 AFA _____
 ADP _____
 CAF _____
 CMU _____
 GTR _____
 EAC _____
 LE _____
 LIP _____
 CFP _____
 RCF _____
 SEC _____
 WAS _____

Respectfully Submitted,

Bayside Homeowners Association:



Tarver A. Kitchens, Pres. 1045 Bay Circle Panama City Beach, FL 32407	Jim Wharton 1071 Bay Circle Panama City Beach, FL 32407	Jeremy Austin 1063 Bay Circle Panama City Beach, FL
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