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DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

November 24, 1998

Mr. Tarver A. Kitchens
Bayside Homeowners Association
1046 Bay Circle
Panama City Beach, FL 32407

Re: Docket No. 981403-WS, Application for transfer of Certificate Nos. 469-W and 358-S in Bay County from Bayside Utilities, Inc. to Bayside Utility Services, Inc.

Dear Mr. Kitchens:

Thank you for your letter regarding the above-referenced application. You should have received a copy of Mr. John Williams' November 17, 1998 letter to Mr. Carl Wenz requesting a response to your specific questions about Bayside Utility Services, Inc.'s plans to serve your service territory. This letter is intended to explain what happens to a utility's rates when a certificate is transferred as well as to seek your intent with regard to your objection to this transfer.

As to rates, Rule 25-9.044(1), Florida Administrative Code, provides that:

ACK _____ In case of change of ownership or control of a utility which places the
AFA _____ operation under a different or new utility, or when its name is changed, the
APP _____ company which will thereafter operate the utility business must adopt and use
CAF _____ the rates, classification and regulations of the former operating company
CMU _____ (unless authorized to change by the Commission).

CTR _____ Based on this rule, the new utility rates referenced in your letter must be adopted by Bayside Utility
EAG _____ Services, Inc., until authorized to change by the Commission. Because rates do not change in a
LEG _____ transfer, there is no prohibition against a transfer application being filed while a rate case is still
LIN _____ pending.

OPC _____
RCN _____
SEC _____

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As to your intent, the Commission needs to know if you wish to pursue a hearing. If so, one will be scheduled in which you must provide testimony, or other evidence, to support your protest. You have indicated to my staff that you will need time to review Bayside Utility Services, Inc.'s response to John Williams' letter. Therefore you may have until January 7, 1999 in which to advise us, in writing, if you intend to pursue the objection through a hearing. After January 7, 1999, if the Commission has not received a response from you, staff will move forward to process this transfer application without a hearing. Please direct your response to:

**The Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850**

Meanwhile, if you have any questions, please contact Ms. Gervasi at (850) 413-6224 or Ms. Patricia Brady, of my staff, at (850) 413-6686.

Sincerely,



bill lowe
Assistant Director

bl:plb

cc: Mr. Carl J. Wenz, Utilities, Inc.
Mr. Ben Girtman, Esquire
Mr. Leonard Jeter, Bayside Utilities, Inc.
Division of Water and Wastewater (Brady, Redemann, Casey, Roland)
Division of Legal Services (Gervasi, Crosby)
Division of Records and Reporting

ADDRESSES:

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