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REPLY TO ALTAMONTE SPRINGS

MARTIN S. FRIEDMAN, P.A.  
VALERIE L. LORD, OF COUNSEL  
(LICENSED IN TEXAS ONLY)

April 8, 2004

HAND DELIVERY

Ms. Blanca Bayo  
Commission Clerk and Administrative Services Director  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

RECEIVED FPSC  
APR - 8 PM 4:11  
COMMISSION  
CLERK

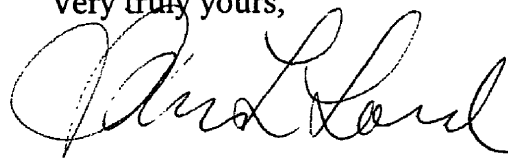
Re: Docket No. 030444-WS; Application by Bayside Utility Services, Inc., for Rate Increase in Bay County, Florida  
Our File No.: 30057.57

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are the original and fifteen (15) copies of Bayside Services, Inc.,'s Notice of Filing and Affidavit of Mailing Combined Initial Customer Notice and Notice of Customer Meeting.

Should you have any questions regarding this filing, please do not hesitate to give me a call.

Very truly yours,



VALERIE L. LORD  
Of Counsel

AUS \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP \_\_\_\_\_  
COM \_\_\_\_\_  
CTR \_\_\_\_\_ VLL/mp  
ECR \_\_\_\_\_ Enclosures  
GCL \_\_\_\_\_  
OPC \_\_\_\_\_  
MMS \_\_\_\_\_ cc: Mr. Bart Fletcher (w/enclosure) (via hand delivery)  
SEC \_\_\_\_\_ Mr. Steven M. Lubertozzi (w/enclosure)  
OTH \_\_\_\_\_ Mr. Patrick C. Flynn (w/enclosure)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of  
BAYSIDE UTILITY SERVICES, INC.,  
for an increase in water and wastewater  
rates in Bay County, Florida

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DOCKET NO. 030444-WS

**NOTICE OF FILING**

Applicant, BAYSIDE UTILITY SERVICES, INC., by and through its undersigned attorneys, hereby gives notice of filing in the above-referenced docket, the Affidavit of Mailing the Combined Initial Customer Notice and Notice of Customer Meeting to its customers.

Respectfully submitted this 8<sup>th</sup> day of  
April, 2004, by:

ROSE, SUNDSTROM & BENTLEY, LLP  
600 S. North Lake Boulevard, Suite 160  
Altamonte Springs, Florida 32701  
(407) 830- 6331  
(407) 830-8522 (fax)

  
\_\_\_\_\_  
MARTIN S. FRIEDMAN  
For the Firm

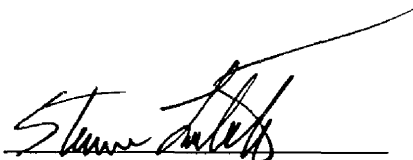
**AFFIDAVIT OF MAILING**

STATE OF ILLINOIS

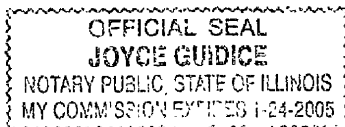
COUNTY OF COOK

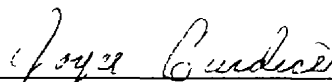
Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared Steven M. Lubertozi, who, after being duly sworn on oath, did depose on oath and say that he is the Director, Regulatory Accounting, of Utilities, Inc., and that on March 17, 2004, he did send by regular U.S. Mail, a copy of the Combined Initial Customer Notice and Notice of Customer Meeting to the Customers of Bayside Utility Services, Inc. attached hereto.

FURTHER AFFIANT SAYETH NAUGHT.

  
\_\_\_\_\_  
Steven M. Lubertozi

Sworn to and subscribed before me this 5<sup>th</sup> day of April, 2004, by Steven M. Lubertozi, who is personally known to me.



  
\_\_\_\_\_  
NOTARY PUBLIC - STATE OF ILLINOIS AT LARGE  
My Commission Expires:

BEFORE THE PUBLIC SERVICE COMMISSION

INITIAL CUSTOMER NOTICE  
AND  
NOTICE OF CUSTOMER MEETING

TO THE CUSTOMERS OF  
BAYSIDE UTILITY SERVICES, INC.  
AND  
ALL OTHER INTERESTED PERSONS

RE: DOCKET NO.: 030444-WS

APPLICATION FOR INCREASE IN RATES IN BAY COUNTY  
BY BAYSIDE UTILITY SERVICES, INC.

DATED: March 17, 2004

NOTICE is hereby given that the Staff of the Florida Public Service Commission will conduct a customer meeting to discuss Bayside Utility Services, Inc.'s Application for a rate increase. The meeting will be held at the following time and place:

6:00 p.m., Thursday, April 15, 2004

Panama City Beach Senior Center  
423 Lyndell Lane  
Panama City Beach, Florida 32407

All persons who wish to comment are urged to be present at the beginning of the meeting, since the meeting may be adjourned early if no customers are present. One or more of the Commissioners of the Florida Public Service Commission may attend and participate in this meeting. The meeting will begin as scheduled and will continue until all of the customers have been heard.

In addition to the customer meeting to be held on April 15, 2004, at 6:00 p.m., the Public Service Commission Staff will be available that afternoon from 3:00 p.m. to 5:00 p.m., to meet with representatives of customer groups, homeowners' associations, and developers who desire a more in-depth discussion of the issues. Appointments may be made for the meeting with Staff by contacting Bart Fletcher of the Florida Public Service Commission Staff at (850) 413-7017 prior to April 15, 2004. All representatives who wish to participate in individual meetings are urged to make an appointment, since the individual meetings may be canceled if no appointments are made.

Any person requiring some accommodation at the customer meeting because of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at least 48 hours prior to the meeting. Any person who is hearing or speech impaired should contact the Florida

Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

### **PURPOSE**

The purpose of the meeting(s) is to give customers and other interested persons an opportunity to offer comments to the Public Service Commission staff regarding the quality of service the utility provides and to ask questions, and comment on the rates included in this Notice as well as other issues. Commission staff will be available to address and coordinate customers' comments and to assist members of the public. A representative from the utility may also be in attendance. At the beginning of the meeting, procedures will be established for the order of comments. The Public Service Commission staff will have sign-up sheets, and customers will be called in the order that they sign up to speak.

### **HOW TO CONTACT THE COMMISSION**

Any person who wishes to comment or provide information to staff may do so at the meetings, either orally or in writing. Other written comments regarding the utility and the proposed rates, or requests to be placed on the mailing list for this case, may be directed to this address:

Director, Division of the Commission Clerk & Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

All correspondence should refer to "Docket No. 030444-WS", Bayside Utility Services, Inc. Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Public Service Commission's toll-free facsimile line at 1-800-511-0809. The Commission also has a web-site available at <http://floridapsc.com/consumers/complaint/index.cfm>.

If you wish to contact the Commission regarding complaints about service, you may call the Commission's Division of Consumer Affairs at the following toll-free number 1-800-342-3552.

### **BACKGROUND**

Bayside Utility Services, Inc., is a water and wastewater utility located in Bay County. As reported in its MFRs, the utility's revenues per books are \$64,713 for the water system and \$90,721 for the wastewater system, with operating expenses per books of \$87,678 for the water system and \$108,809 for the wastewater system, resulting in a net operating loss of \$22,965 for the water system and \$18,088 for the wastewater system, per books, before adjustments. The rate increase application has been filed by Bayside Utility Services, Inc., because of inadequate earnings.

Copies of the MFRs filed by the utility can be reviewed at the Bay County Library located at 25 West Government Street, Panama City, FL 32401 during the following hours: *Monday*

through Wednesday 9:00 a.m. to 8:00 p.m., Thursday through Saturday 9:00 a.m. to 5:00 p.m., and Sunday 1:00 p.m. to 5:00 p.m. A "Rate Case Synopsis" is also available, along with the MFRs.

The test period for setting rates is the historical average twelve-month period ended December 31, 2002.

**CURRENT AND PROPOSED RATES AND CHARGES**

The current and proposed rates and charges follow. These rates are subject to change based on information gathered at the customer meeting, further Staff review, and the final decision by the Commissioners.

**W A T E R**  
**Residential Service**

<b><u>Class/Meter Size</u></b>	<b><u>Present Rates</u></b>	<b><u>Proposed Interim Rates</u></b>	<b><u>Proposed Final Rates</u></b>
5/8" X 3/4"	\$13.25	\$24.47	\$29.91
3/4"	\$19.86	\$36.68	\$44.84
1"	\$33.13	\$61.19	\$74.80
Gallage Charge (per 1,000 gallons)	\$2.11	\$3.90	\$4.76

**General Service**

<b><u>Class/Meter Size</u></b>	<b><u>Present Rates</u></b>	<b><u>Proposed Interim Rates</u></b>	<b><u>Proposed Final Rates</u></b>
5/8" x 3/4"	\$13.25	\$24.47	\$29.91
3/4"	\$19.86	\$36.68	\$44.84
1"	\$33.13	\$61.19	\$74.80
1 1/2 "	\$66.25	\$122.36	\$149.57
2"	\$105.99	\$195.76	\$239.29
3"	\$211.99	\$391.53	\$478.59
4"	\$331.22	\$611.74	\$747.77
6"	\$662.43	\$1,223.47	\$1,495.52
Gallage Charge (per 1,000 gallons)	\$2.11	\$3.90	\$4.76

## W A S T E W A T E R

### Residential Service

<u>Class/Meter Size</u>	<u>Present Rates</u>	<u>Proposed Interim Rates</u>	<u>Proposed Final Rates</u>
All Meter Sizes	\$16.91	\$28.18	\$32.00
Gallonge Charge (per 1,000 gallons - 6,000 gallon maximum)	\$4.18	\$6.97	\$7.91

### General Service

<u>Class/Meter Size</u>	<u>Present Rates</u>	<u>Proposed Interim Rates</u>	<u>Proposed Final Rates</u>
5/8" x 3/4"	\$16.91	\$28.18	\$32.00
3/4"	\$25.38	\$42.29	\$48.03
1"	\$42.29	\$70.47	\$80.03
1 1/2 "	\$84.56	\$140.90	\$160.02
2"	\$135.31	\$225.47	\$256.06
3"	\$272.81	\$454.58	\$516.26
4"	\$422.84	\$704.58	\$800.17
6"	\$845.70	\$1,409.19	\$1,600.37
Gallonge Charge (per 1,000 gallons)	\$5.00	\$8.33	\$9.46

### SERVICE AVAILABILITY CHARGES

The utility is not requesting any changes to its service availability charges or its miscellaneous service charges. Even though not requested to do so, the Commission may review and adjust service availability charges.

## **PROCEDURES AFTER CUSTOMER MEETINGS**

In addition to the customer meeting notice described above, other important dates in the rate application are as follows:

<b><u>Schedule Item</u></b>	<b><u>Due Dates</u></b>
Staff Recommendation on Interim Rates	March 25, 2004
Agenda Conference on Interim Rates	April 6, 2004
Staff Audit Report	April 16, 2004
Order on Interim Rates	April 26, 2004
Staff's Proposed Agency Action ("PAA") Recommendation	June 24, 2004
Agenda Conference on PAA Rates	July 6, 2004
PAA Order Issued	July 26, 2004
Protest Period Expires	August 16, 2004

This notice was prepared by the utility and approved by Commission staff for distribution by the utility to its customers.