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RECORDS AND REPORTING

Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0870

RE: Docket No. 981403-WS
Application for Transfer of Certificates Nos. 469-W and 358-S

Dear Ms. Bayó:

This is a follow-up to our initial objection letter of November 12, 1998, and our January 5, faxed and hard copy response to Mr. Bill Lowe's inquiries. By this letter we hope to provide final clarification to several issues.

As signatory to the November 12, 1998, objection letter, Mr. Kitchens did express the intentions of Mr. Patillo, Mr. Wharton and Mr. Austin, as well as his own. Each of these four men are customers of Bayside Utilities, and, as will be demonstrated, are substantially affected by any decision on the transfer of the certificates in question. As such substantially affected customers, we have statutory standing to seek a hearing pursuant to §367.045(4), Florida Statutes.

We, the undersigned substantially affected customers, do indeed object to the proposed transfer of Bayside's certificates, and request a proceeding pursuant to ss. 120.569 and 120.57, for the purpose of entertaining the issues arising out of this objection.

We believe that the proposed transfer is contrary to the interests of all of the customers of Bayside Utilities, and contrary to the interests of the citizens and government of Bay County.

ACK _____ The city of Panama City Beach has expressed an interest in purchasing Bayside Utilities and
AFA _____ has been engaged in discussions with the undersigned to explore options in that regard. A transfer
APP _____ of the certificates to the city is superior to a private transfer for several reasons.

CAF _____ Bayside currently purchases all of its services from the city and thus acts merely as a
CMU _____ middleman for the provision of utility services. A direct provision by the city would be more efficient
CTR _____ and thereby less costly. An integrated countywide municipal system is a laudable goal for the county
and would be of general benefit to all Bay County citizens.

EAG _____ The Cities' monthly rates for its customers are substantially below those currently approved
LEG 2 for Bayside Utilities. By obtaining service directly from the city system, the current Bayside
LIN 3 customers would ultimately receive significantly lower monthly rates.

OPC _____
RCH _____
SEC 1
WAS Brady
OTH _____

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Ms. Blanca S. Bayó, Director
Division of Records and Reporting
February 8, 1999
Page 2

Based on the reasons above, as well as others that require an expanded forum for full illumination, we believe that the proposed transfer is not in the public interest. Additionally, the above cited reasons demonstrate that the rates we pay for water and wastewater, as well as the quality of that service, will be substantially affected by the Commission's determination on this transfer. Accordingly, our substantial interests are affected by the requested certification transfer.

Thank you for your attention to this matter.

Sincerely,



Tarver Kitchens, President

Bayside Homeowners Association



Jim Wharton

Jerry Austin



cc: Ben E. Girtman, Esquire
Roseanne Gervasi, Esquire
Mrs. Dorothy J. Burton