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

Public Service Commission

November 24, 1998

Mr. Carl J. Wenz
Vice President, Regulatory Matters
Utilities, Inc.
2335 Sanders Road
Northbrook, IL 60062-6196

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. Wenz:

Your application for transfer of certificates from Bayside Utilities, Inc. to Bayside Utility Services, Inc., (BUSI) was received by the Commission on October 26, 1998 and assigned the above referenced docket number and name. Staff has preliminarily reviewed the application and found the following items deficient or needing clarification or correction.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC _____
- WAS _____
- ZTH _____

Deficiencies:

Copy of Contract. Rule 25-30.037(g), Florida Administrative Code (F.A.C.), requires a copy of the contract for sale and all auxiliary or supplemental agreements. A copy of the contract was provided as Exhibit B to the application. However, the exhibits to the contract were not furnished. It appears that information contained in those exhibits is required by the rule. Please provide a copy of all exhibits to the sales contract.

Statement of Commitment. Rule 25-30.037(j), F.A.C., specifically requires "a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters." Such statement was not provided in Part II(A) of the application. Please furnish a modification to Part II(A) which specifically includes a statement of commitment required by the rule.

DOCUMENT NUMBER 98140303

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1130-ET-00023781-0987 (ING)

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Clarifications or Corrections

3. Corporate Officers. When the application was filed, BUSI was still in the process of incorporating so a list was provided from which BUSI's officers and directors would eventually be selected. According to Florida's Department of State, Division of Corporations, BUSI's corporate status was acknowledged on November 16, 1998. If you are now able to specifically identify BUSI's officers and directors, please do so. If not, please indicate when such identification will be available.
4. Tariffs. As you are probably aware, Rule 25-9.044(1), Florida Administrative Code, provides that:

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

The proposed tariffs provided with the application pursuant to Rule 25-30.037(s), F.A.C., do not reflect the current operating company's rates, classifications and regulations. Mr. Jeter, at Bayside Utilities, Inc., has indicated that a copy of the utility's current tariffs were not available at the time of the filing.

Attached are annotated copies of the utility's current water and wastewater tariffs. Please use rates classifications and regulations in these tariffs to provide replacement tariffs reflecting the proposed change in ownership.

Except for Item 4, which only requires an original and two copies, please file an original and five copies of your response to the items listed above with the Division of Records and Reporting by December 31, 1998. If you have any questions, please contact Ms. Patricia Brady at (850) 413-6686.

Sincerely,



John D. Williams
Chief, Bureau of Policy Development
and Industry Structure

IDW:plb

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Attachments: (for addressee only)

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