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July 23, 2004

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COUNTY MANAGER

VIA TELEFAX AND
CERTIFIED MAILING
RETURN RECEIPT REQUESTED

Blanca S. Bayo, Director
Division of the Commission Clerk &
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Petition to Intervene in Docket No. 030444-WS
Bayside Utility Services, Inc. Rate Increase

Dear Ms. Bayo:

Enclosed please find the petition of Bay County, Florida to intervene and the
County's obligations in the above rate proceedings docket.

Very truly yours,

BURKE, BLUE & HUTCHISON, P.A.

William C. Henry

WCH/dmc

~~CMP~~
~~Enclosures~~

~~COM~~

~~cc:~~ Board of County Commissioners
~~CTR~~ Martin S. Friedman, Esq.

~~ECR~~

~~GCL~~

~~OPC~~

~~MMS~~

~~RCA~~

~~SCR~~

~~SEC~~ 1

~~OTH~~ kimp

COMMISSION
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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

ORIGINAL

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

DOCKET NO. 030444-WS

PETITION TO INTERVENE
IN RATE INCREASE PROCEEDINGS
AND OBJECTION TO RATE BASE AND PROPOSED RATES

BAY COUNTY, a political subdivision of the State of Florida, by and through its undersigned attorneys and pursuant to § 367.091 (2), Florida Statutes and Chapter 25-30, Florida Administrative Code, hereby petitions the Public Service Commission for leave to intervene in the rate increase application proceedings filed by BAYSIDE UTILITY SERVICES, INC. (the "UTILITY") and hereby objects to the rate base and interim rates established in Order Number PSC-04-0414-PCO-WS, and to proposed final rates, and in support thereof says:

I. PETITION TO INTERVENE

1. The UTILITY'S total service area is within an unincorporated area of BAY COUNTY, Florida.
2. The UTILITY'S total service area is within a non-exclusive water and wastewater franchise area which BAY COUNTY granted to the City of Panama City Beach, a Florida municipality, but is outside the corporate boundaries of said city.
3. The UTILITY does not own nor operate water or wastewater treatment facilities within or without its service area.
4. The UTILITY purchases water from the City of Panama City Beach and pays to deposit its wastewater into the City's wastewater system for treatment.
5. The City purchases all the water it supplies to the UTILITY from BAY COUNTY

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FPSC-COMMISSION CLERK

pursuant to interlocal agreements.

6. BAY COUNTY has a statutory right, under § 367.091(2), Florida Statutes, to intervene in this rate increase proceeding.

7. Over 280 households within unincorporated BAY COUNTY are inside the UTILITY'S service area, and are ratepayers of the UTILITY.

8. Under the rates approved by Order Number PSC-98-1269-FOF-WS, the UTILITY'S customers and ratepayers monthly water and sewer bills were higher than those of comparable households in surrounding neighborhoods, all of which are in unincorporated BAY COUNTY and all of which are served by the City at rates that include the 25 percent surcharge authorized by § 180.191 (1)(b), Florida Statutes.

9. The proposed final rates appear to be double the rates paid to the City of Panama City Beach by ratepayers in the neighborhoods cited above.

10. A large number of residents and ratepayers in the UTILITY'S service area have requested BAY COUNTY intervene on their behalf. The service area encompasses a neighborhood of mobile homes and modest houses. Many residents are elderly people on fixed incomes.

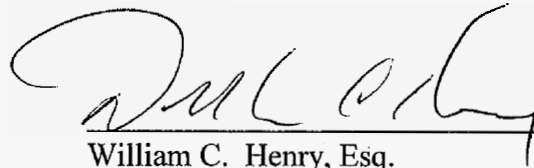
11. Consideration of final rates is docketed for August 3, 2004. As per Rule 25-22.039, this Petition is filed at least five days before that final hearing.

WHEREFORE, BAY COUNTY respectfully requests the Commission grant leave for BAY COUNTY to exercise its statutory right to intervene in these proceedings in order that BAY COUNTY may protect its residents within the UTILITY'S service area.

proposed for customers of this small utility, particularly in comparison to the city-surcharged rates charged to residents of neighboring unincorporated areas.

WHEREFORE, BAY COUNTY respectfully demands the Commission apply the appropriate negative acquisition adjustment to the rate base and recalculate rates accordingly.

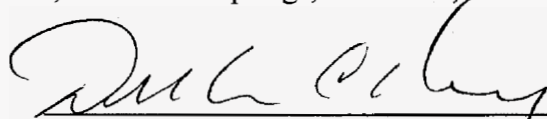
BURKE, BLUE & HUTCHISON, P.A.
Bay County Attorneys



William C. Henry, Esq.
Florida Bar No. 0974412
221 McKenzie Avenue
P.O. Box 70
Panama City, Florida 32402
Attorney For Petitioner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that copies of the above Petition were served, by telefax and Certified U.S. Mail, Return Receipt Requested on July 23, 2004, upon the Florida Public Service Commission, and upon Martin S. Friedman, Esquire of Rose, Sundstrom & Bentley, LLP, 600 S. North Lake Boulevard, Suite 160, Altamonte Springs, FL 32701, attorneys for Bayside Utility Services, Inc.



William C. Henry, Esq.