

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: EAST MARION SANITARY SYSTEMS, INC.
WU-536 AND SU-535

PETITION FOR RULE WAIVER
WITH RESPECT TO THE UTILITY'S FAILURE TO FILE 1995 ANNUAL REPORT
AND FAILURE TO TIMELY FILE THE 1996 ANNUAL REPORT

EAST MARION SANITARY SYSTEMS, INC. does hereby file its Petition for a waiver of penalties and interest for its failure to file the 1995 annual report and timely file the 1996 annual report pursuant to Rule 25-30.110, Florida Administrative Code, and for reason therefore would show:

1. On February 21, 1995, a contract was entered into to acquire the water and sewer systems owned by East Marion Water Distribution Systems, Inc. and EAST MARION SANITARY SYSTEMS, INC. The real property and assets were acquired as part of a land acquisition of the Lakeview Woods subdivision containing 186 lots, only 8 of which were sold, from First Bank of Osceola. The new owners were not familiar with the requirements of utility reporting and the application for transfer of majority organizational control and other reports were not timely filed. These included regulatory assessment fee reports and annual reports.

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2. With the help of records obtained through the Public Service Commission staff and Joseph E. Brannon, Certified Public Accountant, EAST MARION SANITARY SYSTEMS, INC. was able to complete the regulatory assessment fee reports and the 1996 and 1997 annual reports.

3. Several factors contributed to a lack of information necessary to complete and file the 1996 annual report prior to February 2, 1998. These included:

- i) A lack of availability of prior records due to the death of the preceding owners.
- ii) Interim control of the utilities by the First Bank of Osceola.
- iii) New absentee owners who were unfamiliar with Utility reporting requirements.

4. The 1997 annual report was timely filed by the March 31, 1998 filing date. All regulatory assessment fee returns are current and timely paid.

5. To date EAST MARION SANITARY SYSTEMS, INC. has not filed an annual report for 1995. It is the position of the Utility that no useful purpose would be served in filing a 1995 report since 1996 and 1997 reports are available to analyze the activities and operations of the Utility.

6. EAST MARION SANITARY SYSTEMS, INC. incurred losses for 1996 and 1997 in the amount \$16,862 and \$15,024 respectively. The costs of filing a 1995 return would only serve to increase the operating losses of the company and absorb funds needed to keep the Utility operational.

7. EAST MARION SANITARY SYSTEMS, INC. has demonstrated an ability and willingness to timely comply with reporting requirements with the help of Joseph E. Brannon, certified public accountant.

WHEREFORE, EAST MARION SANITARY SYSTEMS, INC. does hereby petition the Public Service Commission for waiver of the penalties assessed for failure to file the 1996 annual report in a timely manner as set forth under Rule 25-30.110(7), Florida Administrative Code. Additionally the Utility requests a waiver of the requirement to file the 1995 annual report as prescribed by Rule 25-30.110(6), Florida Administrative Code.

Respectfully submitted,

BY: Joseph E. Brannon

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For Herbert Hein
President,
EAST MARION SANITARY SYSTEMS, INC.
2320 NE 2nd Street
Ocala, FL 34470

Certificate of Service

I HEREBY CERTIFY that the original and 7 copies of the foregoing were furnished by United States Mail to Blanca Bayo, Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Blvd, Tallahassee, FL 32399-0850 this 3rd day of April, 1998.

Joseph E. Brannon
Joseph E. Brannon