

ORIGINAL

JOSEPH E. BRANNON

Certified Public Accountant

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June 18, 2001

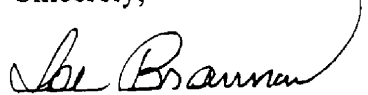
Director of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32301-0870

210869-105

Re: Staff Assisted Rate Case-East Marion Sanitary Services, Inc.

We have completed the application provided by Mr. Troy Rendell. Please advise of any additional information needed prior to your staff commencing their review of the utility's records.

Sincerely,



Joseph E. Brannon
Certified Public Accountant

FLORIDA PUBLIC SERVICE COMMISSION

APPLICATION FOR A
STAFF ASSISTED RATE CASE

ORIGINAL
010869-WIS

I. General Data

A. Name of utility East Marion Sanitary Systems, Inc.

B. Address P.O. Box 245

Silver Springs, FL 34489-0245

1. Telephone Nos. (352) 351-1338

2. County Marion Nearest city Ocala

3. General area served Lakeview Woods/Trails East

C. Authority:

1. Water Certificate No. 490W Date received 1986

2. Sewer Certificate No. 425S Date received 1986

3. Date utility started operations: Water 1986 Sewer 1986

D. How system was acquired Purchase

If utility was purchased, give date 5-16-95 Amount Paid \$ 314,018

1. Name of Seller First Federal of Osecola County

2. Was seller affiliated with present owners? No

3. Did you purchase: Stock or assets only

E. Type of legal entity: Corporation, Partnership or Sole

Proprietorship Corporation

F. Ownership & Officers:

	<u>Name</u>	<u>Title</u>	<u>Percent Ownership</u>
1.	<u>Herbert Hein</u>	<u>President</u>	<u>100%</u>
2.	<u>_____</u>	<u>_____</u>	<u>_____</u>
3.	<u>_____</u>	<u>_____</u>	<u>_____</u>
4.	<u>_____</u>	<u>_____</u>	<u>_____</u>

PSC/WAS 2 (Rev. 11/86)

G. List of Associated Companies and Addresses:

1. _____

2. _____

3. _____

H. If you have retained an attorney and/or a consultant to represent the utility for this application, furnish the name(s) and address(es):

DOCUMENT NUMBER-DATE

07590 JUN 1986

II. Accounting Data

A. Outside Accountant

1. Name Joseph E. Brannon
2. Firm Joseph E. Brannon CPA
3. Address 106 NE 14th Avenue, Ocala, FL 34470
4. Telephone (352) 732-8943 (fax 352-732-2306)

B. Individual to contact on accounting matters:

1. Name Joseph E. Brannon CPA
2. Telephone () same

C. Location of books and records 2320 NE 2nd St. Ste. 3B, Ocala

D. Have you filed an Annual Report with the Commission? yes

Date last filed 2000 Annual Report

E. Has your latest semiannual regulatory assessment fee payment been made (January 30 or July 30 whichever is applicable)? yes

F. Basic Rate Base Data (Most recent two years)

1. Water	1999	2000
Cost of Plant In Service:	\$ <u>124,324</u>	\$ <u>124,867</u>
Less Accumulated Depreciation:	<u>(22,371)</u>	<u>(25,212)</u>
Less Contributed Plant:	<u>(11,380)</u>	<u>(12,211)</u>
Net Owner's Investment:	\$ <u>90,573</u>	\$ <u>87,444</u>

2. Sewer	1999	2000
Cost of Plant In Service:	\$ 241,262	\$ 241,262
Less Accumulated Depreciation:	(56,606)	(63,265)
Less Contributed Plant:	(21,700)	(24,195)
Net Owner's Investment:	\$ 162,956	\$ 153,802

G. Basic Income Statement (Most recent two years):

1. Water	1999	2000
Revenues (By Class):		
a. Residential-Metered	\$ 6,350	\$ 8,357
b. _____	_____	_____
c. _____	_____	_____
Total Operating Revenues:	\$ 6,350	\$ 8,357
Less Expenses:		
a. Salaries & Wages - Employees	\$ -0-	\$ -0-
b. Salaries & Wages - Officers, Directors, & Majority Stockholders	-0-	-0-
c. Employee Pensions & Benefits	-0-	-0-
d. Purchased Water	-0-	-0-
e. Purchased Power	1,205	1,298
f. Fuel for Power Production	-0-	-0-
g. Chemicals	40	199
h. Materials & Supplies	-0-	79
i. Contractual Services	5,556	11,243
j. Rents	-0-	-0-
k. Transportation Expenses	-0-	-0-
l. Insurance Expense	-0-	-0-
m. Regulatory Commission Expense	268	382
n. Bad Debt Expense	-0-	39
o. Miscellaneous Expense	80	44
p. Depreciation Expense	2,494	2,400
q. Property Taxes	1,182	_____
r. Other Taxes	232	292
s. Income Taxes	-0-	132
Operating Income (Loss)	\$ (4,707)	\$ (7,751)

2. Sewer

	<u>1999</u>	<u>2000</u>
Revenues (By Class):		
a. <u>Residential</u>	\$ 6,575	\$ 8,318
b. _____	_____	_____
c. _____	_____	_____
Total Operating Revenues:	\$ 6,575	\$ 8,318
Less Expenses:		
a. Salaries & Wages - Employees	\$ -0-	\$ -0-
b. Salaries & Wages - Officers, Directors, & Majority Stockholders	-0-	-0-
c. Employee Pensions & Benefits	-0-	-0-
d. Purchased Sewage Treatment	-0-	-0-
e. Sludge Removal Expense	-0-	-0-
f. Purchased Power	1,205	1,298
g. Fuel for Power Production	-0-	-0-
h. Chemicals	114	-0-
i. Materials & Supplies	37	79
j. Contractual Services	5,835	6,684
k. Rents	-0-	-0-
l. Transportation Expenses	-0-	-0-
m. Insurance Expense	-0-	-0-
n. Regulatory Commission Expense	278	357
o. Bad Debt Expense	-0-	38
p. Miscellaneous Expense	80	30
q. Depreciation Expense	6,208	6,023
r. Property Taxes	1,025	939
s. Other Taxes	247	134
t. Income Taxes	-0-	-0-
Operating Income (Loss)	\$ (8,454)	\$ (7,264)

H. Outstanding Debt:

	<u>Creditor</u>	<u>Date Borrowed</u>	<u>Balance Due</u>	<u>Interest Rate</u>	<u>Expiration Date</u>
1.	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____
4.	_____	_____	_____	_____	_____

I. Indicate Type of Tax Return Filed:

Form 1120 - Corporation
 Form 1120S - Subchapter S Corporation
 Form 1065 - Partnership
 Form 1040 - Schedule C - Individual (Proprietorship)

III. Engineering Data

A. Outside Engineering Consultant:

1. Name George McDonald
2. Firm McDonald Group International, Inc.
3. Address 9030 South Brittany Path, Inverness, FL
4. Telephone (888) 593-2364 or (352) 637-1652

B. Individual to contact on engineering matters:

1. Name Len Tabor
2. Telephone (352) 351-8800

C. Is the utility under citation by the Department of Environmental Regulation (DER) or county health department? If yes, explain. _____

.NO

D. List any known service deficiencies and steps taken to remedy problems. None

E. Name of plant operator(s) and DER operator certificate number(s) held. Len Tabor C7752

F. Is the utility serving customers outside of its certificated area? No If yes, explain. _____

G. Wastewater:

1. Gallons per day capacity of treatment facilities existing 50,000
_____ under construction -0- proposed _____
2. Type and make of present treatment facilities Type III
Extended Air-Marolf
3. Approximate average daily flow of treatment plant effluent _____
2000 GPD
4. Approximate length of sewer mains:
Size (diameter) 8" PVC 3" PVC 4" PVC _____
Linear feet 9680 825 950 _____
5. Number of manholes 35
6. Number of liftstations 2
7. How do you measure treatment plant effluent? Time Elapse Mtrs
8. Is the treatment plant effluent chlorinated? yes If yes, what
is the normal dosage rate? 1# Per Day

- 9. Tap in fees - Sewer \$ 700
- 10. Service availability fees - Sewer \$
- 11. Note DER Treatment Plant Certificate Number and date of expiration: Number FLA010709 Expiration Date 7/15/01
- 12. Total gallons treated during most recent twelve months 24,000
- 13. Sewage treatment purchased during most recent twelve months None

H. Water

- 1. Gallons per day capacity of treatment facilities existing 360,000
 under construction -0- proposed -0-
- 2. Type of treatment Chlorination Only
- 3. Approximate average daily flow of treated water 6,850
- 4. Source of water supply Floridian Aquifer
- 5. Types of chemicals used and their normal dosage rates Chlorine @ 12 GPD
- 6. Number of wells in service 1 Total capacity in gallons per minute (gpm) 360,000
 Diameter/Depth 6" / / / /
 Motor horsepower 20
 Pump capacity (gpm) 250
- 7. Reservoirs and/or hydropneumatic tanks:
 Description Steel
 Capacity 6,000
- 8. High service pumping:
 Motor horsepower n/a
 Pump capacity (gpm)
- 9. How do you measure treatment plant production? Flo Mtr
- 10. Approximate feet of water mains:
 Size (diameter) 6" 4" 2" 1 1/2"
 Linear feet 200 8,450 1,675 375

11. Note any fire flow requirements and imposing government agency
None
12. Number of fire hydrants in service -0-
13. Do you have a meter change out program? NO
14. Meter installation or tap in fees - Water \$ 355
15. Service availability fees - Water \$
16. Has the existing treatment facility been approved by DER?
Yes
17. Total gallons pumped during most recent twelve months 2,499,300(99)
18. Total gallons sold during most recent twelve months 2,499,300(99)
19. Gallons unaccounted for during most recent twelve months same
20. Gallons purchased during most recent twelve months -0-

IV. Rate Data

A. Individual to contact on tariff matters:

1. Name Herbert Hein / Joe Brannon
2. Telephone Number (810 733-6342 / 352-732-8943)

B. Schedule of present rates (Attach additional sheet if more space is needed):

1. Water: (6-13-91 TARIFF)

- a. Residential Water
- b. General Service
- c. Special Contract
- d. Other

Base Charge \$8.70 + \$1.27 per 1,000 gallons

2. Sewer: (6-13-91 TARIFF)

- a. Residential Sewer
- b. General Service
- c. Special Contract
- d. Other

Base Charge \$9.61 + \$1.83 per 1,000 gallon

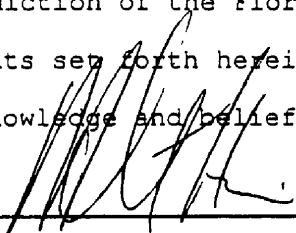
(max. 10,000 gallons)

C. Number of Customers (Most recent two years):

1. Water Metered	19 ⁹⁹	2000
a. Residential	28	39
b. General Service	_____	_____
c. Special Contract	_____	_____
d. Other - specify	_____	_____
2. Water Unmetered	19__	__
a. Residential	_____	_____
b. General Service	_____	_____
c. Special Contract	_____	_____
d. Other - specify	_____	_____
3. Sewer	19 ⁹⁹	2000
a. Residential	28	39
b. General Service	_____	_____
c. Special Contract	_____	_____
d. Other - specify	_____	_____

V Affirmation

I, HERBERT HEIN the undersigned owner, officer, or partner of the above named public utility, doing business in the State of Florida and subject to the control and jurisdiction of the Florida Public Service Commission, certify that the statements set forth herein are true and correct to the best of my information, knowledge and belief.

Signed 
 Title PRESIDENT

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.