#### FILED JAN 09, 2014 DOCUMENT NO. 00148-14 FPSC - COMMISSION CLERK

COMMISSIONERS: ART GRAHAM, CHAIRMAN LISA POLAK EDGAR RONALD A. BRISÉ EDUARDO E. BALBIS

JULIE I. BROWN

STATE OF FLORIDA

Capital Circle Office Center 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

# Hublic Service Commission

COMMISSION CLERK

January 9, 2014

VIA CERTIFIED & REGULAR MAIL

Mr. R. Greg Harris COUNTRY CLUB UTILITIES, INC. 3035 Wynstone Drive Sebring, FL 33875

RE: Apparent violations of Sections 350.113, 367.145 and 367.161, Florida Statutes, and Rule 25-30.120, Florida Administrative Code, and possible implementation of show cause proceedings against Country Club Utilities, Inc. pursuant to Section 367.161, Florida Statutes.

Dear Mr. Harris:

Pursuant to Sections 350.113 and 367.145, Florida Statutes (F.S.) and Rule 25-30.120, Florida Administrative Code (F.A.C.), each regulated company under the jurisdiction of the commission shall pay to the commission a regulatory assessment fee based upon the gross operating revenues for the prior year operating period.

A review of the operations of Country Club Utilities, Inc. (Country Club) shows that the utility may be violating one or more of the above-noted statutes and related rules. Section 367.161, F.S., authorizes the Commission to take enforcement action and collect penalties for statute and rule violations. Section 367.161, F.S., provides:

(1) If any utility, by any authorized officer, agent, or employee, knowingly refuses to comply with, or willfully violates, any provision of this chapter or any lawful rule or order of the commission, such utility shall incur a penalty for each such offense of not more than \$5,000, to be fixed, imposed, and collected by the commission. . . . Each day that such refusal or violation continues constitutes a separate offense. Each penalty shall be a lien upon the real and personal property of the utility, enforceable by the commission as statutory liens under chapter 85.

(2) The commission has the power to impose upon any entity that is subject to its jurisdiction under this chapter and that is found to have refused to comply with, or to have willfully violated, any lawful rule or order of the commission or any provision of this chapter a penalty for each offense of not more than \$5,000, which penalty shall be fixed, imposed, and collected by the commission; or the commission may, for any such violation, amend, suspend, or revoke any certificate of authorization issued by it. Each day that such refusal or violation continues constitutes a separate offense. Each penalty shall be a lien upon the real and personal property of the entity, enforceable by the commission as a statutory lien under chapter 85.

The operations of Country Club and its apparent violations of the various rules and statutes will be discussed below.

#### A. Regulatory Assessment Fees

Rule 25-30.120, F.A.C., requires that utilities pay a regulatory assessment fee (RAF) of four and a half percent (4.5%) of its gross revenues derived from instate business, or a minimum of \$25.00 if there are no revenues, or if revenues are insufficient to generate above the \$25.00 minimum. It appears that Country Club has not remitted the appropriate amount of RAFs for the years 2010, 2011 and 2012. Section 350.113(4), F.S., provides for a penalty of five percent (5%) for the first thirty days, and an additional penalty of "5 percent for each additional 30 days or fraction thereof during the time in which the failure continues, not to exceed a total penalty of 25 percent," and states that "the commission shall collect the fee and penalty, plus interest and all costs of collection, from the regulated company." Further, Rule 25-30.120(7)(b), F.A.C., provides:

In addition to the penalties and interest otherwise provided, the Commission may impose an additional penalty upon a utility for failure to pay regulatory assessment fees in a timely manner in accordance with Section 367.161, F.S.

See, Staff correspondence to Country Club regarding outstanding RAFs, penalties and interest:

Letter from Office of General Counsel, dated April 23, 2013, re: notification of failure to submit 2012 RAFs and demand for payment within 15 days.

Letter from Office of General Counsel, dated April 23, 2012, re: notification of failure to submit 2011 RAFs and demand for payment within 15 days.

Letter from Office of General Counsel, dated April 20, 2011, re: notification of failure to submit 2010 RAFs and demand for payment within 15 days.

<sup>-</sup> Letter from Fiscal Services Section, dated May 24, 2013 re: notification of untimely submission of 2010 RAFs and demand for payment by June 7, 2013.

Staff made several attempts to work with Country Club regarding payment of Country Club's outstanding RAFs. On March 17, 2013, Country Club entered into an agreement with Staff, wherein Country Club confirmed its intent "to pay \$500 per month toward [its] past due RAFs . . ." monthly payment plan on March 17, 2013. On September 27, 2013, Staff contacted Country Club inquiring whether Country Club would be submitting its monthly RAF payment. Country Club informed staff that it would not be making the payment and would no longer be making monthly payments as required by the payment plan.<sup>3</sup>

The Commission has not received any payments for Country Club's RAFs for the years 2011 and 2012, and has only received partial payment of Country Club's 2010 RAFs. Because Country Club's 2010 RAFs were not paid timely or in full, and it has not paid its RAFs for 2011 and 2012, statutory penalties and interest are due for 2010, 2011 and 2012.

For the RAFs, plus associated penalties and interest, due in accordance with Sections 350.113 and 367.145, F.S., and Rule 25-30.120, F.A.C., for the years 2010, 2011 and 2012, with interest being calculated through **January 15, 2014**, staff calculates the total amount due to be **\$46,220.71**. The amount due is calculated as follows:

YEAR	REVENUES	RAFS (4.5%)	PAYMENTS	PENALTY (25%)	INTEREST (THRU 01/15/14)	TOTAL DUE
2012	\$250,957.00	\$11,293.07	\$0.00	\$2,823.27	\$1,129.31	\$15,245.65
2011	\$250,425.00	\$11,269.13	\$0.00	\$2,817.28	\$2,479.21	\$16,565.62
2010	\$238,846.00	\$10,748.08	\$2,500.00	\$2,687.02	\$3,474.34	\$14,409.44
TOTALS	\$740,228.00	\$33,310.28	\$2,500.00	\$8,327.57	\$7,082.86	\$46,220.71

If payment in the amount of \$46,220.71 for the RAFs, plus penalties and interest owed for the years 2010-2012 is not received by January 15, 2014, Commission staff may be forced to open a docket and initiate show cause proceedings against the utility. If Country Club is ultimately found to be in violation of Commission rules, in addition to being authorized to impose fines of up to \$5,000 for each day the violation continues, the Commission may impose a statutory lien upon the real and personal property of the utility, or revoke the utility's certificate, pursuant to Section 367.161, F.S.

See, Email exchange between Staff and Country Club, dated March 17, 2013.

See Email exchange between Staff and Country Club, dated September 27, 2013.

Please note that any enforcement proceedings opened by the Commission against Country Club will only further complicate the management of this utility. Therefore, your prompt attention to this matter is required.

Should you have questions or comments regarding the matters discussed herein, you may contact me at (850) 413-6234 or KCorbari@psc.state.fl.us.

Sincerely,

Lluy F. (S Kelley F. Corbari, Staff Attorney

KFC/dl Enclosures

cc: Office of Public Counsel (J.R. Kelly/Stephen C. Reilly)

Deputy Executive Director, Technical (Harvey)

Division of Accounting & Finance (Maurey, Fletcher, Bulecza-Banks, Willis)

Division of Economics (Bruce, Daniel, Hudson, Stallcup, Dean)

Division of Engineering (Graves, Rieger, Ballinger)

Division of Regulatory Compliance and Consumer Assistance (Earnhart)

Office of the General Counsel (Corbari, Murphy, Teitzman, Helton)

Office of Commission Clerk



OFFICE OF THE GENERAL COUNSEL S. CURTIS KISER GENERAL COUNSEL (850) 413-6199

## Hublic Service Commission

April 23, 2013

WS654-12-W-D Country Club Utilities, Inc. 3035 Wynstone Drive Sebring, FL 33875-4745

COMMISSIONERS:

LISA POLAK EDGAR

EDUARDO E. BALBIS JULIE I. BROWN

ART GRAHAM

RONALD A. BRISÉ, CHAIRMAN

Dear Certificate Holder:

The Division of Administrative Services has forwarded your account to our office to address the nonpayment of the Regulatory Assessment Fees (RAFs) required by Section 367.145, Florida Statutes, and Rule 25-30.120, Florida Administrative Code, for the year 2012, which was due April 1, 2013. The RAFs return form was mailed to you on February 15, 2013, and to date, Commission records reflect that payment has not been received.

According to Florida Law, you are required to add interest charges at 12% per annum, and a 5% penalty for each 30-day period or fraction thereof, beyond the due date, up to a maximum of 25% in addition to the delinquent amount due. In addition to penalties and interest, the commission is authorized to impose upon any entity subject to its jurisdiction a penalty of not more than \$5,000 for each offense, if such entity is found to have refused to comply with or to have willfully violated any lawful rule or order of the Commission, or any provision of Chapter 367.

Utilities are charged with knowledge of our rules and statutes. Moreover, it is general Commission practice that all utilities that apply for Water certificate receive a copy of all applicable rules. Further, in accordance with Section 367, Florida Statutes, as part of the application process, utilities provide an affidavit indicating that they have read and understood the applicable rules.

If you wish to request another form, please contact Valorie Moore at the number below. The payment should be identified with the company code and the company's name. Failure to provide payment within 15 days of this notice will result in the establishment of a docket to address your failure to return the RAFs form and pay RAFs in accordance with Section 367.145, Florida Statutes. The Commission may impose a fine, cancel your certificate, or place a lien on your property. Therefore, it is important that you address this matter now.

If you have paid your fees, please provide us with your check number and the date that it was paid.

Should you have any questions concerning this letter please contact Valorie Moore at (850) 413-6275 or via Internet e-mail at vmoore@psc.state.fl.us.

Sincerely

S. Curtis Kiser

Office of the General Counsel

KMP

Enclosure

SENDER: COMPLETE THIS SECTION  Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.	COMPLETE THIS SECTION ON DELIVERY  A. Received by (Please Print Clearly)  B. Date of Delivery  4-25  C. Signature  Agent  Addressee
1. Article Addressed to:  WS654-12-W-D	D. Is delivery address different from item 1? Yes  If YES, enter delivery address below: No
Country Club Utilities, Inc. 3035 Wynstone Sebring, FL 33875-4745	3. Service Type  Certified Mail  Registered  Insured Mail  C.O.D.
7005 1160 0003 8791 263	4. Restricted Delivery? (Extra Fee) Yes
PS Form 3811, March 2001 Domestic Retainment	urn Receipt 102595-01-M-1424



COMMISSIONERS: RONALD A. BRISÉ, CHAIRMAN LISA POLAK EDGAR ART GRAHAM EDUARDO E. BALBIS JULIE I. BROWN

#### STATE OF FLORIDA



OFFICE OF THE GENERAL COUNSEL S. CURTIS KISER GENERAL COUNSEL (850) 413-6199

## Jublic Service Commission

April 23, 2012

WS654-11-W-D Country Club Utilities, Inc. 3035 Wynstone Drive Sebring, FL 33875-4745

Dear Certificate Holder:

The Division of Administrative Services has forwarded your account to our office to address the nonpayment of the Regulatory Assessment Fees (RAFs) required by Section 367.145, Florida Statutes, and Rule 25-30.120, Florida Administrative Code, for the year 2011, which was due April 2, 2012. The RAFs return form was mailed to you on February 15, 2012, and to date, Commission records reflect that payment has not been received.

According to Florida Law, you are required to add interest charges at 12% per annum, and a 5% penalty for each 30-day period or fraction thereof, beyond the due date, up to a maximum of 25% in addition to the delinquent amount due. In addition to penalties and interest, the commission is authorized to impose upon any entity subject to its jurisdiction a penalty of not more than \$5,000 for each offense, if such entity is found to have refused to comply with or to have willfully violated any lawful rule or order of the Commission, or any provision of Chapter 367.

Utilities are charged with knowledge of our rules and statutes. Moreover, it is general Commission practice that all utilities that apply for Water certificate receive a copy of all applicable rules. Further, in accordance with Section 367, Florida Statutes, as part of the application process, utilities provide an affidavit indicating that they have read and understood the applicable rules.

If you wish to request another form, please contact Valorie Moore at the number below. The payment should be identified with the company code and the company's name. Failure to provide payment within 15 days of this notice will result in the establishment of a docket to address your failure to return the RAFs form and pay RAFs in accordance with Section 367.145, Florida Statutes. The Commission may impose a fine, cancel your certificate, or place a lien on your property. Therefore, it is important that you address this matter now.

If you have paid your fees, please provide us with your check number and the date that it was paid.

Should you have any questions concerning this letter please contact Valorie Moore at (850) 413-6275 or via Internet e-mail at vmoore@psc.state.fl.us.

Sincerely

C. Cumtin Visco

Office of the General Counsel

KMP Enclosure

cc.

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>Article Addressed to:</li> <li>WS654-11-S-D</li> <li>WS654-11-W-D</li> </ul>	A. Received by (Prease Figure Degrey) B. Date of Deliver C. Signapuse X. Separate Se
Country Club Utilities, Inc. 3035 Wynstone Drive Sebring, FL 33875-4745	3. Service Type   ☐ Certified Mail ☐ Express Mail ☐ Registered ☐ Receipt for Merchandis ☐ Insured Mall ☐ C.O.D.
	4. Restricted Delivery? (Extre Fee) ☐ Yes
7005 1160 0003 8791	0529
S Form 3811 March 2001 Domest	ic Return Receipt

COMMISSIONERS: ART GRAHAM, CHAIRMAN LISA POLAK EDGAR RONALD A, BRISÉ EDUARDO E, BALBIS JULIE I, BROWN



OFFICE OF THE GENERAL COUNSEL S. CURTIS KISER GENERAL COUNSEL (850) 413-6199

## Jublic Service Commission

April 20, 2011

WS654-10-W-D Country Club Utilities. Inc 3035 Wynstone Drive Sebring, FL 33875-4745

Dear Certificate Holder:

The Division of Administrative Services has forwarded your account to our office to address the nonpayment of the Regulatory Assessment Fees (RAFs) required by Section 367.145. Florida Statutes, and Rule 25-30.120. Florida Administrative Code, for the year 2010, which was due March 31, 2011. The RAFs return form was mailed to you on February 15, 2011, and to date, Commission records reflect that payment has not been received.

According to Florida Law, you are required to add interest charges at 12% per annum, and a 5% penalty for each 30-day period or fraction thereof, beyond the due date, up to a maximum of 25% in addition to the delinquent amount due. In addition to penalties and interest, the commission is authorized to impose upon any entity subject to its jurisdiction a penalty of not more than \$5,000 for each offense, if such entity is found to have refused to comply with or to have willfully violated any lawful rule or order of the Commission, or any provision of Chapter 367.

Utilities are charged with knowledge of our rules and statutes. Moreover, it is general Commission practice that all utilities that apply for Water certificate receive a copy of all applicable rules. Further, in accordance with Section 367, Florida Statutes, as part of the application process, utilities provide an affidavit indicating that they have read and understood the applicable rules.

If you wish to request another form, please contact Valorie Moore at the number below. The payment should be identified with the company code and the company's name. Failure to provide payment within 15 days of this notice will result in the establishment of a docket to address your failure to return the RAFs form and pay RAFs in accordance with Section 367.145. Florida Statutes. The Commission may impose a fine, cancel your certificate, or place a lien on your property. Therefore, it is important that you address this matter now.

If you have paid your fees, please provide us with your check number and the date that it was paid

Should you have any questions concerning this letter please contact Valorie Moore at (850) 413-6275 or via Internet e-mail at vmoore@psc.state.fl.us.

Sincerely,

S. Curtis Kiser

Office of the General Counsel

KMP Enclosure

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COMMISSIONERS: ART GRAHAM, CHAIRMAN LISA POLAK EDGAR RONALD A. BRISE EDUARDO E. BALBIS JULIE I. BROWN





OFFICE OF THE GENERAL COUNSEL S. CURTIS KISER GENERAL COUNSEL (850) 413-6199

## Aublic Service Commission

April 20, 2011

WS654-10-W-D Country Club Utilities, Inc. 3035 Wynstone Drive Sebring, FL 33875-4745

Dear Certificate Holder:

The Division of Administrative Services has forwarded your account to our office to address the name of the

State of Florida

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2540 Shumard Oak Boulevar Tallahassee, Florida 32399-08



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Office of the General Counsel

KMP Enclosure

COMMISSIONERS: RONALD A. BRISÉ, CHAIRMAN LISA POLAK EDGAR ART GRAHAM EDUARDO E. BALBIS JULIE I. BROWN



DIVISION OF ADMINISTRATIVE AND IT SERVICES BOBBY MADDOX DIRECTOR (850) 413-6330

## Public Service Commission

May 24, 2013

WS654-10-W-P Country Club Utilities, Inc. 3035 Wynstone Drive Sebring, FL 33875-4745

Dear Sir or Madam:

Our records indicate that the envelope enclosing your Regulatory Assessment Fee payment for the period January 1, 2010, through December 31, 2010, was postmarked after the due date of March 31, 2011. In accordance with Florida Statute 350.113(4), penalty and interest charges are assessed as follows:

Penalty Due Interest Due	1,629.60 1,564.41
Total Due	\$8,962.40

To avoid additional charges, your payment must be postmarked or hand delivered to the address below by June 7, 2013. Your check should be made payable to the Florida Public Service Commission.

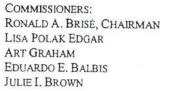
If you have any questions, please call Valorie Moore at (850) 413-6275.

Sincerely,

Karen Belcher Karen Belcher

Fiscal Services Supervisor

KOB/vm





DIVISION OF
ADMINISTRATIVE AND IT SERVICES
BOBBY MADDOX
DIRECTOR
(850) 413-6330

## Hublic Service Commission

May 24, 2013

WS654-10-S-P Country Club Utilities, Inc. 3035 Wynstone Drive Sebring, FL 33875-4745

Dear Sir or Madam:

Our records indicate that the envelope enclosing your Regulatory Assessment Fee payment for the period January 1, 2010, through December 31, 2010, was postmarked after the due date of March 31, 2011. In accordance with Florida Statute 350.113(4), penalty and interest charges are assessed as follows:

RAF Due	\$3,479.69
Penalty Due	1,057.42
Interest Due	1,015.13
Total Due	\$5,552.24

To avoid additional charges, your payment must be postmarked or hand delivered to the address below by June 7, 2013. Your check should be made payable to the Florida Public Service Commission.

If you have any questions, please call Valorie Moore at (850) 413-6275.

Sincerely,

Karen Belcher

Karen Belcher

Fiscal Services Supervisor

KOB/vm

Andrew Maurey		
From:	Greg Harris <rgregharris@gmail.com></rgregharris@gmail.com>	e e
Sent:	Sunday, March 17, 2013 9:59 AM	
To:	Andrew Maurey	
Subject:	Re: Request of Waiver	
Andrew,		
I am confirming my my intent to pay any	intent to pay \$500 per month toward my past due RAF's and also confirm unpaid balance at closing when utility is sold.	
Greg Harris		
On Fri, Mar 15, 201	3 at 11:48 AM, Andrew Maurey < AMaurey@psc.state.fl.us > wrote:	
Mr. Harris,		
The Commission is in payment.	receipt of the Utility's first \$500 payment toward its past due RAF balance. Thank you for this	
2		
	oonding to this e-mail that it is Country Club Utilities' intent to pay \$500 each month toward its and that any remaining unpaid balance will be paid at closing when the utility is sold.	
Thank you.		
16.	# E	

From: Andrew Maurey
Sent: Wednesday, March 06, 2013 3:45 PM
To: 'Greg Harris'
Cc: Cheryl Bulecza-Banks

Andrew

Subject: RE: Request of Waiver

Mr. Harris,

The Utility's request for a waiver of the statutory clock for processing its pending rate case (Docket No. 120172-WS) is granted. The case schedule will be revised accordingly.

Thank you for your proposal to implement a payment plan for past due RAF payments. When we spoke earlier in the week, in addition to making monthly payments of \$500, it was also mentioned that any remaining unpaid balance would be paid at closing when the utility is sold to the City of Sebring. Staff would like to confirm that this is still the case.

Staff stands ready to assist you and the Utility as necessary as you work through the due diligence process. Please feel free to contact me.

Regards,

Andrew

From: Greg Harris [mailto:rgregharris@gmail.com]
Sent: Wednesday, March 06, 2013 10:35 AM

To: Andrew Maurey

Subject: Request of Waiver

Mr. Maurey,

I respectfully request a six month waiver of the statutory clock for processing the SARC for Country Club Utilities (Docket No. 120172-WS). This should afford me and the City of Sebring time to complete the due diligence process and enter into a sale agreement.

I would also ask that I be permitted to make \$500.00 payments toward my past due RAF's starting on Monday, March 11, 2013 and continuing every month thereafter on or about the 15th of each month.

I appreciate your consideration and help in this matter,

Sincerely,

Greg Harris

R. Greg Harris, President
Country Club Utilities, Inc
3035 Wynstone Drive
Sebring, FL 33875
863-385-6330 office 863-381-8201 Cell
www.countryclubutilities.com

R. Greg Harris, President Country Club Utilities, Inc 3035 Wynstone Drive Sebring, FL 33875 863-385-6330 office 863-381-8201 Cell www.countryclubutilities.com

#### **Kelley Corbari**

From:

Toni Farnhart

Sent:

Friday, September 27, 2013 3:08 PM

To:

Andrew Maurey; Adam Teitzman; Kelley Corbari

Subject:

FW: September RAF Payment is past due RE: Country Club Utilities, Inc. (WS 654) RAF

Year(s): 2010, 2011, and 2012

My phone messages have gone unanswered by Mr. Harris. I decided to send him an email today to remind him that he has not paid the September 15<sup>th</sup> RAF payment.

It appears that Mr. Harris will not be making a RAF payment this month.

I received the email below. FYI

Toni Joy Earnhart, Public Utility Analyst Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399 Phone 850-413-6532 Fax 850-413-6533

From: Greg Harris [mailto:rgregharris@gmail.com]

Sent: Friday, September 27, 2013 3:04 PM

To: Toni Earnhart

Subject: Re: September RAF Payment is past due RE: Country Club Utilities, Inc. (WS 654) RAF Year(s): 2010, 2011,

and 2012

Toni,

No.

I've been putting in over \$3K per month for the last two years, and now that my customers are pumping much less (due to the Water Mangement District scolding) that has further reduced my monthly income by another \$4K per month, coupled with the fact that the FPSC will not raise my rates (lowest in the District, 78% lower than the average) equals bankruptcy:(

Greg

On Fri, Sep 27, 2013 at 2:53 PM, Toni Earnhart < TEarnhar@psc.state.fl.us > wrote:

Mr. Harris,

I wanted to touch base and see if you will be making the September 2013 payment towards the unpaid RAF before September 30, 2013?

If you have any questions, please contact me.

Toni Joy Earnhart, Public Utility Analyst

Florida Public Service Commission

2540 Shumard Oak Blvd.

Tallahassee, FL 32399

Phone <u>850-413-6532</u>

Fax 850-413-6533

R. Greg Harris, President Country Club Utilities, Inc 3035 Wynstone Drive Sebring, FL 33875 863-385-6330 office 863-381-8201 Cell www.countryclubutilities.com