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STATE OF FLORIDA



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Public Service Commission

March 3, 2017

Mr. Louis F. Garrard, V
5578 Commercial Blvd.
Winter Haven, FL 33880
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NOTICE OF NONCOMPLIANCE

Re: Docket No. 130178-SU - Application for Staff-Assisted Rate Case in Polk County by Crooked Lake Park Sewerage Company

Dear Mr. Garrard:

Pursuant to Order No. PSC-15-0142-PAA-SU, Crooked Lake Park Sewerage Company (Crooked Lake or utility) was required to complete construction of the Phase II pro forma plant items within 12 months of the issuance of the consummating order, which should have been completed by April 20, 2016.

Pursuant to Order No. PSC-16-0204-FOF-SU, Crooked Lake was granted an extension to complete the construction of the Phase II pro forma plant items by July 31, 2016. In addition, staff was given administrative authority to grant the Utility an additional six months in the event the Utility did not meet its July 31, 2016 deadline.

On June 16, 2016, by email, Crooked Lake requested a three-month extension and staff granted the request, giving Crooked Lake to October 31, 2016 to complete its pro forma.

On October 24, 2016, Utility requested another three-month extension to complete its pro forma on January 31, 2017, which staff granted.

Crooked Lake has not submitted the final invoices and cancelled checks, as required by Order No. PSC-16-0204-FOF-SU, which indicates the pro forma plant items have not been completed. Staff contacted Crooked Lake and left several messages in late January and early February to check on the status of the pro forma plant items. To date, staff has not received any contact from the Utility. Therefore, it appears Crooked Lake is in violation of Commission Order No. PSC-16-0204-FOF-SU.

Section 367.121, F.S., provides the Commission has the authority to request regular or emergency reports from a utility. Section 367.121(1)(c), F.S. provides:

(1) In the exercise of its jurisdiction, the commission shall have power to:

(c) to require such regular or emergency reports from a utility, including, but not limited to, financial reports, as the commission deems necessary and, if the commission finds a financial report to be incomplete, incorrect, or inconsistent with the uniform system and classification of accounts, to require a new report or a supplemental report, either of which the commission may require to be certified by an independent certified public accountant licensed under chapter 473.

In addition, Section 367.161, F.S., authorizes the Commission to take enforcement action and collect penalties for violations of Commission rules, statutes, and orders. 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.

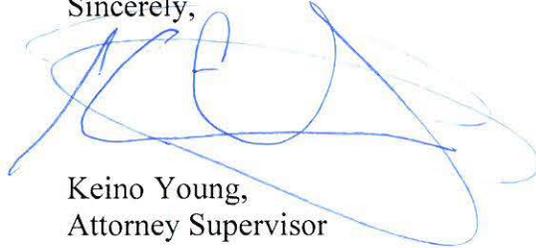
In addition, Section 367.121, F.S., provides that the Commission is authorized to seek relief in circuit court including temporary and permanent injunctions, restraining orders, or any other appropriate orders in addition to and supplementary to any other remedies available for enforcement of agency action under Section 120.69 or Chapter 367, F.S.

Staff requests that Crooked Lake provide the items relating to the Phase II pro forma plant by **Monday, March 20, 2017**. If these documents are not received by the specified date, Staff may be forced to initiate a show cause proceeding against the Utility. Please note that any enforcement proceedings opened by the Commission against Crooked Lake will only further complicate the management of this Utility. Therefore, your prompt attention to this matter is required.

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Should you have any questions or comments regarding the matters discussed herein, you may contact me at (850) 413-6226 or kyoung@psc.state.fl.us.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Keino Young', is written over the word 'Sincerely,'. The signature is fluid and somewhat abstract, with several loops and overlapping lines.

Keino Young,
Attorney Supervisor