

State of Florida



## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** October 26, 2017

**TO:** Office of Commission Clerk (Stauffer)

**FROM:** Office of the General Counsel (DuVal, Cuello) *MS SAC*  
Division of Accounting and Finance (Mouring, Smith) *ALM*  
Office of Consumer Assistance and Outreach (Hicks) *PH JOH*  
Division of Economics (McCoy, McNulty) *SM WBM*

**RE:** Docket No. 20170200-WU – Initiation of show cause proceedings against Kincaid Hills Water Company, in Alachua County, for noncompliance with Sections 350.113, 350.117, 367.121, and 367.145, Florida Statutes, and Rules 25-30.110, 25-30.120, 25-30.355, and 25-22.032, Florida Administrative Code.

**AGENDA:** 11/07/17 – Regular Agenda – Show Cause – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Graham

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

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### Case Background

Commission staff opened the instant docket to initiate show cause proceedings against Kincaid Hills Water Company (Kincaid or Utility) for apparent violations of Florida Statutes (F.S.) and Commission rules for: (1) its failure to remit payment of its annual Regulatory Assessment Fees (RAFs) for the years 2008, 2009, 2012, 2013, and 2016; (2) its failure to submit its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013; and (3) its failure to respond to customer complaints and to provide a written response to Commission staff regarding customer complaints.

Kincaid is a Class C water utility providing service in Alachua County. Kincaid became subject to Commission jurisdiction and was granted a grandfather water certificate in 1993.<sup>1</sup> The following information provides a historical overview of the Commission's activities related to Kincaid.

After failing to submit its Annual Reports for 1994 through 1996, an enforcement proceeding was initiated against Kincaid for violations of Rule 30.110, Florida Administrative Code (F.A.C.) (1997 Proceeding), and Kincaid was ordered to show cause why it should not be penalized \$2,628 for failing to submit its Annual Reports.<sup>2</sup> Kincaid failed to respond to the Commission's Order, resulting in the Annual Report penalties being assessed by the Commission.<sup>3</sup> After several failed attempts by Commission staff to contact Kincaid to collect the Annual Report penalty, the Commission submitted the penalty to the Florida Department of Financial Services (DFS) to be written-off as uncollectible.<sup>4</sup>

In 2004, after failing to submit RAFs for the years 1995 through 2003 and failing to submit Annual Reports for the years 1998 through 2003, the Commission initiated an enforcement proceeding against Kincaid for violations of Section 350.113, F.S., and Rules 25-30.110 and 25-30.120, F.A.C. (2004 Proceeding).<sup>5</sup> In an effort to work with Kincaid to resolve its non-compliance issues and because Kincaid made an effort to cooperate with Commission staff and submitted all of the delinquent Annual Reports for 1998-2003, the Commission declined to order Kincaid to show cause or assess fines against Kincaid for failing to submit RAFs and Annual Reports.<sup>6</sup> Instead, the Commission approved a payment plan submitted by Kincaid to pay the RAFs, plus statutory penalty and interest, that it owed for the years 1995 to 2003.<sup>7</sup> In addition, Kincaid was put on notice that failure to timely submit RAFs and Annual Reports in the future or comply with any Commission orders would result in further enforcement action by the Commission.

Kincaid again failed to submit RAFs and Annual Reports the year after the 2004 Proceeding, as well as the following two years. Kincaid made several payments toward the RAF amounts owed pursuant to the payment plan approved by Order No. PSC-04-0615-FOF-WU between June 2004

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<sup>1</sup>Order No. PSC-93-1027-FOF-WU, issued July 13, 1993, in Docket No. 921195-WU, *In re: Application for certificate to provide water service in Alachua County under grandfather rights by Kincaid Hills Water Company.*

<sup>2</sup> Order No. PSC-98-0737-SC-WU, issued on May 28, 1998, in Docket No. 971623-WU, *In Re: Initiation of show cause proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110(3), F.A.C., Records and Reports; Annual Reports.*

<sup>3</sup> See, Docket No. 971623-WU.

<sup>4</sup> See, Document No. 10810-98, in Docket No. 971623-WU.

<sup>5</sup> Docket No. 040248-WU, *In re: Initiation of show cause proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110, F.A.C., Records and Reports; Annual Reports, and Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities.*

<sup>6</sup> Order No. PSC-04-0615-FOF-WU, issued June 21, 2004, in Docket No. 040248-WU, *In re: Initiation of show cause proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110, F.A.C., Records and Reports; Annual Reports, and Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities.*

<sup>7</sup> The Commission found the total amount of delinquent RAFs, penalty and interest, owed by Kincaid for years 1995-2003, to be \$29,231.42. See Order No. PSC-04-0615-FOF-WU.

and January 2006, then ceased submitting payments.<sup>8</sup> After failing to submit RAFs and Annual Reports for 2004, 2005, and 2006, failing to submit payments pursuant to the approved payment plan, and failing to respond to staff's attempts to collect the amounts owed, the Commission initiated another enforcement proceeding against Kincaid in 2007 for violations of Section 350.113, F.S., and Rules 25-30.110 and 25-30.120, F.A.C., and Order No. PSC-04-0615-FOF-WU (2007 Proceeding).<sup>9</sup>

At the time the Commission initiated the 2007 Proceeding, Kincaid had serious compliance issues with the Florida Department of Environmental Protection (DEP), as well as the United States Environmental Protection Agency (EPA). Despite finding "a continued pattern of disregard for the directions, orders, and rules of this Commission," and "a continued pattern of disregard for the timely payment of RAFs," the Commission again declined to order Kincaid to show cause, finding "exigent and mitigating circumstances" existed.<sup>10</sup> At that time, the Commission reasoned that assessing additional penalties and requiring Kincaid to pay its delinquent RAFs and assessing Annual Report penalties would only further impair Kincaid's financial viability and its ability to address the DEP and EPA compliance issues.<sup>11</sup> Therefore, the Commission ordered that the outstanding RAFs amounts, including penalty and interest, owed by Kincaid for the years 1995 through 2006, be submitted to DFS to be written-off as uncollectible.<sup>12</sup> Kincaid was put on notice that "failure to timely file future annual reports will subject it to the penalties authorized by Rule 25-30.110(7), F.A.C., and to show cause proceedings and fines of up to \$5,000 per day per violation for each day the violation continues, as set forth in Section 367.161, F.S., or revocation proceedings pursuant to Section 367.161(2), F.S."<sup>13</sup> In addition, the Commission found Kincaid eligible for a Staff-Assisted Rate Case (SARC). Finally, the Commission ordered that the 2007 Proceeding remain open until Kincaid filed its SARC application, and that staff was to bring a recommendation to the Commission should Kincaid fail to timely submit RAFs during the pendency of its SARC.<sup>14</sup>

In April 2008, Kincaid notified Commission staff that it would not pursue a SARC due to customer dissatisfaction expressed after Kincaid implemented recent rate increases.<sup>15</sup> Between June 2007 and April 2008, Kincaid received two price-index increases, and a 4.5% pass-through

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<sup>8</sup> Between June 2004 and January 2006, Kincaid submitted \$12,000.00 of the total \$29,231.42 owed. \$10,903.86 was applied to past due RAF principals and \$1,096.14 to penalty and interest, which paid the entire RAF principal amounts owed for the years 1995 through 1999, and \$1,410.92 of the \$1,808.33 RAF principal owed for the year 2000.

<sup>9</sup> Docket No. 070580-WU, *In re: Initiation of Show Cause Proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110, F.A.C., Records and Reports; Annual Reports; Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities; and of Order PSC-04-0615-FOF-WU.*

<sup>10</sup> Order No. PSC-08-0044-FOF-WU, issued January 22, 2008, in Docket No. 070580-WU, pages 9 and 11.

<sup>11</sup> The Commission noted that "further collection efforts may cause the utility to abandon the system or cause it to be unable to make necessary repairs or maintain the safe provision of quality water to the customers of Kincaid." *Id.*, at pages 10 and 12; The Commission noted that, "in the last five months, the utility has worked diligently to pay off the 2004-2006 RAFs and has now filed all of its Annual Reports. Because of its financial problems and the need for maintenance, the utility has had problems with timely filing its Annual Reports and could not afford an accountant to assist it in such filing." *Id.*, at page 13.

<sup>12</sup> Total amount to be written-off was \$24,166.29. *Id.*, at pages 10 and 12.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*, at page 14.

<sup>15</sup> Document No. 04657-08, filed in Docket No. 070580-WU.

increase, which allowed Kincaid to recover RAFs in its rates going forward. With the recent increases, Kincaid stated it could meet its obligations to pay RAFs and maintain Kincaid without a SARC.<sup>16</sup> By Order No. PSC-08-0386-FOF-WU, the Commission ordered the 2007 Proceeding closed based on Kincaid submitting its 2007 RAFs<sup>17</sup> and receiving the index and pass-through increases.<sup>18</sup>

The year following the closure of the 2007 Proceeding, Kincaid again failed to submit its RAFs for 2008, as well as for the years 2009, 2010, 2011, 2012, and 2013. Kincaid again failed to submit its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013.<sup>19</sup> Kincaid also failed to respond to staff's repeated attempts to contact Kincaid by telephone, mail, and email.<sup>20</sup> In June 2014, Kincaid's owner, Mr. Berdell Knowles, Sr., finally responded to staff regarding Kincaid's outstanding RAFs, outstanding Annual Reports, and payment options. Mr. Knowles, Sr. agreed to submit Kincaid's outstanding Annual Reports and RAF returns, along with an initial RAF payment by June 30, 2014.<sup>21</sup> In addition, Mr. Knowles, Sr. was advised that the Commission may pursue further compliance action if Kincaid did not comply with a RAF payment plan.<sup>22</sup> Mr. Knowles, Sr. failed to submit Kincaid's 2008-2013 RAF returns or an initial RAF payment, and failed to submit Kincaid's 2009-2013 Annual Reports, by June 30, 2014, as agreed and, again, failed to respond to staff's attempts to contact Kincaid.

In October 2014, due to staff's continued inability to contact Mr. Knowles, Sr., Commission staff communicated with the DEP staff assigned to Kincaid's compliance issues and obtained the contact information for Mr. Berdell Knowles, Jr., a corporate officer of Kincaid.<sup>23</sup> On October 20, 2014, staff spoke with Mr. Knowles, Jr. regarding Kincaid's delinquent RAF and Annual Report status, the lack of cooperation by Mr. Knowles, Sr. to engage in discussions with staff, and Kincaid's corporate and financial status. On October 23, 2014, staff held a conference call with Mr. Knowles, Jr., wherein Mr. Knowles, Jr. agreed to an initial compliance action plan to resolve Kincaid's compliance issues.<sup>24</sup> Mr. Knowles, Jr. agreed to submit all of Kincaid's delinquent Annual Reports for years 2009-2013, as well as the RAF amounts owed for the years 2010 and 2011, plus penalty and interest, by November 7, 2014.<sup>25</sup> As part of the initial compliance plan, Kincaid also agreed to continue working with staff regarding payment of the remaining RAF amounts owed, to consider pursuing a SARC, and to submit future RAFs and Annual Reports timely.<sup>26</sup>

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<sup>16</sup> Order No. PSC-08-0386-FOF-WU, issued June 10, 2008, in Docket No. 070580-WU, page 2.

<sup>17</sup> Kincaid submitted its 2007 RAFs three days late and, was, therefore, assessed an additional \$139.05, for statutory penalty and interest that accrued. Kincaid submitted the \$139.05 penalty on May 1, 2008.

<sup>18</sup> Order No. PSC-08-0386-FOF-WU.

<sup>19</sup> Kincaid's 2008 Annual Report was received 22 days late, on April 22, 2009.

<sup>20</sup> Attachment A, Exhibit A (Commission Staff Correspondence re: Kincaid Delinquent RAFs and Annual Reports).

<sup>21</sup> Attachment A, Exhibit A (Staff Email, dated June 17, 2014, RE: Kincaid Hills Water Company WU690 – First Collections Delinquent RAFs.)

<sup>22</sup> *Id.*

<sup>23</sup> Attachment A, Exhibit B (Kincaid Florida Corporate Information).

<sup>24</sup> Attachment A, Exhibit C (Commission Staff Correspondence re: Kincaid Compliance Plan).

<sup>25</sup> Attachment A, Exhibit C (Staff Emails with Mr. Knowles, Jr., RE: Kincaid Hills – Initial Compliance Plan.)

<sup>26</sup> *Id.*

On November 14, 2014, the Commission received Kincaid's payment in the amount of \$8,690.15, which satisfied the outstanding RAF amounts owed by Kincaid for 2010 and 2011.<sup>27</sup> On November 14, 2014, the Commission received Kincaid's Annual Reports for 2009-2013.<sup>28</sup> On February 16, 2015, staff held a conference call with Kincaid (Mr. Knowles, Sr. and Mr. Knowles, Jr. both participated), wherein Kincaid agreed to resolve its compliance issues, including negotiation of payment options for its past due RAFs, to submit future RAFs and Annual Reports timely, to pursue a SARC, and to update its corporate status with the Florida Secretary of State, Division of Corporations<sup>29</sup> Since submitting the \$8,690.15 payment, however, Kincaid failed to meet the requirements of the initial compliance plan as agreed. Although Kincaid submitted its 2014, 2015, and 2016 Annual Reports timely, Kincaid failed to meet the other requirements of the initial compliance plan.<sup>30</sup> Specifically, Kincaid has failed to: (1) submit additional payments toward its remaining years of delinquent RAFs; (2) continue to work with staff regarding repayment of its remaining years of delinquent RAFs; (3) update its corporate status with the Florida Secretary of State, Division of Corporations; (4) apply for a SARC; and (5) to submit its 2016 RAFs.<sup>31</sup>

Commission staff received customer complaints regarding Kincaid on October 13, 2016, March 30, 2017, and May 8, 2017. To date, Kincaid has not responded to these customer complaints, nor has Kincaid provided a written response to Commission staff on each complaint.

By certified letter, dated July 31, 2017, Commission staff notified Kincaid of apparent violations of Sections 350.113, 350.117, 367.121, and 367.145, F.S., and Rules 25-30.110, 25-30.120, 25-30.355, and 25-22.032, F.A.C., and possible initiation of a show cause proceeding against the Utility for: (1) failing to remit payment of its annual RAFs for the years 2008, 2009, 2012, 2013, and 2016; (2) failing to timely submit its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013; and (3) failing to respond to customer complaints and to provide a written response to Commission staff regarding customer complaints.<sup>32</sup> Kincaid's owner, Mr. Knowles, Sr., was informed in that letter that Section 367.161, F.S., provides in pertinent part:

- (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

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<sup>27</sup> The payment was postmarked November 7, 2014. The payment breakdown was as follows: \$4,491.55 (2010 RAFs \$2,642.09 + Penalty \$660.52 + Interest \$1,188.94); and \$4,198.60 (2011 RAFs \$2657.34 + Penalty \$664.34 + Interest \$876.92)

<sup>28</sup> Kincaid emailed its 2009-2013 Annual Reports to staff on November 7, 2014; however, Rule 25-30.110, F.A.C., requires reports be certified and submitted to the Commission in paper form. The Commission staff received the paper form of the Annual Reports on November 14, 2014. See Attachment A, Exhibit C (Staff Emails with Mr. Knowles, Jr., re: Kincaid Hills - Received Delinquent Annual Reports & 2010-11 RAF Payment; and Staff Emails with Mr. Knowles, Jr., re: Kincaid Hills - Annual Reports Insufficient.)

<sup>29</sup> See Attachment A, Exhibit C (Staff Emails with Mr. Knowles, Jr., RE: Kincaid Hills – Rate Case & RAFs.)

<sup>30</sup> See Attachment A, Exhibits B and C.

<sup>31</sup> See Attachment A, Exhibits B and C.

<sup>32</sup> See Attachment A.

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.

Staff's letter put Kincaid on notice that Commission staff would open a docket to initiate a show cause proceeding if Kincaid did not correct the violations by remitting payment of the delinquent RAFs, remitting payment for penalties for late-filed Annual Reports, and submitting written responses to the customer complaints by August 31, 2017. Commission staff further notified Kincaid that should the Utility ultimately be found in violation of Commission statutes, rules, or orders, the Commission may impose fines of up to \$5,000 per violation, for each day each violation continues, including levying a statutory lien upon the real and personal property of the Utility, or the Commission may amend, suspend, or revoke Kincaid's certificate, pursuant to Section 367.161, F.S. Additionally, Commission staff stated that, if necessary, the Commission may also seek injunctive or other appropriate relief in circuit court to compel Kincaid's compliance, pursuant to Section 367.121, F.S. To date, Kincaid has not remitted payment of the delinquent RAFs, remitted payment for penalties for late-filed Annual Reports, or submitted written responses to the customer complaints, in response to staff's letter.

By certified letter, dated September 28, 2017, the Commission's Office of the General Counsel notified Kincaid that Commission staff opened a docket initiating a show cause proceeding for the Utility's apparent statute and rule violations.<sup>33</sup>

This recommendation addresses whether or not the Commission should order Kincaid to show cause why it is not obligated to submit the relevant payments and fines and bring itself into compliance with the Commission's statutes and rules. Issue 1 is staff's recommendation regarding Kincaid's apparent violation of Sections 350.113 and 367.145, F.S., and Rule 25-30.120, F.A.C., for failure to submit RAFs for the years 2008, 2009, 2012, 2013, and 2016. Issue 2 is staff's recommendation regarding Kincaid's apparent violation of Section 367.121, F.S., and Rule 25-30.110, F.A.C., for failure to timely submit its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013. Issue 3 is staff's recommendation regarding Kincaid's apparent violation of Rules 25-30.355 and 25-22.032, F.A.C., for failing to respond to customer complaints. Issue 4 discusses the closing of the docket and options for pursuing collection of the past due RAFs, Annual Report penalties, and penalties for failing to respond to customer complaints, along with the procedure for the option of initiating revocation proceedings.

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<sup>33</sup> See, Document No. 07952-2017, in Docket No. 20170200-WU.

When evaluating staff's recommendation, a review of the Commission's authority regarding a utility's alleged violations of Commission rules, statutes, or orders is helpful.

Pursuant to Section 367.161(1), F.S., the Commission is authorized to impose upon any entity subject to its jurisdiction a penalty of not more than \$5,000 for each such day a violation continues, 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, F.S. Each day a violation continues is treated as a separate offense. Each penalty is a lien upon the real and personal property of the utility and is enforceable by the Commission as a statutory lien. If a penalty is also assessed by another state agency for the same violation, the Commission's penalty will be reduced by the amount of the other agency's penalty. As an alternative to the above remedies, Section 367.161(2), F.S., permits the Commission to amend, suspend, or revoke a utility's certificate for any such violation. Part of the determination the Commission must make in evaluating whether to penalize a utility is whether the utility willfully violated the rule, statute, or order. Section 367.161, F.S., does not define what it is to "willfully violate" a rule or order.

Willfulness is a question of fact.<sup>34</sup> The plain meaning of "willful" typically applied by the Courts in the absence of a statutory definition, is an act or omission that is done "voluntarily and intentionally" with specific intent and "purpose to violate or disregard the requirements of the law." *Fugate* at 76.

The procedure followed by the Commission in dockets such as this is to consider the Commission staff's recommendation and determine whether or not the facts warrant requiring the utility to respond. If the Commission finds that the facts warrant requiring the utility to respond, the Commission issues an Order to Show Cause (show cause order). A show cause order is considered an administrative complaint by the Commission against the utility. If the Commission issues a show cause order, the utility is required to file a written response, which response must contain specific allegations of disputed fact. If there are no disputed factual issues, the utility's response should so indicate. The response must be filed within 21 days of service of the show cause order on the respondent.

In recommending a penalty, staff reviews prior Commission orders. While Section 367.161, F.S., treats each day of each violation as a separate offense with penalties of up to \$5,000 per offense, staff believes that the general purpose of the show cause penalties is to obtain compliance with the Commission's rules, statutes, and orders. If a utility has a pattern of noncompliance with a particular rule or set of rules, staff believes that a higher penalty is warranted. If the rule violation adversely impacts the public health, safety, or welfare, staff believes that the sanction should be the most severe.

The utility has two options if a show cause order is issued. The utility may respond and request a hearing pursuant to Sections 120.569 and 120.57, F.S. If the utility requests a hearing, a further proceeding will be scheduled before the Commission makes a final determination on the matter. The utility may respond to the show cause order by remitting the fine and bringing itself into compliance with the Commission's statutes and rules. If the utility pays the fine and brings itself

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<sup>34</sup> *Fugate v. Fla. Elections Comm'n*, 924 So. 2d 74, 75 (Fla. 1st DCA 2006), citing, *Metro. Dade County v. State Dep't of Env'tl. Prot.*, 714 So. 2d 512, 517 (Fla. 3d DCA 1998).

Docket No. 20170200-WU

Date: October 26, 2017

into compliance with the Commission's statutes and rules, this show cause matter is considered resolved, and the docket closed.

In the event the utility fails to timely respond to the show cause order, the utility is deemed to have admitted the factual allegations contained in the show cause order. The utility's failure to timely respond is also a waiver of its right to a hearing. If the utility does not timely respond, a final order will be issued imposing the sanctions set out in the show cause order. It should be noted that if the Commission commences revocation or suspension proceedings, the Commission must follow very specific noticing requirements set forth in Section 120.60, F.S., prior to revocation or suspension of a certificate.

The Commission has jurisdiction pursuant to Sections 350.113, 367.121, 367.145, and 367.161, F.S.



## Discussion of Issues

**Issue 1:** Should Kincaid Hills Water Company be ordered to show cause in writing, within 21 days, why it is not obligated to remit payment in the amount of \$22,403.19, for delinquent Regulatory Assessment Fees, plus statutory penalties and interest, for the years 2008, 2009, 2012, 2013, and 2016?

### **Recommendation:**

**Alternative 1 Recommendation:** Yes. Kincaid Hills Water Company should be ordered to show cause in writing, within 21 days, why it is not obligated to remit payment in the amount of \$22,403.19, for delinquent Regulatory Assessment Fees, plus statutory penalties and interest, for the years 2008, 2009, 2012, 2013, and 2016. Specifically, staff recommends that the Utility be directed to pay its past due RAFs in the amount of \$2,279.75 for 2008, \$2,712.33 for 2009, \$2,634.08 for 2012, \$2,239.02 for 2013, and \$2,006.69 for 2016, including statutory interest and penalties in the amounts of \$2,963.68 for 2008, \$3,200.55 for 2009, \$2,159.95 for 2012, \$1,544.93 for 2013, and \$662.21 for 2016. (DuVal, Cuello, Hicks, McCoy, Smith)

**Alternative 2 Recommendation:** No. The Commission should direct staff to initiate certificate revocation proceedings against Kincaid Hills Water Company consistent with Chapter 120 and Section 367.161, F.S. (DuVal, Cuello, Hicks, McCoy, Smith)

### **Staff Analysis:**

#### Applicable Law

Pursuant to Sections 350.113 and 367.145, F.S., and Rule 25-30.120, F.A.C., each regulated company under the jurisdiction of the Commission shall pay to the Commission a RAF based upon the gross operating revenues for the prior year operating period. Rule 25-30.120, F.A.C., requires that utilities pay a regulatory assessment fee of 4.5 percent of its gross revenues derived from intrastate business, or a minimum of \$25.00 if there are no revenues or if revenues are insufficient to generate above the \$25.00 minimum. Section 350.113(4), F.S., provides for a penalty of 5 percent for the first 30 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.” Section 367.145(1)(b), F.S., states that, in addition to the penalties and interest otherwise provided, the Commission may impose a penalty upon a utility for failure to pay regulatory assessment fees in a timely manner in accordance with Section 367.161, F.S. Further, Rule 25-30.120(7)(b), F.A.C., provides that, in addition to statutory penalties and interest, the Commission may impose an additional penalty upon a utility for failing to pay RAFs timely, pursuant to Section 367.161, F.S.

Pursuant to Section 367.161, F.S., 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, for each such day a violation continues, 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.

Willfulness is a question of fact.<sup>35</sup> Therefore, part of the determination the Commission must make in evaluating whether to penalize a utility is whether the utility willfully violated the rule, statute, or order. Section 367.161, F.S., does not define what it is to “willfully violate” a rule or order. The plain meaning of “willful” typically applied by the Courts in the absence of a statutory definition, is an act or omission that is done “voluntarily and intentionally” with specific intent and “purpose to violate or disregard the requirements of the law.” *Fugate* at 76.

### Factual Allegations

Commission records indicate that Kincaid failed to submit RAFs for the years 2008, 2009, 2012, 2013, and 2016.<sup>36</sup> Kincaid has a long history of failing to submit RAFs, and has had two enforcement proceedings brought by the Commission in 2004 and 2007 for failing to submit RAFs.<sup>37</sup> In fact, since coming under the Commission’s jurisdiction in 1993, Kincaid has only submitted RAFs timely two times (2014 and 2015).<sup>38</sup> Despite the numerous attempts by the Commission and staff over the last 13 years to work with Kincaid to resolve its RAF compliance issues, Kincaid has repeatedly failed to comply with its statutory and regulatory obligations.

Because Kincaid failed to submit its 2008, 2009, 2012, 2013, and 2016 RAFs timely, statutory penalties and interest are also due.

The total amount owed by Kincaid for 2008, 2009, 2012, 2013, and 2016 RAFs, plus associated penalties and interest, calculated through November 7, 2017, is \$22,403.19. A breakdown of the amount is shown in the table below.

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<sup>35</sup> *Fugate*, 924 So. 2d 74 at 75.

<sup>36</sup> Kincaid submitted its 2010 and 2011 RAFs, plus penalty and interest, on November 14, 2014, as part of on-going compliance/settlement negotiations with Commission staff.

<sup>37</sup> Docket No. 040248-WU, *In Re: Initiation of show cause proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110, F.A.C., Records and Reports; Annual Reports, and Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities*; and Docket No. 070580-WU, *In Re: Initiation of Show Cause Proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110, F.A.C., Records and Reports; Annual Reports; Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities; and of Order PSC-04-0615-FOF-WU*.

<sup>38</sup> Kincaid submitted its 2007 RAFs three days late and paid the associated penalty and interest.

<b>Year<sup>39</sup></b>	<b>Revenues</b>	<b>RAFs (4.5%)</b>	<b>Penalty (5% up to 25%) (As of 11/7/17)</b>	<b>Interest (1% through 08/31/17) (As of 11/7/17)</b>	<b>Payments</b>	<b>Total Due</b>
<b>2016</b>	\$44,593.00	\$2,006.69	\$501.67	\$160.54	\$0.00	\$2,668.90
<b>2013</b>	\$49,756.00	\$2,239.02	\$559.76	\$985.17	\$0.00	\$3,739.17
<b>2012</b>	\$58,535.00	\$2,634.08	\$658.52	\$1,501.43	\$0.00	\$4,715.00
<b>2009</b>	\$60,274.00	\$2,712.33	\$678.08	\$2,522.47	\$0.00	\$5,858.63
<b>2008</b>	\$50,661.00	\$2,279.75	\$569.94	\$2,393.74	\$0.00	\$5,197.83
<b>Totals</b>	\$263,819.00	\$11,871.87	\$2967.97	\$9,629.21	\$12,888.25	<b>\$22,403.19</b>

Alternative 1 Recommendation

By knowingly failing to comply with the provisions of Sections 350.113 and 367.145, F.S., and Rule 25-30.120, F.A.C., staff believes Kincaid’s acts were “willful” in the sense intended by Section 367.161, F.S., and contemplated by *Fugate*. Therefore, staff recommends that Kincaid Hills Water Company be ordered to show cause in writing, within 21 days, why it is not obligated to remit payment in the amount of \$22,403.19, for delinquent Regulatory Assessment Fees, plus statutory penalties and interest, for the years 2008, 2009, 2012, 2013, and 2016. Specifically, staff recommends that the Utility be directed to pay its past due RAFs in the amount of \$2,279.75 for 2008, \$2,712.33 for 2009, \$2,634.08 for 2012, \$2,239.02 for 2013, and \$2,006.69 for 2016, including statutory interest and penalties in the amounts of \$2,963.68 for 2008, \$3,200.55 for 2009, \$2,159.95 for 2012, \$1,544.93 for 2013, and \$662.21 for 2016. Staff recommends that the show cause order incorporate the following conditions:

1. This show cause order is an administrative complaint by the Florida Public Service Commission, as petitioner, against Kincaid Hills Water Company, as respondent.
2. Kincaid shall respond to the show cause order within 21 days of service on the Utility, and the response shall reference Docket No. 20170200-WU, Initiation of show cause proceedings against Kincaid Hills Water Company, in Alachua County, for noncompliance with Sections 350.113, 350.117, 367.121, and 367.145, Florida Statutes, and Rules 25-30.110, 25-30.120, 25-30.355, and 25-22.032, Florida Administrative Code.

<sup>39</sup> Kincaid timely submitted its 2014 and 2015 RAFs.

3. Kincaid has the right to request a hearing to be conducted in accordance with Sections 120.569 and 120.57, F.S., and to be represented by counsel or other qualified representative.
4. Requests for hearing shall comply with Rule 28-106.2015, F.A.C.
5. Kincaid's response to the show cause order shall identify those material facts that are in dispute. If there are none, the petition must so indicate.
6. If Kincaid files a timely written response and makes a request for a hearing pursuant to Sections 120.569 and 120.57, F.S., a further proceeding will be scheduled before a final determination of this matter is made.
7. A failure to file a timely written response to the show cause order will constitute an admission of the facts herein alleged and a waiver of the right to a hearing on this issue.
8. In the event that Kincaid fails to file a timely response to the show cause order, the fine will be deemed assessed and a final order will be issued.
9. If Kincaid responds to the show cause order by remitting the fine, this show cause matter will be considered resolved, and the docket closed.

Furthermore, the Utility should be warned and put on notice that continued failure to comply with Commission orders, rules, or statutes will again subject the Utility to show cause proceedings and fines of up to \$5,000 per day per violation for each day the violation continues, or the Commission may amend, suspend, or revoke Kincaid's certificate, as set forth in Section 367.161, F.S.

#### Alternative 2 Recommendation

In the alternative, Commission staff should be directed to send a letter to the Utility, giving the Utility 30 days notice that it intends to commence revocation proceedings. Revocation would be in lieu of the penalties set forth above. In evaluating this option, it would be important for the Commission to consider Kincaid's management's history, specifically, the fact that the Utility has a long history of noncompliance. Staff believes that Kincaid has a poor record of complying with applicable rules and statutes under Commission jurisdiction. Notably, this is the fourth time staff has opened a docket to initiate a show cause proceeding since Kincaid became subject to the Commission's jurisdiction in 1993. The Commission similarly initiated revocation proceedings against St. George Island Utility Company, Ltd. in Franklin County as a result of that utility's history of noncompliance with orders, rules, and statutory requirements.<sup>40</sup>

Commission staff is concerned that Kincaid's management does not understand how to and is not willing to commit the time to operate a utility within the meaning of Chapter 367, F.S. The

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<sup>40</sup> Order No. PSC-93-0370-AS-WU, issued March 9, 1993, in Docket No. 920782-WU, *In re: Revocation by Florida Public Service Commission of Certificate No. 302-W issued to St. George Island Utility Company, Ltd. In Franklin County.*

operation of a utility under Chapter 367, F.S., if successful, allows a utility the opportunity to earn a return on its investment. If management is not willing to operate as a utility, the Utility's certificate should be revoked, removing any opportunity the owner has to earn a return on its investment. If the certificate is revoked, a receiver must be appointed pursuant to Section 367.165, F.S., until a sale of the utility system has been approved pursuant to Section 367.071, F.S.

Date: October 26, 2017

**Issue 2:** Should Kincaid Hills Water Company be ordered to show cause in writing, within 21 days, why it is not obligated to remit payment in the amount of \$14,376, in statutory penalties for failing to timely submit its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013?

**Recommendation:**

**Alternative 1 Recommendation:** Yes. Kincaid Hills Water Company should be ordered to show cause in writing, within 21 days, why it is not obligated to remit payment in the amount of \$14,376, in statutory penalties for failing to timely submit its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013. (DuVal, Cuello, Hicks, McCoy, Smith)

**Alternative 2 Recommendation:** No. The Commission should direct staff to initiate certificate revocation proceedings against Kincaid Hills Water Company consistent with Chapter 120 and Section 367.161, F.S. (DuVal, Cuello, Hicks, McCoy, Smith)

**Staff Analysis:**

Applicable Law

Section 367.121(1)(c) and (i), F.S., authorizes the Commission to require utilities subject to its jurisdiction to file such regular financial reports it deems necessary. Rule 25-30.110(3)(a), F.A.C., provides that each utility under the jurisdiction of the Commission shall file an Annual Report on or before March 31st, for the preceding year ending December 31. The standard penalty for delinquent Annual Reports is \$3 per day, pursuant to Rule 25-30.110(7), F.A.C.

Pursuant to Section 367.161, F.S., 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, for each such day a violation continues, 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.

Willfulness is a question of fact.<sup>41</sup> Therefore, part of the determination the Commission must make in evaluating whether to penalize a utility is whether the utility willfully violated the rule, statute, or order. Section 367.161, F.S., does not define what it is to “willfully violate” a rule or order. The plain meaning of “willful” typically applied by the Courts in the absence of a statutory definition, is an act or omission that is done “voluntarily and intentionally” with specific intent and “purpose to violate or disregard the requirements of the law.” *Fugate* at 76.

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<sup>41</sup> *Fugate*, 924 So. 2d 74 at 75.

Factual Allegations

A review of Commission records indicates that Kincaid has repeatedly failed to submit its Annual Reports. Since coming under Commission jurisdiction in 1993, Kincaid has only submitted five Annual Reports on time (1997, 2007, 2014, 2015, 2016).<sup>42</sup>

Therefore, the total penalty amount owed by Kincaid for failing to timely submit its annual reports for the years 2009 to 2013 is \$14,376. A breakdown of the amount is shown in the table below.

<b>YEAR</b>	<b>DATE DUE</b>	<b>DATE SUBMITTED</b>	<b>DAYS LATE</b>	<b>PENALTY (\$3 per day)</b>
<b>2013</b>	03/31/2014	11/14/2014	228	\$684.00
<b>2012</b>	04/01/2013	11/14/2014	593	\$1,779.00
<b>2011</b>	04/02/2012	11/14/2014	958	\$2,874.00
<b>2010</b>	03/31/2011	11/14/2014	1,324	\$3,972.00
<b>2009</b>	03/31/2010	11/14/2014	1,689	\$5,067.00
<b>TOTAL</b>			<b>4,792</b>	<b>\$14,376.00</b>

Alternative 1 Recommendation

By knowingly failing to comply with the provisions of Section 367.121, F.S., and Rule 25-30.110, F.A.C., staff believes Kincaid's acts were "willful" in the sense intended by Section 367.161, F.S., and contemplated by *Fugate*. Therefore, staff recommends that Kincaid Hills Water Company should be ordered to show cause in writing, within 21 days, why it is not obligated to remit payment in the amount of \$14,376, in statutory penalties for failing to submit its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013. Staff recommends that the show cause order incorporate the following conditions:

1. This show cause order is an administrative complaint by the Florida Public Service Commission, as petitioner, against Kincaid Hills Water Company, as respondent.
2. Kincaid shall respond to the show cause order within 21 days of service on the Utility, and the response shall reference Docket No. 20170200-WU, Initiation of show cause proceedings against Kincaid Hills Water Company, in Alachua County, for noncompliance with Sections 350.113, 350.117, 367.121, and 367.145, Florida Statutes, and Rules 25-30.110, 25-30.120, 25-30.355, and 25-22.032, Florida Administrative Code.
3. Kincaid has the right to request a hearing to be conducted in accordance with Sections 120.569 and 120.57, F.S., and to be represented by counsel or other qualified representative.
4. Requests for hearing shall comply with Rule 28-106.2015, F.A.C.

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<sup>42</sup> Kincaid's 2008 Annual Report was received 22 days late, on April 22, 2009.

5. Kincaid's response to the show cause order shall identify those material facts that are in dispute. If there are none, the petition must so indicate.
6. If Kincaid files a timely written response and makes a request for a hearing pursuant to Sections 120.569 and 120.57, F.S., a further proceeding will be scheduled before a final determination of this matter is made.
7. A failure to file a timely written response to the show cause order will constitute an admission of the facts herein alleged and a waiver of the right to a hearing on this issue.
8. In the event that Kincaid fails to file a timely response to the show cause order, the fine will be deemed assessed and a final order will be issued.
9. If Kincaid responds to the show cause order by remitting the fine, this show cause matter will be considered resolved, and the docket closed.

Furthermore, the Utility should be warned and put on notice that continued failure to comply with Commission orders, rules, or statutes will again subject the Utility to show cause proceedings and fines of up to \$5,000 per day per violation for each day the violation continues, or the Commission may amend, suspend, or revoke Kincaid's certificate, as set forth in Section 367.161, F.S.

#### Alternative 2 Recommendation

In the alternative, Commission staff should be directed to send a letter to the Utility, giving the Utility 30 days notice that it intends to commence revocation proceedings. Revocation would be in lieu of the penalties set forth above. In evaluating this option, it would be important for the Commission to consider Kincaid's management's history, specifically, the fact that the Utility has a long history of noncompliance. Staff believes that Kincaid has a poor record of complying with applicable rules and statutes under Commission jurisdiction. Notably, this is the fourth time staff has opened a docket to initiate a show cause proceeding since Kincaid became subject to the Commission's jurisdiction in 1993. The Commission similarly initiated revocation proceedings against St. George Island Utility Company, Ltd. in Franklin County as a result of that utility's history of noncompliance with orders, rules, and statutory requirements.<sup>43</sup>

Commission staff is concerned that Kincaid's management does not understand how to and is not willing to commit the time to operate a utility within the meaning of Chapter 367, F.S. The operation of a utility under Chapter 367, F.S., if successful, allows a utility the opportunity to earn a return on its investment. If management is not willing to operate as a utility, the Utility's certificate should be revoked, removing any opportunity the owner has to earn a return on its investment. If the certificate is revoked, a receiver must be appointed pursuant to Section 367.165, F.S., until a sale of the utility system has been approved pursuant to Section 367.071, F.S.

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<sup>43</sup> Order No. PSC-93-0370-AS-WU, issued March 9, 1993, in Docket No. 920782-WU, *In re: Revocation by Florida Public Service Commission of Certificate No. 302-W issued to St. George Island Utility Company, Ltd. In Franklin County.*



Date: October 26, 2017

**Issue 3:** Should Kincaid Hills Water Company be ordered to show cause in writing, within 21 days, why it is not obligated to remit payment in the amount of \$750 in statutory penalties, respond to the customer complaints submitted on October 13, 2016, March 30, 2017, and May 8, 2017, and to provide a written response to Commission staff on each complaint?

**Recommendation:**

**Alternative 1 Recommendation:** Yes. Kincaid Hills Water Company should be ordered to show cause in writing, within 21 days, why it is not obligated to remit payment in the amount of \$750 in statutory penalties, respond to the customer complaints submitted on October 13, 2016, March 30, 2017, and May 8, 2017, and to provide a written response to Commission staff on each complaint. Specifically, staff recommends that the Utility be directed to pay a statutory penalty in the amount of \$250 for failing to respond to a customer complaint dated October 13, 2016, a statutory penalty in the amount of \$250 for failing to respond to a customer complaint dated March 30, 2017, and a statutory penalty in the amount of \$250 for failing to respond to a customer complaint dated May 8, 2017. (DuVal, Cuello, Hicks, McCoy, Smith)

**Alternative 2 Recommendation:** No. The Commission should direct staff to initiate certificate revocation proceedings against Kincaid Hills Water Company consistent with Chapter 120 and Section 367.161, F.S. (DuVal, Cuello, Hicks, McCoy, Smith)

**Staff Analysis:**

Applicable Law

Rule 25-30.355, F.A.C., requires that a utility make a full and prompt acknowledgment and investigation of all customer complaints and respond fully and promptly to all customer requests. Finally, Rule 25-22.032(6)(b), F.A.C., requires that a utility respond to a customer complaint received by the Commission by contacting the customer within 15 working days after receiving the complaint from Commission staff and provide a written response to the complaint to Commission staff within 15 working days after receiving the complaint from Commission staff.

Pursuant to Section 367.161, F.S., 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, for each such day a violation continues, 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.

Willfulness is a question of fact.<sup>44</sup> Therefore, part of the determination the Commission must make in evaluating whether to penalize a utility is whether the utility willfully violated the rule, statute, or order. Section 367.161, F.S., does not define what it is to “willfully violate” a rule or order. The plain meaning of “willful” typically applied by the Courts in the absence of a

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<sup>44</sup> *Fugate*, 924 So. 2d 74 at 75.

Date: October 26, 2017

statutory definition, is an act or omission that is done “voluntarily and intentionally” with specific intent and “purpose to violate or disregard the requirements of the law.” *Fugate* at 76.

### Factual Allegations

A review of Commission records shows that Kincaid is not timely responding to customer complaints. The Commission’s Consumer Activity Tracking System (CATS) shows three customer complaints in which Kincaid has failed to respond to both the customer and the Commission staff. Staff has compiled a list of customer complaints currently open with the Commission, along with a copy of each of the CATS complaint records for review.<sup>45</sup> These complaints were submitted to the Commission on October 13, 2016, March 30, 2017, and May 8, 2017. The complaints show that customers reported regularly experiencing difficulty in reaching a Utility representative and reported Kincaid’s telephone number being out-of-service on occasions. Commission staff has experienced great difficulty in reaching Kincaid regarding the customer complaints.<sup>46</sup> Furthermore, Kincaid has failed to adequately respond to Commission staff’s repeated attempts to contact Kincaid by telephone, mail, and e-mail in order to resolve the complaints.<sup>47</sup> To date, Kincaid has not responded to these customer complaints and has not provided a written response to Commission staff on these complaints.

### Alternative 1 Recommendation

Where available, staff looks to prior Commission Orders for guidance on the amount and type of fines for each violation. Order No. PSC-06-0349-SC-WS<sup>48</sup> involved a similar rule violation. The Commission penalized Lindrick Service Corporation (Lindrick) for failure to properly handle customer complaints in violation of Rule 25-22.032, F.A.C. In the Lindrick docket, Commission staff conducted a study of Lindrick’s practices. Staff issued a report, referred to as the 2005 report. Based in part on the report, the Commission found that Lindrick did not properly track its customer complaints and inquiries. The Commission also found that Lindrick did not accurately monitor and trend its customer complaints. Furthermore, Lindrick did not timely respond to five complaints. In response, Lindrick argued that it did try to monitor and track the complaints, but then Lindrick agreed with the Commission that a more formal tracking system would be helpful. By the time of the issuance of the show cause order, Lindrick had taken several proactive steps to remedy the problems identified by staff in its 2005 report. Lindrick worked with staff to establish a tracking system to correct its deficiencies, for which the Commission reduced the recommended penalty from \$250 to \$125. Accordingly, the Commission fined Lindrick \$125 for its violations of Rule 25-22.032, F.A.C., which was a reduction of the original staff recommendation of \$250 for the violation.

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<sup>45</sup> Attachment A, Exhibit D (Open CATS Customer Complaints).

<sup>46</sup> *Id.*

<sup>47</sup> *Id.*

<sup>48</sup> Order No. PSC-06-0349-SC-WS, issued April 25, 2006, in Docket No. 060057-WS, *In re: Investigation into whether Lindrick Service Corporation should be ordered to show cause.*

Date: October 26, 2017

Order No. PSC-11-0541-SC-WS<sup>49</sup> also involved a similar rule violation. In that docket, the Commission penalized Four Points Utility Corporation (Four Points) for failure to fully and promptly acknowledge and investigate all customer complaints and furnish replies to inquiries by Commission staff within 15 days from the date of the inquiry, as required by Rule 25-30.355, F.A.C. Four Points did not timely respond to 38 complaints (over seven times the number of untimely responses as Lindrick). Unlike Lindrick, Four Points did not attempt to work with staff to correct its deficiencies. Accordingly, using prior Order No. PSC-06-0349-SC-WS, as a guide, the Commission ordered Four Points to show cause, in writing within 21 days, why it should not have been fined in the amount of \$1,750 (\$250 x 7) for failure to fully and promptly acknowledge and investigate all customer complaints and furnish replies to inquiries by Commission staff within 15 days from the date of the inquiry, as required by Rule 25-30.355, F.A.C.

Kincaid has not timely responded to three complaints. However, similar to Four Points, Kincaid has not attempted to work with staff to correct its deficiencies. Accordingly, using prior Order Nos. PSC-06-0349-SC-WS and PSC-11-0541-SC-WS, as a guide, Kincaid should be ordered to show cause, in writing within 21 days, why it should not be fined in the amount of \$750 (\$250 x 3) for failure to fully and promptly acknowledge and investigate all customer complaints and furnish replies to inquiries by Commission staff within 15 days from the date of the inquiry, as required by Rule 25-30.355, F.A.C.

By knowingly failing to comply with the provisions of Rules 25-22.032(6)(b) and 25-30.355, F.A.C., staff believes Kincaid's acts were "willful" in the sense intended by Section 367.161, F.S., and contemplated by *Fugate*. Therefore, staff recommends that Kincaid Hills Water Company should be ordered to show cause in writing, within 21 days, why it is not obligated to remit payment in the amount of \$750 in statutory penalties, respond to the three referenced customer complaints, and to provide a written response to Commission staff on each complaint. Specifically, staff recommends that the Utility be directed to pay a statutory penalty in the amount of \$250 for failing to respond to a customer complaint dated October 13, 2016, a statutory penalty in the amount of \$250 for failing to respond to a customer complaint dated March 30, 2017, and a statutory penalty in the amount of \$250 for failing to respond to a customer complaint dated May 8, 2017. Staff recommends that the show cause order incorporate the following conditions:

1. This show cause order is an administrative complaint by the Florida Public Service Commission, as petitioner, against Kincaid Hills Water Company, as respondent.
2. Kincaid shall respond to the show cause order within 21 days of service on the Utility, and the response shall reference Docket No. 20170200-WU, Initiation of show cause proceedings against Kincaid Hills Water Company, in Alachua County, for noncompliance with Sections 350.113, 350.117, 367.121, and 367.145, Florida

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<sup>49</sup> Order No. PSC-11-0541-SC-WS, issued November 22, 2011, in Docket No. 110254-WS, *In re: Initiation of show cause proceedings against Four Points Utility Corporation in Polk County for violation of Commission rules and regulations as outlined in the Florida Public Service Commission's management audit for Four Points Utility Corporation and Bimini Bay Utilities Corporation issued June 2011.*

Date: October 26, 2017

Statutes, and Rules 25-30.110, 25-30.120, 25-30.355, and 25-22.032, Florida Administrative Code.

3. Kincaid has the right to request a hearing to be conducted in accordance with Sections 120.569 and 120.57, F.S., and to be represented by counsel or other qualified representative.
4. Requests for hearing shall comply with Rule 28-106.2015, F.A.C.
5. Kincaid's response to the show cause order shall identify those material facts that are in dispute. If there are none, the petition must so indicate.
6. If Kincaid files a timely written response and makes a request for a hearing pursuant to Sections 120.569 and 120.57, F.S., a further proceeding will be scheduled before a final determination of this matter is made.
7. A failure to file a timely written response to the show cause order will constitute an admission of the facts herein alleged and a waiver of the right to a hearing on this issue.
8. In the event that Kincaid fails to file a timely response to the show cause order, the fine will be deemed assessed and a final order will be issued.
9. If Kincaid responds to the show cause order by remitting the fine, responding to the customer complaints, and providing a written response to Commission staff on each complaint, this show cause matter will be considered resolved, and the docket closed.

Furthermore, the Utility should be warned and put on notice that continued failure to comply with Commission orders, rules, or statutes will again subject the Utility to show cause proceedings and fines of up to \$5,000 per day per violation for each day the violation continues, or the Commission may amend, suspend, or revoke Kincaid's certificate, as set forth in Section 367.161, F.S.

Alternative 2 Recommendation

In the alternative, Commission staff should be directed to send a letter to the Utility, giving the Utility 30 days notice that it intends to commence revocation proceedings. Revocation would be in lieu of the penalties and required actions set forth above. In evaluating this option, it would be important for the Commission to consider Kincaid's management's history, specifically, the fact that the Utility has a long history of noncompliance. Staff believes that Kincaid has a poor record of complying with applicable rules and statutes under Commission jurisdiction. Notably, this is the fourth time staff has opened a docket to initiate a show cause proceeding since Kincaid became subject to the Commission's jurisdiction in 1993. The Commission similarly initiated

revocation proceedings against St. George Island Utility Company, Ltd. in Franklin County as a result of that utility's history of noncompliance with orders, rules, and statutory requirements.<sup>50</sup>

Commission staff is concerned that Kincaid's management does not understand how to and is not willing to commit the time to operate a utility within the meaning of Chapter 367, F.S. The operation of a utility under Chapter 367, F.S., if successful, allows a utility the opportunity to earn a return on its investment. If management is not willing to operate as a utility, the Utility's certificate should be revoked, removing any opportunity the owner has to earn a return on its investment. If the certificate is revoked, a receiver must be appointed pursuant to Section 367.165, F.S., until a sale of the utility system has been approved pursuant to Section 367.071, F.S.

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<sup>50</sup> Order No. PSC-93-0370-AS-WU, issued March 9, 1993, in Docket No. 920782-WU, *In re: Revocation by Florida Public Service Commission of Certificate No. 302-W issued to St. George Island Utility Company, Ltd. In Franklin County.*

Date: October 26, 2017

**Issue 4:** Should this docket be closed?

**Recommendation:** If the Commission orders Kincaid to show cause as to Issues 1, 2, and 3, and Kincaid timely responds in writing to the Order to Show Cause, this docket should remain open to allow for the appropriate processing of the response. If the Commission orders Kincaid to show cause as to Issues 1, 2, and 3, and Kincaid responds to the show cause order by remitting the fines, responding to the customer complaints, and providing a written response to Commission staff on each complaint, this show cause matter will be considered resolved, and the docket should be closed administratively. If the Commission orders Kincaid to show cause as to Issues 1, 2, and 3, and Kincaid does not remit payment, or does not respond to the Order to Show Cause, this docket should remain open to allow the Commission to pursue collection of the amounts owed by the Utility. Alternatively, if the Commission orders that a proceeding to revoke Kincaid's water certificate should be initiated, this docket should remain open until such a proceeding can be initiated. (DuVal, Cuello)

**Staff Analysis:** If the Commission orders Kincaid to show cause as to Issues 1, 2, and 3, and Kincaid timely responds in writing to the Order to Show Cause, this docket should remain open to allow for the appropriate processing of the response. If the Commission orders Kincaid to show cause as to Issues 1, 2, and 3, and Kincaid responds to the show cause order by remitting the fines, responding to the customer complaints, and providing a written response to Commission staff on each complaint, this show cause matter will be considered resolved, and the docket should be closed administratively. If the Commission orders Kincaid to show cause as to Issues 1, 2, and 3, and Kincaid does not remit payment, or does not respond to the Order to Show Cause, this docket should remain open to allow the Commission to pursue collection of the amounts owed by the Utility. Alternatively, if the Commission orders that a proceeding to revoke Kincaid's water certificate should be initiated, this docket should remain open until such a proceeding can be initiated.

COMMISSIONERS:  
JULIE I. BROWN, CHAIRMAN  
ART GRAHAM  
RONALD A. BRISÉ  
DONALD J. POLMANN

STATE OF FLORIDA



KEITH C. HETRICK  
GENERAL COUNSEL  
(850) 413-6199

## Public Service Commission

### NOTICE OF NONCOMPLIANCE

July 31, 2017

Mr. Berdell Knowles, Sr., Owner  
Mr. Berdell Knowles, Jr., President/CEO  
KINCAID HILLS WATER COMPANY  
P.O. Box 15016  
Gainesville, FL 32602  
[KINCAIDHILLSWATERCO@YAHOO.COM](mailto:KINCAIDHILLSWATERCO@YAHOO.COM)  
[berdell@alum.mit.edu](mailto:berdell@alum.mit.edu)

**VIA CERTIFIED & ELECTRONIC MAIL**  
Certified Receipt #: 7006 0810 0002 33354 2751

**RE: Kincaid Hills Water Company – Noncompliance with Sections 350.113, 350.117, 367.121, and 367.145, Florida Statutes, and Rules 25-30.110, 25-30.120, 25-30.355, and 25-22.032, Florida Administrative Code, and possible implementation of show cause proceedings against Kincaid Hills Water Company, pursuant to Section 367.161, Florida Statutes.**

Dear Sirs:

A review of Commission records indicates that Kincaid Hills Water Company (Kincaid) is not in compliance with several Commission-related statutes and rules. If a utility fails to comply with Commission statutes, rules, or orders, Section 367.161, Florida Statutes (F.S.), authorizes the Commission to take enforcement action, including the collection of penalties. 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.

NOTICE OF NONCOMPLIANCE  
Kincaid Hills Water Company (WU690)  
July 31, 2017

Page 2

- (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.

As required by Section 120.695(2)(a), F.S., Kincaid's noncompliance with Commission statutes, rules, and orders is outlined below.

A. Regulatory Assessment Fees

*Legal Authority*

Pursuant to Sections 350.113 and 367.145, 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 (RAF) based upon the gross operating revenues for the prior year operating period. Rule 25-30.120, F.A.C., requires that utilities pay a regulatory assessment fee of four and a half percent (4.5%) of its gross revenues derived from intrastate business, or a minimum of \$25.00 if there are no revenues or if revenues are insufficient to generate above the \$25.00 minimum. Section 350.113(4), F.S., provides for a penalty of five percent (5%) for the first 30 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 that, in addition to statutory penalties and interest, the Commission may impose an additional penalty upon a utility for failing to pay RAFs timely, pursuant to Section 367.161, F.S.

*Facts*

Commission records indicate that Kincaid failed to submit RAFs for the years 2008, 2009, 2012, 2013, and 2016.<sup>1</sup> Kincaid has a long history of failing to submit RAFs, and has had two enforcement proceedings brought by the Commission in 2004 and 2007 for failing to submit RAFs.<sup>2</sup> In fact, since coming under the Commission's jurisdiction in 1993, Kincaid has only

<sup>1</sup> Kincaid submitted its 2010 and 2011 RAFs, plus penalty and interest, on November 14, 2014, as part of on-going compliance/settlement negotiations with Commission staff.

<sup>2</sup> Docket No. 040248-WU, *In Re: Initiation of show cause proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110, F.A.C., Records and Reports; Annual Reports, and Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities*; and Docket No. 070580-WU, *In Re: Initiation of Show Cause Proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110, F.A.C., Records and Reports; Annual Reports; Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities; and of Order PSC-04-0615-FOF-WU*.



NOTICE OF NONCOMPLIANCE  
Kincaid Hills Water Company (WU690)  
July 31, 2017

Page 3

submitted RAFs timely two times (2014 and 2015).<sup>3</sup> Despite the numerous attempts by the Commission and staff over the last 13 years to work with Kincaid to resolve its RAF compliance issues, Kincaid has repeatedly failed to comply with its statutory and regulatory obligations.

In 2004, after failing to submit RAFs for the years 1995 through 2003, the Commission initiated an enforcement proceeding against Kincaid for violations of Section 350.113, F.S., and Rule 25-30.120, F.A.C., (2004 Proceeding).<sup>4</sup> In an effort to work with Kincaid to resolve its non-compliance issues, the Commission declined to show cause or assess fines against Kincaid for failing to submit RAFs.<sup>5</sup> Instead, the Commission approved a payment plan submitted by Kincaid to pay the RAFs, plus statutory penalty and interest, that it owed for the years 1995 to 2003.<sup>6</sup> In addition, Kincaid was put on notice that failure to timely submit RAFs in the future or comply with any Commission Orders, would result in further enforcement action by the Commission.

Kincaid again failed to submit RAFs the year after the 2004 Proceeding, as well as the following two years. Kincaid made several payments toward the RAF amounts owed pursuant to the payment plan approved by Order No. PSC-04-0615-FOF-WU between June 2004 and January 2006, then ceased submitting payments.<sup>7</sup> After failing to submit RAFs for 2004, 2005, and 2006, failing to submit payments pursuant to the approved payment plan, and failing to respond to staff's attempts to collect the amounts owed, the Commission initiated another enforcement proceeding against Kincaid in 2007 for violations of Section 350.113, F.S., Rule 25-30.120, F.A.C., and Order No. PSC-04-0615-FOF-WU (2007 Proceeding).<sup>8</sup>

At the time the Commission initiated the 2007 Proceeding, Kincaid had serious compliance issues with the Florida Department of Environmental Protection (DEP), as well as the United States Environmental Protection Agency (EPA). Despite finding "a continued pattern of disregard for the directions, orders, and rules of this Commission," and "for the timely payment of RAFs," the Commission again declined to show cause Kincaid, finding "exigent and mitigating circumstances" existed.<sup>9</sup> At that time, the Commission reasoned that assessing additional penalties and requiring Kincaid to pay its delinquent RAFs would only further impair Kincaid's financial viability and its ability to address the DEP and EPA compliance issues.<sup>10</sup> Therefore, the Commission ordered that the outstanding RAFs amounts, including penalty and interest, owed by Kincaid for the years 1995 through 2006, be submitted to the Florida Department of Financial Services (DFS) to be written-off as

<sup>3</sup> Kincaid submitted its 2007 RAFs three days late and paid the associated penalty and interest.

<sup>4</sup> Docket No. 040248-WU.

<sup>5</sup> Order No. PSC-04-0615-FOF-WU, issued June 21, 2004, in Docket No. 040248-WU.

<sup>6</sup> The Commission found the total amount of delinquent RAFs, penalty and interest, owed by Kincaid for years 1995-2003, to be \$29,231.42. Order No. PSC-04-0615-FOF-WU.

<sup>7</sup> Between June 2004 and January 2006, Kincaid submitted \$12,000.00 of the total \$29,231.42 owed. \$10,903.86 was applied to past due RAF principals and \$1,096.14 to penalty and interest, which paid the entire RAF principal amounts owed for the years 1995 through 1999, and \$1,410.92 of the \$1,808.33 RAF principal owed for the year 2000.

<sup>8</sup> Docket No. 070580-WU.

<sup>9</sup> Order No. PSC-08-044-FOF-WU, issued January 22, 2008, in Docket No. 070580-WU, pages 9 and 11.

<sup>10</sup> The Commission noted that "further collection efforts may cause the utility to abandon the system or cause it to be unable to make necessary repairs or maintain the safe provision of quality water to the customers of Kincaid." *Id.*, at pages 10 and 12.

NOTICE OF NONCOMPLIANCE  
Kincaid Hills Water Company (WU690)  
July 31, 2017

Page 4

“uncollectible.”<sup>11</sup> In addition, the Commission found Kincaid eligible for a Staff-Assisted Rate Case (SARC). Finally, the Commission ordered that the 2007 Proceeding remain open until Kincaid filed its SARC application, and that staff was to bring a recommendation to the Commission should Kincaid fail to timely submit RAFs during the pendency of its SARC.<sup>12</sup>

In April 2008, Kincaid notified Commission staff that it would not pursue a SARC due to customer dissatisfaction expressed after Kincaid implemented recent rate increases.<sup>13</sup> Between June 2007 and April 2008, Kincaid received two price-index increases, and a 4.5% pass-through increase, which would allow Kincaid to recover RAFs in its rates going forward. With the recent increases, Kincaid stated it could meet its obligations to pay RAFs and maintain Kincaid without a SARC.<sup>14</sup> By Order No. PSC-08-0386-FOF-WU, the Commission ordered the 2007 Proceeding closed based on Kincaid submitting its 2007 RAFs<sup>15</sup> and receiving the index and pass-through increases.<sup>16</sup>

The year following the closure of the 2007 Proceeding, Kincaid again failed to submit its RAFs for 2008, as well as for the years 2009, 2010, 2011, 2012, and 2013. Kincaid also failed to respond to staff's repeated attempts to contact Kincaid by telephone, mail, and email. (*Exhibit A – Commission Staff Correspondence re: Kincaid Delinquent RAFs and Annual Reports.*) In June 2014, Kincaid's owner, Mr. Berdell Knowles, Sr., finally responded to staff regarding Kincaid's outstanding RAFs and payment options. Mr. Knowles, Sr. agreed to submit Kincaid's outstanding annual reports and RAF returns, along with an initial RAF payment by June 30, 2014.<sup>17</sup> In addition, Mr. Knowles, Sr. was advised that the Commission would pursue further compliance action if Kincaid did not comply with a RAF payment plan.<sup>18</sup> Mr. Knowles, Sr. failed to submit Kincaid's 2008-2013 RAF returns or an initial RAF payment by June 30, 2014, as agreed and, again, failed to respond to staff's attempts to contact Kincaid.

Due to staff's continued inability to contact Mr. Knowles, Sr., staff contacted the DEP attorney assigned to Kincaid's compliance issues in October 2014, and obtained the contact information for Berdell Knowles, Jr., a corporate officer of Kincaid. (*Exhibit B – Kincaid Florida Corporate Information.*) On October 20, 2014, staff counsel spoke with Mr. Knowles, Jr. regarding Kincaid's delinquent RAF and annual report status, the lack of cooperation by Mr. Knowles, Sr. to engage in discussions with staff, and Kincaid's current corporate and financial status. On October 23, 2014, staff held a conference call with Mr. Knowles, Jr., wherein Mr. Knowles, Jr. agreed to an initial compliance action plan to resolve Kincaid's compliance issues. (*Exhibit C – Commission Staff Correspondence re: Kincaid Compliance Plan.*) Mr. Knowles, Jr. agreed to submit all of Kincaid's delinquent annual reports for years 2009-2013, as well as the RAF amounts owed for the years 2010 and 2011, plus penalty and interest, by November 7,

<sup>11</sup> Total amount to be written-off was \$24,166.29. *Id.*, at pages 10 and 12.

<sup>12</sup> *Id.*, at page 14.

<sup>13</sup> Document No. 04657-08, filed in Docket No. 070580-WU.

<sup>14</sup> Order No. PSC-08-0386-FOF-WU, issued June 10, 2008, in Docket No. 070580-WU, page 2.

<sup>15</sup> Kincaid submitted its 2007 RAFs three days late and, thus assessed an additional \$139.05, for statutory penalty and interest that accrued. Kincaid submitted the \$139.05 penalty on May 1, 2008.

<sup>16</sup> Order No. PSC-08-0386-FOF-WU.

<sup>17</sup> See, *Exhibit A* (Staff Email, dated June 17, 2014, RE: Kincaid Hills Water Company WU690 – First Collections Delinquent RAFs.)

<sup>18</sup> *Id.*

NOTICE OF NONCOMPLIANCE  
 Kincaid Hills Water Company (WU690)  
 July 31, 2017

Page 5

2014.<sup>19</sup> As part of the initial compliance plan, Kincaid also agreed to continue working with staff regarding payment of the remaining RAF amounts owed, to consider pursuing a SARC, and to submit future RAFs timely.<sup>20</sup>

On November 14, 2014, the Commission received Kincaid's payment in the amount of \$8,690.15, which satisfied the outstanding RAF amounts owed by Kincaid for 2010 and 2011.<sup>21</sup> On February 16, 2015, staff held a conference call with Kincaid (included both Mr. Knowles, Sr. and Mr. Knowles, Jr.), wherein Kincaid agreed to resolve its compliance issues, including continuing to negotiate payment options for its past due RAFs, to submit future RAFs and annual reports timely, to pursue a SARC, and to update its corporate status with the Florida Secretary of State.<sup>22</sup> Since submitting the \$8,690.15 payment, however, Kincaid has failed to meet the requirements of the initial compliance plan as agreed. Specifically, Kincaid has failed: (1) to submit additional payments toward its remaining years of delinquent RAFs; (2) to continue to work with staff regarding repayment of its remain years of delinquent RAFs; (3) to update its corporate status with the Florida Secretary of State Division of Corporations; (4) to apply for a SARC; and (5) to submit its 2016 RAFs.<sup>23</sup> Because Kincaid failed to submit its 2008, 2009, 2012, 2013, and 2016 RAFs timely, statutory penalties and interest are also due.

The total amount owed by Kincaid for 2008, 2009, 2012, 2013, and 2016 RAFs, plus associated penalties and interest, calculated through August 31, 2017, is **\$22,139.39**. A breakdown of the amount is shown in the table below.

YEAR <sup>24</sup>	REVENUES	RAFS (4.5%)	PENALTY (5% up to 25%)	INTEREST (1% through 08/31/17)	PAYMENTS	TOTAL DUE
2016	\$44,593.00	\$2,006.69	\$501.67	\$120.40	\$0.00	\$2,628.76
2013	\$49,756.00	\$2,239.02	\$559.76	\$940.39	\$0.00	\$3,739.17
2012	\$58,535.00	\$2,634.08	\$658.52	\$1,422.40	\$0.00	\$4,715.00
2009	\$60,274.00	\$2,712.33	\$678.08	\$2,468.22	\$0.00	\$5,858.63
2008	\$50,661.00	\$2,279.75	\$569.94	\$2,348.14	\$0.00	\$5,197.83
<b>TOTALS</b>	<b>\$381,584.00</b>	<b>\$17,171.30</b>	<b>\$4,292.83</b>	<b>\$9,365.41</b>	<b>\$8,690.15</b>	<b>\$22,139.39</b>

<sup>19</sup> See, Exhibit C (Staff Emails with Mr. Knowles, Jr., RE: Kincaid Hills – Initial Compliance Plan.)

<sup>20</sup> *Id.*

<sup>21</sup> The payment was postmarked November 7, 2014. The payment breakdown was as follow: \$4,491.55 (2010 RAFs \$2,642.09 + Penalty \$660.52 + Interest \$1,188.94); and \$4,198.60 (2011 RAFs \$2657.34 + Penalty \$664.34 + Interest \$876.92)

<sup>22</sup> See, Exhibit C (Staff Emails with Mr. Knowles, Jr., RE: Kincaid Hills – Rate Case & RAFs.)

<sup>23</sup> See, Exhibits B and C.

<sup>24</sup> Kincaid timely submitted its 2014 and 2015 RAFs.

NOTICE OF NONCOMPLIANCE  
Kincaid Hills Water Company (WU690)  
July 31, 2017

Page 6

*Corrective Action Required*

Payment in the amount of \$22,139.39 for the RAFs, penalties and interest, owed by Kincaid for the years 2008, 2009, 2012, 2013, and 2016, is due immediately. If payment is not received in full by August 31, 2017, Commission staff will open an enforcement docket to initiate a show cause proceeding against Kincaid. Should Kincaid ultimately be found in violation of Commission statutes, rules, or orders, the Commission may impose fines of up to \$5,000 per violation, for each day the violation continues, including levying a statutory lien upon the real and personal property of the Utility, or the Commission may amend, suspend, or revoke Kincaid's certificate, pursuant to Section 367.161, F.S.

B. Annual Reports

*Legal Authority*

Section 367.121(1)(c) and (i), F.S., authorizes the Commission to require utilities subject to its jurisdiction to file such regular financial reports it deems necessary. Rule 25-30.110(3)(a), F.A.C., provides that each utility under the jurisdiction of the Commission shall file an annual report on or before March 31<sup>st</sup>, for the preceding year ending December 31. The standard penalty for delinquent annual reports is \$3 per day, pursuant to Rule 25-30.110(7), F.A.C.

*Facts*

A review of Commission records indicates that Kincaid has repeatedly failed to submit its annual reports. Since coming under Commission jurisdiction in 1993, Kincaid has only submitted five annual reports on time (1997, 2007, 2014, 2015, 2016).<sup>25</sup> After failing to submit its annual reports for 1994 through 1996, an enforcement proceeding was initiated against Kincaid for violations of Rule 30.110, F.A.C. (1997 Proceeding), and Kincaid was ordered to show cause why it should not be penalized \$2,628 for failing to submit its annual reports.<sup>26</sup> Kincaid failed to respond to the Commission's Order, resulting in the annual report penalties being assessed by the Commission.<sup>27</sup> After several failed attempts by Commission staff to contact Kincaid to collect the annual report penalty, the Commission submitted the penalty to the Department of Financial Services to be written-off as "uncollectable."<sup>28</sup>

Following the 1997 Proceeding, Kincaid timely submitted its 1997 annual report. Between 1998 and 2003, however, Kincaid again failed to submit its annual reports. Therefore, another enforcement proceeding was brought against Kincaid in 2004 for failing to submit Annual Reports for the years 1998 through 2003, pursuant to Rule 25-30.110, F.A.C. (2004

<sup>25</sup> Kincaid's 2008 annual report was received 22 days late, on April 22, 2009.

<sup>26</sup> Order No. PSC-98-0737-SC-WU, issued on May 28, 1998, in Docket No. 971623-WU, *In Re: Initiation of show cause proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110(3), F.A.C., Records and Reports; Annual Reports.*

<sup>27</sup> See, Docket No. 971623-WU.

<sup>28</sup> *Id.*

NOTICE OF NONCOMPLIANCE  
Kincaid Hills Water Company (WU690)  
July 31, 2017

Page 7

Proceeding).<sup>29</sup> Because Kincaid made an effort to cooperate with Commission staff and submitted all of the delinquent annual reports for 1998-2003, the Commission declined to show cause or assess Kincaid annual report penalties pursuant to Rule 25-30.110, F.A.C.<sup>30</sup> Kincaid was put on notice, however, that failure to timely submit annual reports in the future or comply with Commission orders, would result in further enforcement action by the Commission.

The year after the 2004 Proceeding, Kincaid again failed to submit its annual report. After failing to submit annual reports for the years 2004 through 2006, the Commission initiated a third enforcement proceeding against Kincaid for violations of Rule 25-30.110, F.A.C. (2007 Proceeding).<sup>31</sup> As stated above, Kincaid had serious compliance issues with DEP and the EPA at the time of the 2007 Proceeding. The Commission again declined to show cause Kincaid and to assess the annual report penalties, finding the DEP and EPA compliance issues, Kincaid's financial status to be mitigating circumstances.<sup>32</sup> The Commission reasoned that assessing annual report penalties would only further impair Kincaid's financial viability and its ability to address its compliance issues with DEP and the EPA.<sup>33</sup> Kincaid was put on notice, however, that "failure to timely file future annual reports will subject it to the penalties authorized by Rule 25-30.110(7), F.A.C., and to show cause proceedings and fines of up to \$5,000 per day per violation for each day the violation continues, as set forth in Section 367.161, F.S., or revocation proceedings pursuant to Section 367.161(2), F.S."<sup>34</sup>

Kincaid again failed to submit its annual reports for the years 2009, 2010, 2011, 2012, and 2013.<sup>35</sup> Kincaid also failed to respond to staff's repeated attempts to contact Kincaid. In June 2014, Kincaid owner, Mr. Knowles, Sr., finally responded to staff regarding its outstanding annual reports and RAFs. (*Exhibit A – Commission Staff Correspondence re: Kincaid Delinquent RAFs and Annual Reports.*) Mr. Knowles, Sr. agreed to submit Kincaid's outstanding annual reports and RAF returns, along with an initial RAF payment by June 30, 2014.<sup>36</sup> Mr. Knowles, Sr. did not submit Kincaid's 2009-2013 annual reports by June 30, 2014, as agreed and, again, failed to respond to staff's attempts to contact Kincaid.

<sup>29</sup> Docket No. 040248-WU, *In Re: Initiation of show cause proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110, F.A.C., Records and Reports; Annual Reports, and Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities.*

<sup>30</sup> Order No. PSC-04-0615-FOF-WU, issued June 21, 2004, in Docket No. 040248-WU.

<sup>31</sup> Docket No. 070580-WU, *In Re: Initiation of Show Cause Proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110, F.A.C., Records and Reports; Annual Reports; Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities; and of Order PSC-04-0615-FOF-WU.*

<sup>32</sup> Order No. PSC-08-044-FOF-WU, issued January 22, 2008, in Docket No. 070580-WU, pages 9 and 13.

<sup>33</sup> The Commission noted that, "in the last five months, the utility has worked diligently to pay off the 2004-2006 RAFs and has now filed all of its annual reports. Because of its financial problems and the need for maintenance, the utility has had problems with timely filing its annual reports and could not afford an accountant to assist it in such filing." *Id.*, at page 13.

<sup>34</sup> *Id.*

<sup>35</sup> Kincaid's 2008 annual report was received 22 days late, on April 22, 2009.

<sup>36</sup> See, *Exhibit A* (Staff Email, dated June 17, 2014, RE: Kincaid Hills Water Company WU690 – First Collections Delinquent RAFs.)

NOTICE OF NONCOMPLIANCE  
 Kincaid Hills Water Company (WU690)  
 July 31, 2017

Page 8

Due to staff's continued inability to contact Mr. Knowles, Sr., staff contacted the DEP attorney assigned to Kincaid's compliance issues in October 2014, and obtained the contact information for Berdell Knowles, Jr., a Kincaid corporate officer. (*Exhibit B – Kincaid Florida Corporate Information.*) On October 20, 2014, staff counsel spoke with Mr. Knowles, Jr., regarding Kincaid's delinquent RAF and annual report status, the lack of cooperation by Mr. Knowles, Sr. to engage in discussions with staff, and Kincaid's current financial status. On October 23, 2014, staff held a conference call with Mr. Knowles, Jr., wherein Mr. Knowles, Jr. agreed to an initial compliance action plan to resolve Kincaid's compliance. (*Exhibit C – Commission Staff Correspondence re: Kincaid Compliance Plan.*) As part of the initial compliance plan, Mr. Knowles, Jr. agreed to submit all of Kincaid's delinquent annual reports for years 2009-2013, as well as to continue working with staff regarding payment of the remaining RAF amounts owed, to pursuing a SARC, and to submitting future annual reports timely.<sup>37</sup>

On November 20, 2014, the Commission received Kincaid's annual reports for 2009-2013.<sup>38</sup> On February 16, 2015, staff held a conference call with Kincaid (included both Mr. Knowles, Sr. and Mr. Knowles, Jr.), wherein the Kincaid agreed to work to resolve its compliance issues, including continuing to negotiate payment options for its past due RAFs, to submit future annual reports and RAFs timely, to pursue a SARC, and to update its corporate status with the Florida Secretary of State.<sup>39</sup> Although Kincaid submitted its 2014, 2015, and 2016, annual reports timely, Kincaid has failed to meet the other requirements of the initial compliance plan.<sup>40</sup>

Therefore, the total penalty amount owed by Kincaid for failing to timely submit its annual reports for the years 2009 to 2013 is \$14,457.00. A breakdown of the amount is show in the table below.

YEAR	DATE DUE	DATE SUBMITTED	DAYS LATE (as of 11/20/14)	PENALTY (\$3 per day)
2013	03/31/2014	11/20/2014	234	\$702.00
2012	04/01/2013	11/20/2014	598	\$1,794.00
2011	04/02/2012	11/20/2014	962	\$2,886.00
2010	03/31/2011	11/20/2014	1,330	\$3,990.00
2009	03/31/2010	11/20/2014	1,695	\$5,085.00
<b>TOTAL</b>			<b>4,819</b>	<b>\$14,457.00</b>

<sup>37</sup> See, *Exhibit C* (Staff Emails with Mr. Knowles, Jr., RE: Kincaid Hills – Initial Compliance Plan.)

<sup>38</sup> Kincaid emailed its 2009-2013 annual reports to staff on November 7, 2014; however, Rule 25-30.110, F.A.C., requires reports be certified and submitted to the Commission in paper form. Commission received annual reports on November 20, 2014. See, *Exhibit C* (Staff Emails with Mr. Knowles, Jr., RE: Kincaid Hills - Received Delinquent Annual Reports & 2010-11 RAF Payment; and Staff Emails with Mr. Knowles, Jr., RE: Kincaid Hills - Annual Reports Insufficient.)

<sup>39</sup> See, *Exhibit C* (Staff Emails with Mr. Knowles, Jr., RE: Kincaid Hills – Rate Case & RAFs.)

<sup>40</sup> See, *Exhibits B and C.*

NOTICE OF NONCOMPLIANCE  
Kincaid Hills Water Company (WU690)  
July 31, 2017

Page 9

*Corrective Action Required*

Payment in the amount of \$14,457.00 for the annual report penalties owed by Kincaid for the years 2009, 2010, 2011, 2012, and 2013, is due immediately. If payment in full is not received by August 31, 2017, Commission staff will open an enforcement docket to initiate a show cause proceeding against Kincaid. Should Kincaid be ultimately found in violation of Commission statutes, rules, or orders, the Commission may impose fines of up to \$5,000 per violation, for each day the violation continues, including levying a statutory lien upon the real and personal property of the Utility, or the Commission may amend, suspend, or revoke Kincaid's certificate, pursuant to Section 367.161, F.S.

C. Customer Complaints

*Legal Authority*

Rule 25-30.330, F.A.C., requires that a utility provide its customers, at least an annual basis, with its telephone numbers for regular and after hours, as well as other information and assistance, when requested by the customer, as reasonably may be necessary to ensure that the customer receives safe, efficient service. Rule 25-30.355, F.A.C., requires that a utility make a full and prompt acknowledgment and investigation of all customer complaints and respond fully and promptly to all customer requests. Finally, Rule 25-22.032(6)(b), F.A.C., requires that a utility respond to a customer complaint received by the Commission by contacting the customer within 15 working days after receiving the complaint from Commission staff and provide a written response to the complaint to Commission staff.

*Facts*

A review of Commission records also shows that Kincaid is not timely responding to customer complaints. The Commission's Consumer Activity Tracking System (CATS) shows several customer complaints in which Kincaid has failed to respond to either the customer or the Commission. Staff has compiled a list of customer complaints currently open with the Commission, along with a copy of each of the CATS complaint records for your review. (*Exhibit D – Open CATS Customer Complaints.*) The complaints show that customers reported regularly experiencing difficulty in reaching a Utility representative and reported Kincaid's telephone number being out-of-service on occasions. Commission staff has not been able to reach Kincaid regarding the customer complaints.<sup>41</sup> Furthermore, Kincaid has failed to respond to Commission staff's repeated attempts to contact Kincaid by telephone, mail, and e-mail in order to resolve the complaints.<sup>42</sup>

*Corrective Action Required*

Kincaid must respond immediately to each of the customers listed in Exhibit D to resolve the complaints. In addition, Kincaid must provide Commission staff with a written response to

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<sup>41</sup> See, *Exhibit D.*

<sup>42</sup> *Id.*

NOTICE OF NONCOMPLIANCE  
Kineaid Hills Water Company (WU690)  
July 31, 2017

Page 10

each of the customer complaints listed in Exhibit D, and include whether or not the complaint has been resolved and how the complaint was resolved. If Kineaid has not responded to all of the customers in Exhibit D and provided a written response to Commission staff on each complaint by August 31, 2017, Commission staff will open an enforcement docket to initiate a show cause proceeding against Kineaid. Should Kineaid ultimately be found in violation of Commission statutes, rules, or orders, the Commission may impose fines of up to \$5,000 for each day the violation continues, including levying a statutory lien upon the real and personal property of the Utility, or amend, suspend, or revoke Kineaid's certificate, pursuant to Section 367.161, F.S.

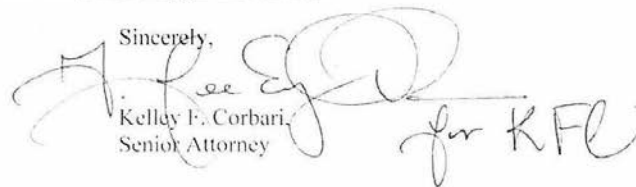
Conclusion

To summarize, as of August 31, 2017, the total amount owed by Kineaid for past due RAFs, plus penalties and interest owed for the years 2008, 2009, 2012, 2013, and 2016, is \$22,139.39, and the total amount owed for penalties for late-filed annual reports or the years 2008 to 2013 is \$14,457.00, for a combined total amount due of \$36,596.39. **Payment in the amount of \$36,596.39, and written responses to the customer complaints attached must be received by the Commission by August 31, 2017.** If full payment and written responses to the complaints are not received by August 31, 2017, Commission staff will open an enforcement docket to initiate a show cause proceeding against Kineaid. Should Kineaid ultimately be found in violation of Commission statutes, rules, or orders, the Commission may impose fines of up to \$5,000 per violation, for each day each violation continues, including levying a statutory lien upon the real and personal property of the Utility, or the Commission may amend, suspend, or revoke Kineaid's certificate, pursuant to Section 367.161, F.S. If necessary, the Commission may also seek injunctive or other appropriate relief in circuit court to compel Kineaid's compliance pursuant to Section 367.121, F.S.

Finally, please note that any enforcement proceeding opened by the Commission against Kineaid will only place further demands upon the management of the 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](mailto:KCorbari@psc.state.fl.us).

Sincerely,



Kelly F. Corbari,  
Senior Attorney

for KFC

KFC/rt  
Enclosures

cc: Office of Public Counsel (J.R. Kelly)  
Deputy Executive Director, Technical (Futrell)  
Division of Accounting & Finance (Mouring, Fletcher, Bulecza-Banks, Maurey)  
Division of Economics (McCoy, McNulty, Schafer)  
Division of Consumer Assistance & Outreach (Hicks)  
Office of the General Counsel (Tan, Helton, Hetrick)  
Office of Commission Clerk (Docket No. 20170000-OT)



**Kincaid Hills Water Company  
Open Customer Complaints  
2016-2017**

1. **PSC Complaint No. 1242714W** Date: 05/08/2017  
Customer: Paul Cohen  
Complaint Subject: Improper Billing  
Complaint Sent to Utility: 05/10/2017  
Utility Response Due: 05/30/2017  
Utility Response: None  
Second Notice to Utility: 05/31/2017 (*via certified mail – received 06/03/2017*)  
Utility Response: None
  
2. **PSC Complaint No. 1240114W** Date: 03/30/2017  
Customer: Katherine Stemmler  
Complaint Subject: Unable to Reach Utility  
Complaint Sent to Utility: 03/30/2017  
Utility Response Due: 04/20/2017  
Utility Response: None  
Second Notice to Utility: 05/10/2017 (*via regular mail*)  
Utility Response: None  
Third Notice to Utility: 05/31/2017 (*via certified mail – received 06/03/2017*)  
Utility Response: None
  
3. **PSC Complaint No. 1225168W** Date: 10/13/2016  
Customer: Bruce Doyle  
Complaint Subject: Unable to Reach Utility – Contact Number Not Working  
Complaint Sent to Utility: 10/13/2016  
Utility Response Due: 11/03/2016  
Utility Response: None  
Late Notice Sent to Utility: 11/23/2016  
Utility Response: None  
Attempt to Contact Utility by Telephone: 12/07/2016 (*unsuccessful*)  
Third Notice to Utility: 12/08/2016 (*via e-mail*)  
Utility Response: None  
Attempt to Contact Utility by Telephone: 03/01/2017 (*left message*)  
Utility Response: 03/02/2017 (*Utility to contact customer 03/06/2017*)  
Attempt to Contact Utility by Telephone: 05/08/2017  
Utility Response: None  
Fourth Notice to Utility: 05/10/2017 (*via regular mail*)  
Utility Response: None  
Fifth Notice to Utility: 05/31/2017 (*via certified mail – received 06/03/2017*)  
Utility Response: None

NOTICE OF NONCOMPLIANCE  
Kincaid Hills Water Company (WU690)

# **EXHIBIT A**

## **Commission Staff Correspondence**

**RE: Kincaid Delinquent RAFs  
and Annual Reports**

**Kelley Corbari**



**From:** Berdell Knowles, Jr. <berdell@alum.mit.edu>  
**Sent:** Monday, June 12, 2017 9:50 AM  
**To:** Toni McCoy; berdell@alum.mit.edu  
**Cc:** Kelley Corbari  
**Subject:** RE: 2016 RAF Delinquency - Please saee attached RAF return for 2016 and Delinquent letter mailed...

Thanks for alerting me to this. I will contact Berdell Sr. to get a response right now.

**From:** Toni McCoy [mailto:TMcCoy@PSC.STATE.FL.US]  
**Sent:** Monday, June 12, 2017 6:26 AM  
**To:** 'berdell@alum.mit.edu' <berdell@alum.mit.edu>  
**Cc:** Kelley Corbari <KCorbari@psc.state.fl.us>  
**Subject:** 2016 RAF Delinquency - Please saee attached RAF return for 2016 and Delinquent letter mailed...  
**Importance:** High

Will you be paying the 2016 RAF this week?

— Utility Information —

This account is Delinquent.

Utility Mailing Name:	<input type="text" value="Kincaid Hills Water Company"/>	Complete Name:	<input type="text" value="Kincaid Hills Water Corr"/>
Street1:	<input type="text" value="P. O. Box 15016"/>	Street2:	<input type="text"/>
State:	<input type="text" value="FL"/>	Zip:	<input type="text" value="32604-5016"/>
Federal Id:	<input type="text" value="59-2221952"/>	Certificate #:	<input type="text" value="555W"/>
Utility Status Code:	<input type="text" value="REGULATED"/>	Bankruptcy Start Date:	<input type="text"/>
		Utility Status Date:	<input type="text" value="7/13/1993"/>

— RAF Account Information —

Raf Periods:	<input type="text" value="1/1/2016 - 12/31/2016"/>	Correspondence Suspended	
RAF Period Covered:	<input type="text" value="1/1/2016 - 12/31/2016"/>	Check Received	On Payment Plan <input type="checkbox"/>
Service:	<input type="text" value="WAT"/>	<input type="checkbox"/> Confidential	Raf Form Withdrawn
Current RAF Status:	<input type="text" value="Interest &amp; Penalty updated by nightly job"/>	Send Collection	Collection Date:
Raf Transactions:	<input type="text"/>	RAF Form Received	
Operating Revenue:	<input type="text" value="44,451.00"/>	Amended Return	<input type="checkbox"/> Don't calculate Penal
Gross Interstate Revenue:	<input type="text" value="0.00"/>	RAF Account Satisfied	
RAF Rate:	<input type="text" value="0.045"/>	RAF Due Date:	<input type="text" value="3/31/2017"/>

— Estimated Assessments —

	Due	Paid	WriteOff	Refund	E
RAF	<input type="text" value="2,000.29"/>	<input type="text" value="0.00"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Penalty	<input type="text" value="300.03"/>	<input type="text" value="0.00"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Interest	<input type="text" value="60.00"/>	<input type="text" value="0.00"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Extension	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Total</b>	<input type="text" value="2,360.32"/>	<input type="text" value="0.00"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

05111A02

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>1. Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is checked.</p> <p>2. Print your name and address on the reverse so that we can return the card to you.</p> <p>3. Attach this card to the back of the mail piece. Do not use any other postage permits.</p> <p>4. Print address to:</p> <p>WU690-16-W-0-D                      Kincaid Hills Water Company                      P. O. Box 15016                      Gainesville, FL 32604-5016</p>	<p>A. Signature  <i>X [Signature]</i></p> <p>B. Date                      10/26/17</p> <p>C. Registered by (Print name)                      Toni Joy McCoy</p> <p>D. Is there any fee or charge for this service?  <input type="checkbox"/> No  <input checked="" type="checkbox"/> Yes (Print fee or address below)</p>
<p>7005 1160 0003 6741 2017</p> <p>PS Form 3811, February 2004</p>	


7005 1160 0003 6741 2017

**U.S. MAIL MAIL CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only - Not Intended for International Postage)

For delivery information that determines all postage adding factors

Postage	4.00
Delivery Fee	0.00
Postage and Delivery Fee	4.00
Postage and Delivery Fee	4.00
Postage and Delivery Fee	4.00
Postage and Delivery Fee	4.00

WU690-16-W-0-D  
 Kincaid Hills Water Company  
 P. O. Box 15016  
 Gainesville, FL 32604-5016

<p><i>Toni Joy McCoy</i>                  Public Utility Analyst                  Division of Economics</p> <p>Florida Public Service Commission                  2540 Shumard Oak Boulevard                  Tallahassee, FL 32399-0850                  Tel : (850) 413-6532                  Fax: (850) 413-6733                  E-mail: <a href="mailto:TMcCoy@psc.state.fl.us">TMcCoy@psc.state.fl.us</a></p>	 <p>FLORIDA PUBLIC SERVICE COMMISSION                  STATE OF FLORIDA</p>
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PLEASE NOTE: Florida has a very broad public records law. Most written communications to or from state officials regarding state business are considered to be public records and will be made available to the public and the media upon request. Therefore, your e-mail message may be subject to public disclosure.

COMMISSIONERS:  
JULIE IMANUEL BROWN,  
CHAIRMAN  
ART GRAHAM  
RONALD A. BRISÉ  
JIMMY PATRONIS  
DONALD J. POLMANN

STATE OF FLORIDA



OFFICE OF THE GENERAL COUNSEL  
KEITH C. HETRICK  
GENERAL COUNSEL  
(850) 413-6199

## Public Service Commission

April 21, 2017

WU690-16-W-0-D  
Kincaid Hills Water Company  
P. O. Box 15016  
Gainesville, FL 32604-5016

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 (F.A.C), for the year 2016, which was due March 31, 2017. The RAF return form was mailed to you on February 14, 2017, 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, pursuant to Section 367.161, Florida Statutes, 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. All utilities that apply for a Water certificate would have received a copy of all applicable rules, in accordance with Section 367, Florida Statutes, as part of the application process. Utilities also provided an affidavit indicating that they have read and understood the applicable rules.

If you wish to request another form, please contact Toni McCoy 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, and rule 25-30.120, F.A.C. 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 Toni McCoy at (850) 413-6532 or via Internet e-mail at [tmccoy@psc.state.fl.us](mailto:tmccoy@psc.state.fl.us).

Sincerely,

A handwritten signature in black ink that reads "Keith C. Hetrick".

Keith C. Hetrick  
General Counsel

cc: Fiscal Services Section

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PSC Website: <http://www.floridapsc.com>

Internet E-mail: [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us)

0511AC2

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <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> </ul>	<p>A. Signature                  X <i>Brent Kern</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Brent Kern</i> C. Date of Delivery <i>5/13/17</i></p>
<p>1. Article Addressed to:</p> <p>WU690-16-W-0-D                  Kincaid Hills Water Company                  P. O. Box 15016                  Gainesville, FL 32604-5016</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                  If YES, enter delivery address below:</p> <p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

7005 1160 0003 8791 2219

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

7005 1160 0003 8791 2219

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
Postage	\$ 47
Certified Fee	3.35
Return Receipt Fee (Endorsement Required)	2.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.57
WU690-16-W-0-D Kincaid Hills Water Company P. O. Box 15016 Gainesville, FL 32604-5016	

Postmark: APR 21 2017

**Kelley Corbari**

---

**From:** Tashner, Janet <Janet.Tashner@dep.state.fl.us>  
**Sent:** Tuesday, October 14, 2014 2:47 PM  
**To:** Kelley Corbari  
**Subject:** FW: Kincaid Hills Water Company

**Importance:** High

Hi Kelley,

See Mr. Berdell's email below. Please let me know if there is anything else I can do.

Janet

**Janet Tashner**  
Senior Assistant General Counsel

**From:** Berdell Knowles, Jr. [<mailto:berdell@alum.mit.edu>]  
**Sent:** Tuesday, October 14, 2014 2:43 PM  
**To:** Tashner, Janet  
**Subject:** RE: Kincaid Hills Water Company  
**Importance:** High

Hi, Janet...

Good to hear from you. I have not heard from anyone at the PSC, so thank you for bringing this to my attention. Would you mind referring her to me directly? She can reach me via email, or via telephone at (310) 821-1235.

**From:** Tashner, Janet [<mailto:Janet.Tashner@dep.state.fl.us>]  
**Sent:** Tuesday, October 14, 2014 10:54 AM  
**To:** [berdell@alum.mit.edu](mailto:berdell@alum.mit.edu)  
**Subject:** FW: Kincaid Hills Water Company

Hi Berdell,

I just wanted to let you know that Kelley Corbari from the Public Service Commission contacted me via the email below to determine the status of the Kincaid Hills facility. My understanding is that there are several reporting violation with the Commission that Ms. Corbari is attempting to resolve.

Janet

**Janet Tashner**  
Senior Assistant General Counsel

**From:** Kelley Corbari [<mailto:KCorbari@psc.state.fl.us>]  
**Sent:** Monday, October 13, 2014 4:57 PM  
**To:** Tashner, Janet  
**Subject:** Kincaid Hills Water Company



Hi Janet,

My name is Kelley and I have been assigned to look into some compliance issues at the PSC involving Kincaid Hills Water Company. I understand that Kincaid has had compliance issues with DEP as well. I was given your name by one of our engineers (Stan Rieger), who informed me that you handled the recent matter with Kincaid.

I would like to talk to you, if you have a few minutes tomorrow, to discuss Kincaid's compliance history and current status with DEP. I can be reached at 413-6234.

I look forward to speaking with you.

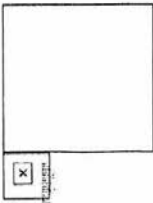
Sincerely,  
Kelley

*Kelley F. Corbari,*

Senior Attorney - Regulatory Analysis Section  
Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)  
Direct Phone: (850) 413-6234  
Direct Fax: (850) 413-6235



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**Valorie Moore**

---

**From:** Toni Earnhart  
**Sent:** Tuesday, June 17, 2014 2:05 PM  
**To:** Valorie Moore; Karen Belcher  
**Subject:** Kincaid Hills Water Company WU690 - First Collections Delinquent RAF  
**Importance:** High

Mr. Knowles contacted me and requested a RAF payment plan be established.

He has agreed to submit Annual Reports from 2009-2013 and RAF returns from 2008-2013 with an initial RAF payment by June 30, 2014.

A Billing Audit has been requested and assigned to Debra Dobiac, Commission Staff.

Mr. Knowles is aware that the Commission plans to pursue further compliance actions should Kincaid not comply with a RAF payment plan.

Please do not send Kincaid's RAF account to Collections until further notice.

<u>59-2221952</u>		WU690	WAT	01/01/2012-12/31/2012					
\$ 50,661.00	\$ 2,279.75	\$ 0.00	\$ 2,279.75	\$ 569.94	\$ 0.00	\$ 569.94	\$ 341.96	\$ 0.00	

*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*

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

STATE OF FLORIDA



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

Public Service Commission

April 21, 2014

WU690-13-W-0-D  
Kincaid Hills Water Company  
P. O. Box 15016  
Gainesville, FL 32604-5016

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 366.14, Florida Statutes, and Rule 25-6.0131, Florida Administrative Code, for the year 2014, which was due March 31, 2014. The RAFs return form was mailed to you on February 14, 2014, 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, pursuant to Section 366.095, Florida Statutes, 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 366.

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 Toni Earnhart 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 Toni Earnhart at (850) 413-6532 or via Internet e-mail at [tearnhar@psc.state.fl.us](mailto:tearnhar@psc.state.fl.us).

Sincerely,

A handwritten signature in cursive script that reads "S. Curtis Kiser".

S. Curtis Kiser  
Office of the General Counsel

cc: Fiscal Services Section

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)  
 For delivery information visit our website at [www.usps.com](http://www.usps.com)

Postage	\$ 4.49	
Certified Fee	3.30	
Return Receipt Fee (Endorsement Required)	2.70	
Restricted Delivery Fee (Endorsement Required)	—	
<b>Total Postage &amp; Fees</b>	<b>\$ 10.48</b>	

7005 1160 0003 8791 0246

WU690-13-W-0-D  
 Kincaid Hills Water Company  
 P. O. Box 15016  
 Gainesville, FL 32604-5016

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <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> </ul>	<p>A. Signature                  X <i>Benny Kincaid</i> <input type="checkbox"/> Agent  <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)  <i>Benny Kincaid</i></p> <p>C. Date of Delivery  <i>10/23</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes                  If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>WU690-13-W-0-D                  Kincaid Hills Water Company                  P. O. Box 15016                  Gainesville, FL 32604-5016</p>	<p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

7005 1160 0003 8791 0246

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

Public Service Commission

April 23, 2013

WU690-12-W-D  
Kincaid Hills Water Company  
P. O. Box 15016  
Gainesville, FL 32604-5016

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 [vmoores@psc.state.fl.us](mailto:vmoores@psc.state.fl.us).

Sincerely,

Handwritten signature of S. Curtis Kiser in black ink.

S. Curtis Kiser  
Office of the General Counsel

KMP  
Enclosure  
cc: Fiscal Services Section

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Internet E-mail: [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"><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></ul>	A. Received by (Please Print Clearly) B. Date of Delivery
1. Article Addressed to:  WU690-12-4100 Kincaid Hills Water Company P. O. Box 15016 Gainesville, FL 32604-5016	... <i>Daniel Kincaid</i> 5/4/13
7005 1160 0003 8791 2684	C. Signature <input type="checkbox"/> Agent
PS Form 3811, March 2001	X <i>Daniel Kincaid</i> <input checked="" type="checkbox"/> Addressee
Domestic Return Receipt	D. Is delivery address different from Item 1? <input checked="" type="checkbox"/> Yes
102595-01-44-1424	If YES, enter delivery address below: <input type="checkbox"/> No
	3. Service Type
	<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail
	<input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise
	<input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes

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

## Public Service Commission

April 23, 2012

WU690-11-W-D  
Kincaid Hills Water Company  
P. O. Box 579  
Gainesville, FL 32602-0579

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.

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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 [vmoores@psc.state.fl.us](mailto:vmoores@psc.state.fl.us).

Sincerely,

  
S. Curtis Kiser  
Office of the General Counsel

KMP  
Enclosure  
cc: Fiscal Services Section

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD • TALLAHASSEE, FL 32399-0850

PSC Website: <http://www.floridapsc.com>

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Internet E-mail: [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us)

COMMISSIONERS:  
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LISA POLAK EDGAR  
RONALD A. BRISF  
EDUARDO E. BAHRIS  
JULIE J. BROWN

STATE OF FLORIDA



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

Public Service Commission

April 26, 2011

WU690-10-W-D  
Kincaid Hills Water Company  
P. O. Box 579  
Gainesville, FL 32602-0579

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 RAF's 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.

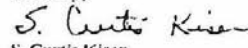
Utilities are charged with knowledge of our rules and statutes. Moreover, it is general Commission practice that all utilities that apply for Water certificate receive a copy of all applicable rules. Further, in accordance with Section 367, Florida Statutes, as part of the application process, utilities 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 RAF's form and pay RAF's 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 [vmoores@psc.state.fl.us](mailto:vmoores@psc.state.fl.us).

Sincerely,

  
S. Curtis Kiser  
Office of the General Counsel

KMP  
Enclosure  
cc: Fiscal Services Section



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"><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></ul> <p>1. Article Addressed to:</p> <p>WU690 10-W D Kincaid Hills Water Company P. O. Box 579 Gainesville, FL 32602-0579</p>	<p>A. Received by (Please Print Clearly) B. Date of Delivery FRANCIS JONES 5/3/11</p> <p>C. Signature <input type="checkbox"/> Agent <i>[Signature]</i> <input type="checkbox"/> Addressee</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, only delivery address below <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
7005 1160 0003 8791 0178	
PS Form 3811, March 2001 Domestic Return Receipt V0595-91 M-105-4	

COMMISSIONERS:  
NANCY ARGENZIANO, CHAIRMAN  
LISA POLAK EDGAR  
NATHAN A. SKOP  
DAVID E. KLEMENT  
BEN A. "STEVE" STEVENS III

STATE OF FLORIDA



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

Public Service Commission

April 21, 2010

WU690-09-W-D  
Kincaid Hills Water Company  
P. O. Box 579  
Gainesville, FL 32602-0579

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 2009, which was due March 31, 2010. The RAFs return form was mailed to you on February 15, 2010, 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 [vmoores@psc.state.fl.us](mailto:vmoores@psc.state.fl.us).

Sincerely,

Handwritten signature of S. Curtis Kiser.  
S. Curtis Kiser  
Office of the General Counsel

KMP  
Enclosure  
cc: Fiscal Services Section

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"><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></ul>	<p>A. Signature <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <input type="checkbox"/> Date of Delivery <i>[Signature]</i></p>
1. Article Addressed to:  WU690-08-W-D Kincaid Hills Water Company P. O. Box 579 Gainesville, FL 32602-0579	D. Is delivery address different from item 1? If YES, enter delivery address below: <input type="checkbox"/> Yes <input type="checkbox"/> No  3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
7006 2760 0003 8795 1119	
PS Form 3811, February 2004 Domestic Return Receipt 102585-02-44-1540	

COMMISSIONERS:  
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 MATTHEW M. CARTER II  
 KATRINA J. McMURRIAN  
 NANCY ARGENZIANO  
 NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF THE GENERAL COUNSEL  
 MICHAEL G. COOKE  
 GENERAL COUNSEL  
 (850) 413-6199

Public Service Commission

October 11, 2007

RECEIVED - FPSC  
 07 OCT 11 AM 10:21  
 COMMISSION  
 CLERK

VIA CERTIFIED MAIL

Mr. Berdell Knowles, Jr., President  
 Kincaid Hills Water Company  
 P.O. Box 579  
 Gainesville, FL 32602

**RE: Docket No. 070580-WU, Delinquent Regulatory Assessment Fees, plus associated penalties and interest for the years 2004, 2005, 2006, and delinquent 2004, 2005, and 2006 annual reports.**

Dear Mr. Knowles:

I am writing to inform you that the Commission has not received any payments whatsoever for the Regulatory Assessment Fees (RAFs) for the years 2004 and 2005, and has only received payment of the basic RAFs for 2006 on August 28, 2007. Because the 2006 RAFs were paid approximately five months late, a statutory penalty and interest is due for 2006, and the basic RAFs and associated penalties and interest are due for the years 2004 and 2005.

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, Florida Administrative Code (F.A.C.), for the years 2004, 2005, and 2006, with interest being calculated through November 30, 2007, staff calculates the total amount due to be \$7,049.62. The amount due is calculated as follows:

Year	Revenues	RAFs(4.5%)	Penalty(25%)	Interest (Thru 11/30/07)	Total
2004	\$46,137	\$2,076.17	\$519.04	\$664.37	\$3,259.59
2005	\$47,752	\$2,148.84	\$537.21	\$429.77	\$3,115.82
2006	\$49,942	\$ 0	\$561.85	\$112.37	\$674.21
Total	\$143,831	\$4,225.01	\$1,618.10	\$1,206.51	\$7,049.62

For the utility's failure to pay these amounts, the staff is scheduled to file its recommendation to the Commission on November 7, 2007, for consideration by the Commission. The recommendation will address, among other things, whether show cause proceedings for fines, revocation proceedings, and whether liens should be imposed for the utility's failure to pay the amounts due. The recommendation will also address the utility's failure to comply with the Payment Plan set forth in Order No. PSC-04-0615-FOF-WU, issued June 21, 2004.

Also, the utility filed the annual reports for 2004-2006 a total of 422 days late. Pursuant to Rule 25-30.110(7), F.A.C., the standard penalty is \$3 per day, and, if imposed, would be \$1,266. Therefore, staff calculates the total amount to be due for the years 2004-2006 to be \$8,315.62

DOCUMENT NUMBER - DATE  
 0931 OCT 11 06  
 FPSC-COMMISSION CLERK

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Mr. Berdell Knowles, Jr., President  
Page 2  
October 10, 2007

Pursuant to Section 367.161(2), Florida Statutes,

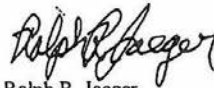
The Commission has the power to impose upon any entity that is subject to its jurisdiction under this chapter and that is found to have refused to comply with, or to have willfully violated, any lawful rule or order of the commission or any provision of this chapter by a penalty for each offense of not 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. (emphasis added)

If payment in the amount of \$7,049.62 for the RAFs for the years 2004-2006, and \$1,266 for the delinquent annual reports for those years is not received by November 1, 2007, Commission staff will file its recommendation on November 7, 2007. If Kincaid 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.

In any event, it appears that you must quickly take some action to forestall the Commission opening enforcement proceedings against this utility, which will only further complicate the management of this utility. Your prompt attention in this matter is required. As stated above, if the Commission has not received the payments noted above by November 1, 2007, the Commission may be forced to open further enforcement proceedings, to include show cause proceedings or possibly revocation proceedings.

Finally, if you have questions regarding the matters discussed herein, you may contact me at (850) 413-6234.

Sincerely,



Ralph R. Jaeger  
Senior Attorney

RRJ:th

cc: Division of Economic Regulation (Slemkewicz, Kaproth)  
Division of Administrative Services (V. Moore)  
Office of Commission Clerk (Docket file)

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COMMISSIONERS:  
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MATTHEW M. CARTER II  
KATRINA J. MCMURRIAN

STATE OF FLORIDA



OFFICE OF THE GENERAL COUNSEL  
MICHAEL G. COOKE  
GENERAL COUNSEL  
(850) 413-6199

## Public Service Commission

February 15, 2007

VIA CERTIFIED MAIL

Mr. Berdell Knowles, Jr., President  
Kincaid Hills Water Company  
P. O. Box 579  
Gainesville, FL 32602

**Re: Filing of 2006 Price Index, 2007 Price Index, and Pass-Through Increase for Regulatory Assessment Fees**

Dear Mr. Knowles:

As discussed on February 14, Kincaid Hills Water Company may apply for the 2006 Price Index if it does so by March 31, 2007. This allows a 2.74% increase for certain Operation and Maintenance Expenses incurred in 2005. I have enclosed Order No. PSC-06-0075-PAA-WS which has the forms and directions for applying for the 2006 Price Index.

If the utility has never applied to increase its rates for the Commission Regulatory Assessment Fees that became applicable to the utility when Alachua County transferred jurisdiction to the Commission, then the utility may apply for a pass-through increase of 4.5% for the Regulatory Assessment Fees (RAFs). My review of the history of this utility shows that other than the grandfather application, two show cause proceedings, and two staff-assisted rate cases (both of which were withdrawn by the utility), there has not been an application to pass through the RAFs which became applicable when Alachua County gave jurisdiction to the Commission in 1992. The directions for applying for the pass-through increase are also contained in the Order noted above.

Finally, the utility will become eligible, as of April 1, 2007, to apply for the 2007 Price Index increase. This allows a 3.09% increase for certain Operation and Maintenance Expenses incurred in 2006. I have attached a package with the forms and directions for applying for this increase.

As noted above, you must apply for the 2006 Price Index increase by no later than March 31, 2007. Also, pursuant to Subsection 367.081(4)(e), Florida Statutes, "a utility may not adjust its rates under this subsection more than two times in any 12-month period." That subsection provides that a combined application or simultaneously filed applications shall be considered one

Mr. Berdell Knowles, Jr.  
Page 2 of 2  
February 15, 2007

rate adjustment. Therefore, if you are to take advantage of all three increases in the next 12 months, you must combine the pass-through with either one of the price indexes. Moreover, if you want to just send out one notice of a rate increase, you may waive implementation of the 2006 Price Index increase, and combine it with the 2007 Price Index increase (and the 4.5% RAF pass-through).

Hopefully, the above increases will enable the utility to pay all applicable RAFs. Also, as discussed, the utility must make up the RAF payments required in the settlement and pay the 2004 and 2005 RAFs as soon as possible, or staff will be forced to recommend to the Commission to initiate a show cause proceeding for implementation of fines. However, this does not keep you from proceeding with applying for the price indexes and the pass-through increase. Also, for the utility to take advantage of our limited proceedings and staff-assisted rate cases it must be in compliance with the orders, rules and statutes of this Commission, to include payment of RAFs.

If you have any legal questions, you may call me at 850-413-6234. However, if you have any technical questions about implementing either the price indexes or the pass-through increase, please call Bart Fletcher at 850-413-7017.

Sincerely,

Ralph R. Jaeger  
Senior Attorney

RRJ:jb

cc: Division of Economic Regulation (Fletcher, Slemkewicz, Kaproth, Rendell, Bulecza-Banks)

I:\2007\kincaid\tr2.rj.doc

COMMISSIONERS:  
LISA POLAK EDGAR, CHAIRMAN  
J. TERRY DEASON  
ISILIO ARRIAGA  
MATTHEW M. CARTER II  
KATRINA J. TEW

STATE OF FLORIDA



OFFICE OF THE GENERAL COUNSEL  
MICHAEL G. COOKE  
GENERAL COUNSEL  
(850) 413-6199

## Public Service Commission

August 10, 2006

VIA CERTIFIED MAIL

Mr. Berdell Knowles, Jr., President  
Kincaid Hills Water Company  
P. O. Box 579  
Gainesville, FL 32602

**Re: Delinquent Payments - Regulatory Assessment Fee Payment Plan and Delinquent 2004 and 2005 Regulatory Assessment Fees and Delinquent 2005 Annual Report**

Dear Mr. Knowles:

I am writing to inform you that the Commission has still not received Kincaid Hills' monthly payment in the amount of \$500.00 each for January, February, March, April, and May, 2006 (and now June and July). I talked to you at the end of July, and you indicated that you would be taking out a loan so that you would be able to make the required payments. By letter dated June 9, 2006, Ms. Helton, my supervisor, advised you that these payments were due pursuant to the payment plan for delinquent regulatory assessment fees established by Commission Order No. PSC-04-0615-FOF-WU, issued June 21, 2004.

Because Kincaid Hills is in violation of a Commission Order, staff is considering opening a docket to initiate show cause proceedings against Kincaid for its failure to abide by the regulatory assessment fees payment plan for the months of January through July, 2006. Order No. PSC-04-0615-FOF-WU stated that if the utility fails to make the required monthly installments by the due date of any month, further enforcement of the payment plan will be initiated, such as placement of a lien on the utility's property. Accordingly, a lien may be placed on Kincaid's property pursuant to Section 367.161, Florida Statutes.

Further, pursuant to Section 367.161(2), Florida Statutes,

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,

---

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Internet E-mail: [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us)



Mr. Berdell Knowles, Jr., President  
Page 2  
August 10, 2006

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.

Accordingly, if show cause proceedings are initiated, and if Kincaid is found to be in violation of Commission rules and statutes, the Commission has the authority to impose penalties, and to take further action, as stated in the above-referenced statute.

Your payment of \$4,000 (\$500 that was due January 20, 2006, \$500 that was due February 20, 2006, \$500 that was due March 20, 2006, \$500 that was due April 20, 2006, \$500 that was due May 20, 2006, \$500 that was due June 20, 2006, \$500 that was due July 20, 2006, and \$500 that will be due August 20, 2006) should be mailed with a copy of this letter to the Fiscal Services Section, Attn: Valerie Moore, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.

If payment in the above amount is not received by September 1, 2006, Commission staff will open a docket to initiate show cause proceedings. If Kincaid 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.

Also, it has been brought to my attention that the utility has not paid its RAFs for 2004, and has not filed its annual report or paid RAFs for 2005, and those are all past due. Staff calculates for the year 2004 that the utility owes \$2,076.17 for the basic RAF, plus a penalty amount of \$519.04, and an interest amount of \$394.47, for a total amount due for the 2004 RAFs of \$2,989.68. The 2005 Annual Report was due on March 31, 2006, unless you applied for an extension (do not see any request for an extension). For each day after the date that the annual report is late, pursuant to Rule 25-30.110(7)(b), Florida Administrative Code, a \$3 penalty is imposed. As of September 1, 2006, the cumulative penalty for failure to file the 2005 annual report would equal \$459 (30 days in April + 31 days in May + 30 days in June + 31 days in July + 31 days in August = 153 days times \$3 per day = \$459). It is imperative that you file the 2005 Annual Report as soon as possible as the \$3 penalty per day is just continuing to mount. Also, penalties and interest are imposed for late RAFs pursuant to Rule 25-30.120(7)(a), Florida Administrative Code.

It appears that you are really struggling with making these required payments, and I note that other than the show cause docket, Docket No. 040248-WU, opened in 2004, the utility has had no dockets open with this Commission since 1997. You may want to call Troy Rendell at 850-413-6934 to discuss the availability of various simple means for increasing revenues. Also, you may want to talk to Pattie Daniel at 850-413-6808 to discuss whether this utility should either be sold to the county

Mr. Berdell Knowles, Jr., President  
Page 3  
August 10, 2006

or turned over to the county for operation by the county. Either of these individuals could assist you in the relief available to you.

In any event, it appears that you must quickly take some action to forestall the Commission opening enforcement proceedings against this utility, which will only further complicate the management of this utility. Your prompt attention in this matter is required. As stated above, if the Commission has not received a minimum of \$4,000 by September 1, 2006, staff will be forced to open enforcement and show cause proceedings.

Finally, if you have questions regarding the matters discussed herein, you may contact me at (850) 413-6234.

Sincerely,

Ralph R. Jaeger  
Senior Attorney

RRJ:jb

cc: Division of Economic Regulation (Slemkewicz, Kaproth, Rendell, Daniel)  
Division of the Commission Clerk and Administrative Services (Moore, Docket file)

l:2006/kincaidtr.rj.doc

NOTICE OF NONCOMPLIANCE  
Kincaid Hills Water Company (WU690)

# **EXHIBIT B**

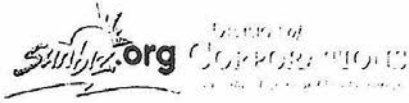
## **Kincaid Hills Water Co. Florida Corporate Information**

Detail by Entity Name

Page 1 of 2

[Florida Department of State](#)

DIVISION OF CORPORATIONS



[Department of State](#) / [Division of Corporations](#) / [Search Records](#) / [Detail By Document Number](#) /

**Detail by Entity Name**

Florida Profit Corporation  
KINCAID HILLS WATER COMPANY

Filing Information

Document Number G00727  
FEI/EIN Number 59-2221952  
Date Filed 09/15/1982  
State FL  
Status INACTIVE  
Last Event PENDING REINSTATEMENT  
Event Date Filed 03/31/2016

Principal Address

3260 S E 19TH AVENUE  
P.O.BOX 579  
GAINESVILLE, FL 32641

Changed: 05/06/1998

Mailing Address

P O BOX 579  
P.O.BOX 579  
GAINESVILLE, F 32602

Changed: 06/26/1995

Registered Agent Name & Address

KNOWLES, BERDELL  
1700 S.E. 47 TERR.  
GAINESVILLE, FL 32601

Name Changed: 05/19/1989

Address Changed: 05/19/1989

Officer/Director Detail

**Name & Address**

Title P

KNOWLES, BERDELL  
1700 S.E. 47 TERR  
GAINESVILLE, FL

<http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=Entity...> 7/21/2017

Detail by Entity Name

Page 2 of 2

Title T	
KNOWLES, MARILYN 1700 SE 47 TERR GAINESVILLE, FL	
Title V	
KNOWLES, BERDELL JR 1700 SE 47 TERR GAINESVILLE, FL	
Title S	
KNOWLES, DENELLE 1700 SE 47 TERR GAINESVILLE, FL	
<b><u>Annual Reports</u></b>	
<b>Report Year</b>	<b>Filed Date</b>
1996	05/01/1996
1997	05/16/1997
1998	05/06/1998
<b><u>Document Images</u></b>	
<a href="#">05/06/1998 -- ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">05/16/1997 -- ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">05/01/1996 -- ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">05/26/1995 -- ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>

Florida Department of State, Division of Corporations

NOTICE OF NONCOMPLIANCE  
Kincaid Hills Water Company (WU690)

# **EXHIBIT C**

## **Commission Staff Correspondence**

### **RE: Kincaid Compliance Plan**

**Kelley Corbari**

---

**From:** Todd Brown  
**Sent:** Friday, April 01, 2016 3:14 PM  
**To:** Kelley Corbari; Bart Fletcher  
**Cc:** Curt Mouring  
**Subject:** RE: SARC



I called and left a message for Mr. Knowles this morning, but haven't heard back from him yet.

Todd

---

**From:** Kelley Corbari  
**Sent:** Thursday, March 31, 2016 4:39 PM  
**To:** Bart Fletcher; Todd Brown  
**Cc:** Curt Mouring  
**Subject:** RE: SARC

Let me know if one of you talk Mr. Knowles.

*Kelley F. Corbari,*  
Senior Attorney - Regulatory Analysis Section  
Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)  
Direct Phone: (850) 413-6234  
Direct Fax: (850) 413-6235

**PLEASE NOTE:** Florida has a very broad public records law. Most written communications to or from state officials regarding state business are considered to be public records and will be made available to the public and the media upon request. Therefore, your e-mail message may be subject to public disclosure.

---

**From:** Berdell Knowles, Jr. [<mailto:berdell@alum.mit.edu>]  
**Sent:** Thursday, March 31, 2016 12:52 PM  
**To:** Bart Fletcher; Todd Brown  
**Cc:** Kelley Corbari; [KINCAIDHILLSWATERCO@YAHOO.COM](mailto:KINCAIDHILLSWATERCO@YAHOO.COM); [berdell1@yahoo.com](mailto:berdell1@yahoo.com)  
**Subject:** SARC

Mr. Fletcher, Mr. Brown,

I wanted to speak with one or both of you at your convenience about preparing a SARC for Kincaid Hills Water Company. Please let me know a good time to have some discussion with one or both of you about how we can proceed.

Thanks,

Berdell Knowles, Jr.

---

☎ 310-821-1235

**CONFIDENTIALITY NOTICE:** This message is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If you have received this message by error, please delete it from your records.



**Kelley Corbari**

---

**From:** Kelley Corbari  
**Sent:** Thursday, March 31, 2016 4:41 PM  
**To:** 'berdell@alum.mit.edu'  
**Cc:** KINCAIDHILLSWATERCO@YAHOO.COM; berdell1@yahoo.com  
**Subject:** RE: Kincaid Hills Water

Thanks for the update Berdell.

I am happy to resume conversations in a couple of weeks so long as we receive Kincaid's 2015 RAFs and Annual Reports timely. Both must be postmarked today for them to be considered timely filed. I appreciate you continuing to work on this.

Thanks,  
Kelley

*Kelley F. Corbari,*

Senior Attorney – Regulatory Analysis Section  
Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)  
Direct Phone: (850) 413-6234  
Direct Fax: (850) 413-6235

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**From:** Berdell Knowles, Jr. [<mailto:berdell@alum.mit.edu>]  
**Sent:** Thursday, March 31, 2016 12:58 PM  
**To:** Kelley Corbari  
**Cc:** KINCAIDHILLSWATERCO@YAHOO.COM; berdell1@yahoo.com  
**Subject:** RE: Kincaid Hills Water

Updates:

1. Waiting to get some advice from a consultant, but likely not going to pursue any transfer/name change at this point.
2. The Reinstatement application was just approved, so I am preparing to submit payment.
3. Can we resume this conversation in a couple weeks? I have some unrelated mid-month deadlines I need to address, and would prefer to focus on those for now if that's ok with you.
4. Left voicemails today, and sent follow-up email to begin the process.
5. Hoping it was completed, but waiting on confirmation from my dad. Will make sure it's done and confirm it's in the mail when I can.

**From:** Berdell Knowles, Jr. [<mailto:berdell@alum.mit.edu>]  
**Sent:** Friday, March 18, 2016 7:10 AM  
**To:** 'Kelley Corbari'

**Cc:** 'Charles Murphy'; 'Keino Young'  
**Subject:** RE: Kincaid Hills Water

Thanks, Kelley. I was able to speak with Berdell Sr. about the items below, and wanted to schedule a time to follow-up with you next week. We will be moving forward on all these items. As you noted, we need to discuss #1 and 3 with you.

How about Tuesday at 11:30 EST?

**From:** Kelley Corbari [<mailto:KCorbari@psc.state.fl.us>]  
**Sent:** Monday, March 14, 2016 9:03 AM  
**To:** 'berdell@alum.mit.edu'  
**Cc:** Charles Murphy; Keino Young  
**Subject:** RE: Kincaid Hills Water

Hi Berdell,

Thank you for getting back to me. I will try to do my best answer your questions

### **1. Transfer & Name Change**

If you are going to assume control of the Utility then you and your father need to file for a transfer of majority control. If you plan to change the name of the Utility, you can request the name change in the transfer filing. If you only want to change the name of the Utility, you can do that as well. Please note that you are going to have to provide some kind of corporate documentation for either the transfer or name change filings.

With regard to the liability of the current ownership if a transfer and/or name change were granted, the current owner remains liable for any outstanding amounts owed to the Commission. Also, you should be aware that, since the Utility let its corporate status lapse, all officers of the currently inactive corporation could be individually and personally liable for any outstanding debts and/or responsibilities of the Utility.

### **2. Corporate Status**

If you do not plan to change the name of the Utility, the status of the current corporation should be updated and reactivated with the Florida Secretary of State as soon as possible.

### **3. Delinquent RAFs & Annual Report Penalties**

I am the point of contact for resolving the outstanding RAF and annual report penalty amounts owed by the Utility. My contact information is:

Phone: (850) 413-6234  
Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)

### **4. Staff-Assisted Rate Case (SARC)**

For questions about filing a SARC, you can contact me, Todd Brown or Bart Fletcher, both of whom are in the Commission's Accounting and Finance Division. Their contact information is:

- Todd Brown (850) 413-6550 [TBrown@psc.state.fl.us](mailto:TBrown@psc.state.fl.us)
- Bart Fletcher (850) 413-7017 [BFletche@psc.state.fl.us](mailto:BFletche@psc.state.fl.us)

#### 5. 2015 RAF and Annual Report

For questions about the Utility's 2015 RAFs and Annual Reports that are due March 31, 2016, contact the following individuals:

- RAF Filing: Toni Earnhart (850) 413-6532 [TEarnhar@psc.state.fl.us](mailto:TEarnhar@psc.state.fl.us)
- Annual Reports: Bart Fletcher (850) 413-7017 [BFletche@psc.state.fl.us](mailto:BFletche@psc.state.fl.us)

If you need to file an extension to submit the Utility's 2015 Annual Report, you need to submit a request in writing by March 31<sup>st</sup> to the following:

Andrew Maury, Director  
Division of Accounting and Finance  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Please note that because the Utility owes RAFs for past periods, the Utility is not eligible for an extension to submit its 2015 RAFs. If the Utility does not submitted its RAFs by the due date, penalties and interest will be assessed. If the Utility requests an extension to file its annual reports, however, it may submit an estimated RAF return for 2015 by the March 31<sup>st</sup> due date. The estimated RAF amount can be based on the Utility's prior year's revenues or its 2015 estimated revenues. Once the Utility files its annual reports, it must submit an amended RAF return.

I am available to talk to you about any of these issues at your convenience. I am in the office all week, but there are a lot of people out this week with their families because it is spring break for the schools here. So if you don't hear back right away from someone, that is probably why.

Thanks,  
Kelley

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**From:** Berdell Knowles, Jr. [mailto:berdell@alum.mit.edu]  
**Sent:** Friday, March 11, 2016 4:31 PM  
**To:** Kelley Corbari  
**Cc:** Charles Murphy; Keino Young  
**Subject:** RE: Kincaid Hills Water

Kelley,

Thank you for reaching out to follow up.

1. I will follow-up on the feasibility of the name-change and transfer early next week. The main factor here will be the ability to ensure a clean slate and no lingering or residual liabilities from the current ownership.
2. I was under the impression that the corporate status was taken care of, but I will get an update on this asap and follow-up with you early next week on this, as well. I know this is critical.
3. I will contact staff to work out a resolution of the '12 and '13 penalties. Can you advise as to who is the best point of contact?
4. I also want to get started with the rate case. Can you advise as to who is the best contact to begin with?
5. I will be the best point of contact for the utility. Please let me know when you would like to discuss these issues. I can be reached via telephone at (310) 821-1235 8am PST (11am EST) – 8pm PST (11pm EST), seven days a week.

Thanks, again.

**From:** Kelley Corbari [mailto:KCorbari@psc.state.fl.us]  
**Sent:** Tuesday, March 08, 2016 12:24 PM  
**To:** 'berdell@alum.mit.edu'  
**Cc:** Charles Murphy; Keino Young  
**Subject:** Kincaid Hills Water  
**Importance:** High

Berdell –

I am checking in with you with regard to Kincaid Hills Water Company.

First, please note that the Utility's **2015 Regulatory Assessment Fees (RAF) and Annual Report are due by March 31, 2016**. I have attached a blank copy of a RAF Return Form and Annual Report Form for your convenience. Also, you can find a copy of the Annual Report form on the Commission's website at <http://www.floridapsc.com/WaterWasteWater/AnnualReportForms>

Second, the last time we spoke in April of last year, you were looking into the possibility of having your father transfer the Utility to you and possibly changing the name of the Utility. Also, you and your father were going to discuss the possibility of the Utility filing for a staff-assisted rate case or an annual pass-through. However, there is no record of the Utility taking any action at the Commission to request a transfer, name change, staff-assisted rate case, or pass-through

index. Nor does it appear the Utility has taken any action to update its inactive, corporate status with the Florida Secretary of State.

In addition, it was Staff's understanding that, once the Utility paid its delinquent 2010 and 2011 RAFs and filed its delinquent annual reports, the Utility was going to continue to negotiate with Staff regarding payment of the RAF amounts Kincaid still owes for 2012 and 2013 and the annual report penalties. However, staff has not had any contact with the Utility since April of last year.

Have you assumed handling the operations of the Utility or is your father still running the Utility? The issues concerning the Utility's delinquent RAFs, annual report penalties, and corporate status need to be resolved as soon as possible or an enforcement proceeding may be initiated against the Utility. Please let me know the appropriate Utility representative to contact and discuss these issues.

Sincerely,  
Kelley Corbari

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**From:** Kelley Corbari  
**Sent:** Monday, March 30, 2015 1:49 PM  
**To:** 'berdell@alum.mit.edu'  
**Cc:** Adam Teitzman; Shari Cornelius; Toni Earnhart; Karen Belcher; Bart Fletcher  
**Subject:** RE: Information RE Name Change & Transfer of Control

Berdell -

Kincaid's Annual Report and RAF Return/Payment will be considered timely filed so long as they are **postmarked on or before March 31<sup>st</sup>**. Please note that the Annual Report and the RAF Return/Payment are sent to different divisions.

**Send original signed Annual Report and 2 copies to:**

Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
ATTENTION: Division of Accounting and Finance

**Send original signed RAF Return and Payment to:**

Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
ATTENTION: Fiscal Services

Let me know if you have any other questions.

Thanks so much,  
Kelley

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**Subject:** RE: Information RE Name Change & Transfer of Control

Kelley,

We are preparing to send the reports and payments in today. Do they need to be overnighted, or just post-marked by today/tomorrow?

Thanks again for all this information; it was very helpful.

**From:** Kelley Corbari [<mailto:KCorbari@psc.state.fl.us>]  
**Sent:** Thursday, March 26, 2015 1:27 PM  
**To:** [berdell@alum.mit.edu](mailto:berdell@alum.mit.edu)  
**Subject:** Information RE Name Change & Transfer of Control

Berdell,

Per our conversation yesterday, I am getting back to you with information regarding a utility name change and transfer of majority control. As I stated, both a name change and transfer require filing an application with the Commission for approval.

**Name Change:**

An application for name change can be done so long as there is no change in the ownership or control of the utility or its assets and the utility must notify the Commission prior to changing its name. There is no filing fee associated for filing an application for name change. I have attached an example of a name change application that was filed in the past by another utility.

**Transfer of Majority Control**

A Transfer of Majority Control application is an more involved process. There is a \$750 filing fee for filing a transfer application. I have attached the transfer application informational packet, which can be found on the Commission website at: <http://www.floridapsc.com/utilities/waterwastewater/applicationpkg/index.aspx>

I hope this information is helpful. Let me know if you have any questions.

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**Kelley Corbari**

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**From:** Kelley Corbari  
**Sent:** Tuesday, March 08, 2016 3:24 PM  
**To:** 'berdell@alum.mit.edu'  
**Cc:** Charles Murphy; Keino Young  
**Subject:** Kincaid Hills Water  
**Attachments:** 2015 RAF Return Form - Class C.doc.xml; Annual Report Form - Class C.xls; Kincaid Hills - Delinquent RAFs & ARs (Thru 03-31-16).pdf

**Importance:** High

Berdell -

I am checking in with you with regard to Kincaid Hills Water Company.

First, please note that the Utility's **2015 Regulatory Assessment Fees (RAF) and Annual Report are due by March 31, 2016**. I have attached a blank copy of a RAF Return Form and Annual Report Form for your convenience. Also, you can find a copy of the Annual Report form on the Commission's website at <http://www.floridapsc.com/WaterWasteWater/AnnualReportForms>

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**From:** Berdell Knowles, Jr. <berdell@alum.mit.edu>  
**Sent:** Tuesday, March 24, 2015 5:09 PM  
**To:** Kelley Corbari  
**Cc:** Adam Teitzman; Leslie Ames; Toni Earnhart; Andrew Maurey; Tom Ballinger; Lynn Deamer; Jim Dean  
**Subject:** RE: Kincaid Hills - Rate Case & RAFs

Hello, Ms Corbari.

My father had emergency surgery a few weeks ago, and is on schedule to recover and resolve the matters listed below by the end of the month as we discussed. I will follow up with a phone call as you requested later this week.

I do not understand the purpose of the comment that "it does not appear that Kincaid has made an effort to complete any of the task Staff required" without at first attempting to contact me/us to ascertain where we are on those items. It seems unfair, as I do nothing but continue to make every effort to be responsive and productive in helping resolve the issues we all know have been issues in the past with Kincaid. Going forward, I hope that we can continue to work together on resolving these issues without any undo bias because we all also know this system has been resource constrained and needs as much support as possible to get it where it needs to be to serve its community most effectively.

Thanks again for your continued support.

**From:** Kelley Corbari [mailto:KCorbari@psc.state.fl.us]  
**Sent:** Tuesday, March 24, 2015 12:59 PM  
**To:** 'berdell@alum.mit.edu'  
**Cc:** Adam Teitzman; Leslie Ames; Toni Earnhart; Andrew Maurey; Tom Ballinger; Lynn Deamer; Jim Dean  
**Subject:** RE: Kincaid Hills - Rate Case & RAFs  
**Importance:** High

Dear Berdell:

I wanted to check in with you and obtain an update on Kincaid's compliance efforts. During our conversation on February 16, 2015, Staff outlined the next steps Kincaid must take in its efforts to resolve its compliance issues with the Commission. Per our discussion, Kincaid Hills was required to (1) timely file its 2014 Annual Reports, (2) timely file and submit payment of its 2014 RAFs, (3) update its Corporate status with the Florida Secretary of State, and (4) submit an application for a Staff-Assisted Rate Case.

At this time, it does not appear that Kincaid has made an effort to complete any of the tasks Staff required. A recent search of the Florida Secretary of State Corporation Database still shows Kincaid's corporate status as "inactive" (see attached). While Kincaid's 2014 Annual Report and RAFs are not due until March 31, 2015, Kincaid has not submitted its 2014 Annual Reports, RAFs, or application for a Staff-Assisted Rate Case.

Please contact me as soon as possible and provide me with an update on the status of these matters. Should Kincaid fail to submit its 2014 Annual Reports and RAFs or update

its corporate status by **March 31, 2015**, Staff will begin initiating enforcement proceedings against the Utility.

Sincerely,  
Kelley Corbari

*Kelley F. Corbari,*

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**From:** Kelley Corbari  
**Sent:** Tuesday, February 17, 2015 10:48 AM  
**To:** 'berdell@alum.mit.edu'  
**Cc:** Adam Teitzman; Leslie Ames; Toni Earnhart; Andrew Maurey; Tom Ballinger; Lynn Deamer; Jim Dean  
**Subject:** Kincaid Hills - Rate Case & RAFs  
**Importance:** High

Berdell -

This is to confirm our discussion of yesterday afternoon regarding the Kincaid's compliance status and possible rate-case application. Below is a list of the topics we discussed, including information on the topics:

- **Staff-Assisted Rate Case (SARC):**
  - SARC Application *(attached)*
  - SARC filing fee of \$1,000.00 is due within 30 days of acceptance of application.
  - Compile all billing and expense data for at least the prior year, including any documentation for utility related expenses
- **2014 Annual Report and Regulatory Assessment Fee (RAFs) Filings:**

Kincaid Hills must submit its 2014 Annual Report and RAFs timely and in full.

  - Due: March 31, 2015
  - Annual Report Form *(attached)*
  - 2014 RAF Return Form *(attached)*
- **Corporate Status:**

Kincaid Hills must update and maintain its corporate status with the Florida Secretary of State



- <https://secure.flcorporatefilings.com/cgi-bin/ws.vbp?PRPA=index&gclid=CNDDuYeo58MCFYQ2gQodXAIaeg>

Also, the SARC application and Annual Report Forms can be found on the Commission website, as well as, a link to the annual Price Index and Pass Through application, which outlines what types of expenses/costs a utility may apply for recovery of outside of a rate case.

<http://www.floridapsc.com/utilities/waterwastewater/index.aspx>

- Annual Reports & RAFs: <http://www.floridapsc.com/utilities/waterwastewater/annualreport/index.aspx>
- 2014 Price Index and Pass Through Application: <http://www.floridapsc.com/library/filings/14/01208-14/01208-14.pdf>
- Staff Assisted Rate Case Application Form

We appreciate you and your father taking the time to speak with us. Please let me know if you have any questions or need any additional information.

Thanks so much,  
Kelley

*Kelley F. Corbari,*

Senior Attorney - Regulatory Analysis Section  
Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)  
Direct Phone: (850) 413-6234  
Direct Fax: (850) 413-6235



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**Kelley Corbari**

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**From:** Kelley Corbari  
**Sent:** Tuesday, February 17, 2015 10:48 AM  
**To:** 'berdell@alum.mit.edu'  
**Cc:** Adam Teitzman; Leslie Ames; Toni Earnhart; Andrew Maurey; Tom Ballinger; Lynn Deamer; Jim Dean  
**Subject:** Kincaid Hills - Rate Case & RAFs  
**Attachments:** Water-Sewer - Annual Report Form.xls; Water-Sewer - SARC Application Form.doc; Kincaid Hills - RAF Form.doc

**Importance:** High

Tracking:	Recipient	Delivery	Read
	'berdell@alum.mit.edu'		
	Adam Teitzman	Delivered: 2/17/2015 10:48 AM	
	Leslie Ames	Delivered: 2/17/2015 10:48 AM	Read: 2/17/2015 10:48 AM
	Toni Earnhart	Delivered: 2/17/2015 10:48 AM	Read: 2/17/2015 11:48 AM
	Andrew Maurey	Delivered: 2/17/2015 10:48 AM	Read: 2/17/2015 11:07 AM
	Tom Ballinger	Delivered: 2/17/2015 10:48 AM	Read: 2/17/2015 11:00 AM
	Lynn Deamer	Delivered: 2/17/2015 10:48 AM	
	Jim Dean	Delivered: 2/17/2015 10:48 AM	

Berdell -

This is to confirm our discussion of yesterday afternoon regarding the Kincaid's compliance status and possible rate-case application. Below is a list of the topics we discussed, including information on the topics:

- **Staff-Assisted Rate Case (SARC):**
  - SARC Application *(attached)*
  - SARC filing fee of \$1,000.00 is due within 30 days of acceptance of application.
  - Compile all billing and expense data for at least the prior year, including any documentation for utility related expenses
- **2014 Annual Report and Regulatory Assessment Fee (RAFs) Filings:**

Kincaid Hills must submit its 2014 Annual Report and RAFs timely and in full.

  - Due: March 31, 2015
  - Annual Report Form *(attached)*
  - 2014 RAF Return Form *(attached)*
- **Corporate Status:**

Kincaid Hills must update and maintain its corporate status with the Florida Secretary of State

- <https://secure.flcorporatefilings.com/cgi-bin/ws.vbp?PRPA=index&gclid=CNDDuYeo58MCFYQ2gQodXAlAeg>

Also, the SARC application and Annual Report Forms can be found on the Commission website, as well as, a link to the annual Price Index and Pass Through application, which outlines what types of expenses/costs a utility may apply for recovery of outside of a rate case.

<http://www.floridapsc.com/utilities/waterwastewater/index.aspx>

- Annual Reports & RAFs: <http://www.floridapsc.com/utilities/waterwastewater/annualreport/index.aspx>
- 2014 Price Index and Pass Through Application: <http://www.floridapsc.com/library/filings/14/01208-14/01208-14.pdf>
- Staff Assisted Rate Case Application Form

We appreciate you and your father taking the time to speak with us. Please let me know if you have any questions or need any additional information.

Thanks so much,  
Kelley

*Kelley F. Corbari,*

Senior Attorney – Regulatory Analysis Section  
Office of the General Counsel  
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2540 Shumard Oak Boulevard  
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**Kelley Corbari**

---

**From:** Kelley Corbari  
**Sent:** Monday, February 16, 2015 10:47 AM  
**To:** 'berdell@alum.mit.edu'  
**Cc:** Adam Teitzman; Leslie Ames  
**Subject:** RE: Kincaid Hills - Compliance

Berdell -

Per our conversation, we will have a call with you and your father at 1:30p today. We will call you and you can conference in your dad. Let me know if something comes up between now and then.

Thanks so much!  
Kelley

*Kelley F. Corbari,*

Senior Attorney - Regulatory Analysis Section  
Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)  
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**From:** Berdell Knowles, Jr. [<mailto:berdell@alum.mit.edu>]  
**Sent:** Monday, February 16, 2015 10:41 AM  
**To:** Kelley Corbari  
**Cc:** Adam Teitzman; Leslie Ames  
**Subject:** RE: Kincaid Hills - Compliance

That's fine. I am still stuck in traffic, but I can take the call on the road. If you want to wait another hour, then I might be back in the office. But, I'm ok, either way.

I'm at 310-874-2019. I can conference in my dad after you call me.

**From:** Kelley Corbari [<mailto:KCorbari@psc.state.fl.us>]  
**Sent:** Monday, February 16, 2015 7:18 AM  
**To:** 'berdell@alum.mit.edu'  
**Cc:** Adam Teitzman; Leslie Ames  
**Subject:** RE: Kincaid Hills - Compliance  
**Importance:** High

Berdell -

11:00 this morning works for us. Shall we call you?

Thanks!  
Kelley

*Kelley F. Corbari*,  
Senior Attorney - Regulatory Analysis Section  
Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)  
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**From:** Berdell Knowles, Jr. [<mailto:berdell@alum.mit.edu>]  
**Sent:** Friday, February 13, 2015 5:47 PM  
**To:** Kelley Corbari  
**Subject:** RE: Kincaid Hills - Compliance

Sorry for the delay. Let's try 11am, Monday. Please let me know if that time works.

**From:** Kelley Corbari [<mailto:KCorbari@psc.state.fl.us>]  
**Sent:** Friday, February 13, 2015 10:31 AM  
**To:** 'berdell@alum.mit.edu'  
**Cc:** Adam Teitzman; Leslie Ames  
**Subject:** RE: Kincaid Hills - Compliance  
**Importance:** High

Berdell -

I just wanted to follow up to see if you were able to figure out a time that works for you for a call on Monday?

Thanks!  
Kelley

*Kelley F. Corbari*,  
Senior Attorney - Regulatory Analysis Section  
Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)  
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**From:** Kelley Corbari  
**Sent:** Tuesday, February 10, 2015 9:15 AM  
**To:** 'berdell@alum.mit.edu'  
**Cc:** Adam Teitzman; Leslie Ames  
**Subject:** RE: Kincaid Hills - Compliance

Berdell,

I was thinking the afternoon would be easier for you since you were out west, but since you will be in Florida the morning is fine. Any time after 9:30 is good for us. Just let me know what works for you and your father. Once we confirm a time, I will set up a conference call number for you all to call into.

Thanks so much!  
Kelley

*Kelley F. Corbari,*  
Senior Attorney – Regulatory Analysis Section  
Office of the General Counsel  
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Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)  
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**From:** Berdell Knowles, Jr. [<mailto:berdell@alum.mit.edu>]  
**Sent:** Monday, February 09, 2015 7:54 PM  
**To:** Kelley Corbari  
**Cc:** Adam Teitzman; Leslie Ames  
**Subject:** RE: Kincaid Hills - Compliance

I will actually be in Florida on Monday, 2/16, so I am available. The morning would be much better than the afternoon, however. Please let me know a few times that are options, and I will confirm one.

Thanks for reaching out.

Berdell Knowles, Jr.

 310-821-1235 • 310-874-2019

CONFIDENTIALITY NOTICE: This message is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If you have received this message by error, please delete it from your records.

**From:** Kelley Corbari [<mailto:KCorbari@psc.state.fl.us>]  
**Sent:** Monday, February 9, 2015 12:15 PM  
**To:** [berdell@alum.mit.edu](mailto:berdell@alum.mit.edu)  
**Cc:** Adam Teitzman; Leslie Ames  
**Subject:** Kincaid Hills - Compliance  
**Importance:** High

Berdell,

Staff has finished reviewing Kincaid's 2009-2013 Annual Reports that were submitted in late December. Now that Kincaid's delinquent annual reports have been received, we can discuss the possibility of Kincaid filing a Staff-Assisted Rate Case and the other outstanding compliance matters.

Are you available for a conference call the afternoon of **Monday, February 16<sup>th</sup>** to discuss these matters? In addition, it would be very helpful to have your father participate in call if at all possible as his involvement will be necessary to processing any rate case and resolving the outstanding compliance issues.

Let me know your availability and I will set up the call.

Thanks so much,  
Kelley

*Kelley F. Corbari,*  
Senior Attorney - Regulatory Analysis Section  
Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
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**Kelley Corbari**

---

**From:** Kelley Corbari  
**Sent:** Monday, December 08, 2014 10:55 AM  
**To:** 'berdell@alum.mit.edu'  
**Cc:** Adam Teitzman; Michael Lawson; Bart Fletcher; Lee Smith  
**Subject:** RE: Kincaid Hills - Annual Report Deficiencies  
**Attachments:** Kincaid Letter - Annual Report Deficiencies (11-24-14).pdf

Hi Berdell,

I apologize for just getting back to you. I was out last Friday.

At this point, there are no other items outstanding other than the annual report deficiencies that need correcting. If we receive the corrected reports by December 29<sup>th</sup>, there will be no further penalties assessed for the annual reports being delinquent. Once we have received the revised reports and the reports are deemed sufficient, I will contact you regarding the next steps for bringing the utility into compliance and filing a Staff Assisted Rate Case.

I am sorry to hear you have been under the weather. I hope you are feeling better. I am in the office today if you have any other questions.

Thanks so much,  
Kelley

*Kelley F. Corbari,*

Senior Attorney - Regulatory Analysis Section  
Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)  
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**From:** Berdell Knowles, Jr. [<mailto:berdell@alum.mit.edu>]  
**Sent:** Friday, December 05, 2014 1:30 PM  
**To:** Kelley Corbari  
**Cc:** Adam Teitzman; Michael Lawson; Bart Fletcher; Lee Smith  
**Subject:** RE: Kincaid Hills - Annual Report Deficiencies



Kelley,

I wanted to check in and make sure everything we discussed is still on track. I was out for the past week with a medical issue, and just wanted to stay on top of this if I can. I see below that we need the corrected reports in by 12/29, but I want to get them in next week. I wanted to also make sure there wasn't something we missed this week while I was out. Please let me know if there is?

**From:** Kelley Corbari [mailto:KCorbari@psc.state.fl.us]  
**Sent:** Monday, November 24, 2014 9:29 AM  
**To:** [berdell@alum.mit.edu](mailto:berdell@alum.mit.edu)  
**Cc:** Adam Teitzman; Michael Lawson; Bart Fletcher; Lee Smith  
**Subject:** Kincaid Hills - Annual Report Deficiencies  
**Importance:** High

Berdell –

Staff has completed its review of the annual reports Kincaid submitted for the years 2009-2013. Unfortunately, there were a few deficiencies in the reports that must be corrected for the reports to be deemed sufficient. Therefore, please see the attached letter which was mailed to the Utility today outlining the deficiencies contained in the reports.

Please note that the deficiencies must be corrected **and** the revised reports **received** by the Commission by **December 29, 2014**, or penalties will continue to accrue. Once we have received the revised reports and the reports are deemed sufficient, I will contact you regarding the next compliance steps.

If you have any questions regarding the deficiencies, please do not hesitate to contact me at (850) 413-6234 or Bart Fletcher at (850) 413-7017.

Thank you,  
Kelley

*Kelley F. Corbari*,  
Senior Attorney – Regulatory Analysis Section  
Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)  
Direct Phone: (850) 413-6234  
Direct Fax: (850) 413-6235



**Kelley Corbari**

---

**From:** Berdell Knowles, Jr. <berdell@alum.mit.edu>  
**Sent:** Thursday, November 20, 2014 9:38 PM  
**To:** Kelley Corbari  
**Cc:** Adam Teitzman; Michael Lawson; Toni Earnhart; Andrew Maurey; Bart Fletcher  
**Subject:** RE: Kincaid Hills - Received Delinquent Annual Reports & 2010-11 RAF Payment

Thank you for the update, and I look forward to discussing the next steps.

**From:** Kelley Corbari [<mailto:KCorbari@psc.state.fl.us>]  
**Sent:** Thursday, November 20, 2014 11:59 AM  
**To:** [berdell@alum.mit.edu](mailto:berdell@alum.mit.edu)  
**Cc:** Adam Teitzman; Michael Lawson; Toni Earnhart; Andrew Maurey; Bart Fletcher  
**Subject:** Kincaid Hills - Received Delinquent Annual Reports & 2010-11 RAF Payment

Berdell -

This is to confirm that the Commission received Kincaid's payment in the amount of \$8,690.15 for the amounts owed by Kincaid for its past due 2010 and 2011 Regulatory Assessment Fees, including Penalty and Interest. In addition, we received Kincaid's delinquent Annual Reports for the years 2009-2013. The annual reports are being processed and reviewed by our staff, which should take about a week or 2 to complete. Once staff has reviewed all the reports, I will contact you to discuss additional compliance steps and assisting Kincaid in filing a Staff Assisted Rate Case.

Thank you for your cooperation thus far. If you have any comments or questions, please do not hesitate to contact me.

Kelley

*Kelley F. Corbari,*  
Senior Attorney - Regulatory Analysis Section  
Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)  
Direct Phone: (850) 413-6234  
Direct Fax: (850) 413-6235



Karen Belcher

WU 690-2011-W

See 2010  
 Total \$ 8690.15

**From:** Kelley Corbari  
**Sent:** Monday, November 10, 2014 2:12 PM  
**To:** Karen Belcher; Toni Earnhart  
**Cc:** Michael Lawson; Adam Teitzman  
**Subject:** Kincaid Hills - Past Due RAFs  
**Attachments:** 20141107\_084056.jpg DAYE DEPOSIT

CHK # 143 / 1013

\$ 2657.34 R

664.34 P

876.92 I

11-7-14 RR

Karen -

NOV 14 2014 4 80.

Be on the lookout for Kincaid Hills Water Company payment for its past due RAFs. As we discussed, the \$8,690.15 payment should be applied to Kincaid's past due RAFs and P&I for 2010 and 2011. We will be addressing the other years at a later date.

YEAR	REVENUES	RAFS (4.5%)	PAYMENTS	PENALTY (25%)	INTEREST (1%) (THRU 11/20/14)	TOTAL DUE
2011	\$59,052.00	\$2,657.34	\$0.00	\$664.34	\$876.92	\$4,198.60
2010	\$58,713.00	\$2,642.09	\$0.00	\$660.52	\$1,188.94	\$4,491.55
<b>TOTALS</b>	<b>\$117,765.00</b>	<b>\$5,299.43</b>	<b>\$0.00</b>	<b>\$1,324.86</b>	<b>\$2,065.86</b>	<b>\$8,690.15</b>

Let me know if you have any questions.

Thanks!  
 Kelley

*Kelley F. Corbari*  
 Senior Attorney - Regulatory Analysis Section  
 Office of the General Counsel  
 FLORIDA PUBLIC SERVICE COMMISSION  
 Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)  
 Direct Phone: (850) 413-6234  
 Direct Fax: (850) 413-6235

← K. 143 \$1,978.15 2010 RAF  
 ✓ 1013 \$6,700.00 2010 RAF  
 2010 P \$660.52  
 2010 I \$1,188.94  
 2011 RAF \$2,657.34  
 2011 P \$664.34  
 2011 I \$876.92  
 \$8,690.15

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**From:** Berdell Knowles, Jr. [<mailto:berdell@alum.mit.edu>]  
**Sent:** Friday, November 07, 2014 11:55 AM  
**To:** Kelley Corbari

**Cc:** Michael Lawson; Adam Teitzman; Andrew Maurey  
**Subject:** RE: Kincaid Hills - Annual Reports Insufficient

Please disregard the 2012 and 2013 reports, they contained errors. I will be submitting the corrected versions via mail today.

Also, I have enclosed images of the checks being mailed today for the \$8,690.15 amount discussed, previously. They are made payable to the FPSC and sent to the address in your signature, below.

Please advise if there are any issues with this course of action, if there is something I need to correct, or if they are in accordance with our verbal agreement at your earliest opportunity.

Thank you,  
Berdell Knowles, Jr.  
(310) 821-1235

**From:** Kelley Corbari [mailto:KCorbari@psc.state.fl.us]  
**Sent:** Thursday, November 6, 2014 12:03 PM  
**To:** [berdell@alum.mit.edu](mailto:berdell@alum.mit.edu)  
**Cc:** Michael Lawson; Adam Teitzman; Andrew Maurey  
**Subject:** Kincaid Hills - Annual Reports Insufficient  
**Importance:** High

Berdell -

I received all of your emails with Excel files of Kincaid's annual reports for 2009-2013 and I forwarded them onto our staff to be reviewing. I really appreciate your effort getting the reports to me. Unfortunately, however, the Excel files you emailed are insufficient because they do not comply with our rules governing annual reports. Pursuant to Rule 25-30.110, the Utility must submit **an original and 2 copies** of each Annual Report. In addition, **each report must be certified**, meaning the Certification page of each report must be signed by the Utility's CEO and CFO.

Therefore, please have the Utility's CEO (your father) sign and certify each of the Annual Reports. Once the reports have been certified, please mail the original and 2 copies of each report to the Commission as soon as possible or by **Friday, November 14, 2014**, to avoid further penalty. The reports should be mailed to:

Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
ATTENTION: Accounting & Finance Division

As I stated yesterday, we cannot process a rate case until Kincaid Hills officially submits its annual reports for 2009-2013. If you have any additional questions, please do not hesitate to contact me.

Thank you,  
Kelley

*Kelley F. Corbari,*  
Senior Attorney – Regulatory Analysis Section  
Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)  
Direct Phone: (850) 413-6234  
Direct Fax: (850) 413-6235



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Knowles 579  
PO Box  
Gainesville, FL 32604

SEATTLE  
WA 980  
07 NOV '14  
PM 7 L



U.S. POSTAGE  
FIRST CLASS PERMIT NO. 58023  
NOV 07 '14  
REQUANT  
\$0.49  
9007217-03

Florida Public Service Commission  
Attn: Accounting & Finance Division  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0854  
32399085499

**Kelley Corbari**

---

**From:** Kelley Corbari  
**Sent:** Thursday, November 06, 2014 3:03 PM  
**To:** berdell@alum.mit.edu  
**Cc:** Michael Lawson; Adam Teitzman; Andrew Maurey  
**Subject:** Kincaid Hills - Annual Reports Insufficient  
**Attachments:** FAC Rule 25-30.110 - Annual Report Filing.pdf  
  
**Importance:** High

Berdell -

I received all of your emails with Excel files of Kincaid's annual reports for 2009-2013 and I forwarded them onto our staff to be reviewing. I really appreciate your effort getting the reports to me. Unfortunately, however, the Excel files you emailed are insufficient because they do not comply with our rules governing annual reports. Pursuant to Rule 25-30.110, the Utility must submit **an original and 2 copies** of each Annual Report. In addition, **each report must be certified**, meaning the Certification page of each report must be signed by the Utility's CEO and CFO.

Therefore, please have the Utility's CEO (your father) sign and certify each of the Annual Reports. Once the reports have been certified, please mail the original and 2 copies of each report to the Commission as soon as possible or by **Friday, November 14, 2014**, to avoid further penalty. The reports should be mailed to:

Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
ATTENTION: Accounting & Finance Division

As I stated yesterday, we cannot process a rate case until Kincaid Hills officially submits its annual reports for 2009-2013. If you have any additional questions, please do not hesitate to contact me.

Thank you,  
Kelley

*Kelley F. Corbari,*  
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Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)  
Direct Phone: (850) 413-6234

**Kelley Corbari**

---

**From:** Kelley Corbari  
**Sent:** Thursday, October 23, 2014 5:19 PM  
**To:** berdell@alum.mit.edu  
**Cc:** Adam Teitzman; Toni Earnhart; Michael Lawson; Andrew Maurey  
**Subject:** Kincaid Hills - Initial Compliance Plan

Mr. Knowles,

Thank you for speaking with us today regarding Kincaid Hills Water Company's (Kincaid Hills) compliance issues and expressing your willingness to work with Commission staff on a comprehensive compliance plan for bringing the utility back into compliance with the Commission. To summarize our conversation:

- By November 7, 2014, Kincaid Hills will file its delinquent annual reports for the years 2009 – 2013, and submit payment in the amount of **\$8,690.15** to satisfy its delinquent 2010 and 2011 Regulatory Assessment Fees (RAFs).
  - Payment should be made payable to the "Florida Public Service Commission," and sent to "Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850, ATTENTION: Fiscal Services."
  - Please include "WU690 RAF Payment" on the memo line of the payment.
- Kincaid will work with Commission staff on filing a Staff Assisted Rate Case. Commission staff will contact the Utility to assist with initiating the filing.
- Upon receipt of Kincaid Hills' annual reports and RAF payment, Commission staff and Kincaid will negotiate a plan for the payment of Kincaid Hills delinquent 2012 and 2013 RAFs.
- Penalties assessed for Kincaid Hills' failure to file its annual reports for the years 2009-2013, will be discussed at a later date.

Again, I appreciate your willingness to try to resolve the Utility's compliance issues. Should you have any questions or comments, please do not hesitate to contact me.

Sincerely,  
Kelley Corbari

*Kelley F. Corbari*,  
Senior Attorney – Regulatory Analysis Section  
Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard



Tallahassee, FL 32399-0850  
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**Kelley Corbari**

---

**From:** Berdell Knowles, Jr. <berdell@alum.mit.edu>  
**Sent:** Thursday, October 23, 2014 4:23 PM  
**To:** Kelley Corbari  
**Subject:** RE: Kincaid Hills Water Company - Compliance Delinquency

Great. I am a consultant, so I travel about 90% of the time. If at all possible, please email me a copy of anything you are sending via regular mail so that I can respond promptly.

Thanks.

-----Original Message-----

From: Kelley Corbari [mailto:KCorbari@psc.state.fl.us]  
Sent: Thursday, October 23, 2014 1:20 PM  
To: 'berdell@alum.mit.edu'  
Cc: Adam Teitzman; Michael Lawson  
Subject: RE: Kincaid Hills Water Company - Compliance Delinquency

Thank you Berdell. We actually did have the correct PO box in the master system, however, I did have our clerk add your email to the contact information.

Kelley F. Corbari,  
Senior Attorney - Regulatory Analysis Section Office of the General Counsel FLORIDA PUBLIC SERVICE COMMISSION  
Email: KCorbari@psc.state.fl.us  
Direct Phone: (850) 413-6234  
Direct Fax: (850) 413-6235

PLEASE NOTE: Florida has a very broad public records law. Most written communications to or from state officials regarding state business are considered to be public records and will be made available to the public and the media upon request. Therefore, your e-mail message may be subject to public disclosure.

-----Original Message-----

From: Berdell Knowles, Jr. [mailto:berdell@alum.mit.edu]  
Sent: Thursday, October 23, 2014 4:18 PM  
To: Kelley Corbari  
Cc: Adam Teitzman; Michael Lawson  
Subject: RE: Kincaid Hills Water Company - Compliance Delinquency

PO Box 579 was at the post office that closed a few years ago. You can delete that one, also.

-----Original Message-----

From: Kelley Corbari [mailto:KCorbari@psc.state.fl.us]  
Sent: Thursday, October 23, 2014 11:31 AM  
To: 'berdell@alum.mit.edu'  
Cc: Adam Teitzman; Michael Lawson  
Subject: RE: Kincaid Hills Water Company - Compliance Delinquency

Thank you Berdell.

In addition to the 19th Avenue address, we had a different PO Box address on file (PO Box 579 Gainesville, FL 32602).  
I will make sure the correct address is updated.

Kelley

Kelley F. Corbari,  
Senior Attorney - Regulatory Analysis Section Office of the General Counsel FLORIDA PUBLIC SERVICE COMMISSION  
Email: KCorbari@psc.state.fl.us  
Direct Phone: (850) 413-6234  
Direct Fax: (850) 413-6235

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-----Original Message-----

From: Berdell Knowles, Jr. [mailto:berdell@alum.mit.edu]  
Sent: Thursday, October 23, 2014 2:13 PM  
To: Kelley Corbari  
Cc: Adam Teitzman; Michael Lawson  
Subject: RE: Kincaid Hills Water Company - Compliance Delinquency

New address for Kincaid Hills Water Company

PO Box 15016  
Gainesville, FL 32604

To my knowledge, there has never been a mailbox at the plant on 19th Avenue, so we would like to make sure no mail is directed there (only the address, above).

Thank you all, again.

-----Original Message-----

From: Kelley Corbari [mailto:KCorbari@psc.state.fl.us]  
Sent: Thursday, October 23, 2014 9:36 AM  
To: berdell@alum.mit.edu  
Cc: Adam Teitzman; Michael Lawson  
Subject: RE: Kincaid Hills Water Company - Compliance Delinquency

Great. Than you

---

From: Berdell Knowles, Jr. [berdell@alum.mit.edu]  
Sent: Thursday, October 23, 2014 11:56 AM  
To: Kelley Corbari  
Cc: Adam Teitzman; Michael Lawson  
Subject: RE: Kincaid Hills Water Company - Compliance Delinquency

Yes and yes.

I will be standing by for your call in an hour or so.

From: Kelley Corbari [mailto:KCorbari@psc.state.fl.us]  
Sent: Thursday, October 23, 2014 8:45 AM  
To: 'berdell@alum.mit.edu'  
Cc: Adam Teitzman; Michael Lawson  
Subject: RE: Kincaid Hills Water Company - Compliance Delinquency  
Importance: High

Mr. Knowles -

I just wanted to confirm our telephone call this afternoon at 1:00 pm EST (10:00a Pacific) to discuss Kincaid Hills Water Company's compliance issues. Also, is (310) 821-1235 the best number to reach you?

Thank you,  
Kelley

Kelley F. Corbari,  
Senior Attorney - Regulatory Analysis Section Office of the General Counsel Florida Public Service Commission  
Email: KCorbari@psc.state.fl.us<mailto:KCorbari@psc.state.fl.us>  
Direct Phone: (850) 413-6234  
Direct Fax: (850) 413-6235

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From: Kelley Corbari  
Sent: Monday, October 20, 2014 4:57 PM  
To: 'berdell@alum.mit.edu'  
Cc: Adam Teitzman; Michael Lawson  
Subject: Kincaid Hills Water Company - Compliance Delinquency

Mr. Knowles,

Thank you for speaking with me today regarding Kincaid Hills Water Company's compliance status with the FPSC. Per our conversation, attached is a breakdown of the outstanding fees and reports due the Commission, including penalties and interest.

As I stated, the utility is required to file annual reports and pay Regulatory Assessment Fees to the Commission every year by March 31st .  
(See attached, Florida Statutes, Sections 350.113 and 367.145, and Florida Administrative Code Rules 25-30.110 and 25-30.120.)

Additionally, below are links the information on the Commission's website you requested that pertain to Water companies, such as, Annual Reports, Regulatory Assessment Fees, Price Index & Pass Through applications, and Staff Assisted Rate Case application.

<http://www.floridapsc.com/utilities/waterwastewater/>

- Annual Reports & RAFs:  
<http://www.floridapsc.com/utilities/waterwastewater/annualreport/index.aspx>
- 2014 Price Index and Pass Through Application:  
<http://www.floridapsc.com/library/filings/14/01208-14/01208-14.pdf>
- Staff Assisted Rate Case Application Form

While you take the opportunity to review all the information I provided, I will look into the questions you posed. I appreciate your willingness to resolve this matter and I look forward to speaking to you again on Thursday, October 23rd at 1:00 pm (EST).

In the meantime, please do not hesitate to contact me if you have any additional comments or questions.

Thank you,  
Kelley Corbari

Kelley F. Corbari,  
Senior Attorney - Regulatory Analysis Section Office of the General Counsel Florida Public Service  
Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)<mailto:KCorbari@psc.state.fl.us>  
Direct Phone: (850) 413-6234  
Direct Fax: (850) 413-6235  
[PSC-LOGO330]

PLEASE NOTE: Florida has a very broad public records law. Most written communications to or from state officials regarding state business are considered to be public records and will be made available to the public and the media upon request. Therefore, your e-mail message may be subject to public disclosure.

**Kelley Corbari**

---

**From:** Kelley Corbari  
**Sent:** Monday, October 20, 2014 4:57 PM  
**To:** 'berdell@alum.mit.edu'  
**Cc:** Adam Teitzman; Michael Lawson  
**Subject:** Kincaid Hills Water Company - Compliance Delinquency  
**Attachments:** FAC Rule 25-30.110 (Annual Reports).pdf; FAC Rule 25-30.120 (RAFs).pdf; FS 350.113 (RAFs).pdf; FS 367.161 (Additional Compliance Penalties).pdf; FS 367.145 (RAFs).pdf; Kincaid Hills - Delinquent RAFs & ARs (Thru 11-20-14).pdf

Mr. Knowles,

Thank you for speaking with me today regarding Kincaid Hills Water Company's compliance status with the FPSC. Per our conversation, attached is a breakdown of the outstanding fees and reports due the Commission, including penalties and interest.

As I stated, the utility is required to file annual reports and pay Regulatory Assessment Fees to the Commission every year by March 31<sup>st</sup>. (See attached, Florida Statutes, Sections 350.113 and 367.145, and Florida Administrative Code Rules 25-30.110 and 25-30.120.)

Additionally, below are links the information on the Commission's website you requested that pertain to Water companies, such as, Annual Reports, Regulatory Assessment Fees, Price Index & Pass Through applications, and Staff Assisted Rate Case application.

<http://www.floridapsc.com/utilities/waterwastewater/>

- Annual Reports & RAFs: <http://www.floridapsc.com/utilities/waterwastewater/annualreport/index.aspx>
- 2014 Price Index and Pass Through Application: <http://www.floridapsc.com/library/filings/14/01208-14/01208-14.pdf>
- Staff Assisted Rate Case Application Form

While you take the opportunity to review all the information I provided, I will look into the questions you posed. I appreciate your willingness to resolve this matter and I look forward to speaking to you again on Thursday, October 23<sup>rd</sup> at 1:00 pm (EST).

In the meantime, please do not hesitate to contact me if you have any additional comments or questions.

Thank you,  
Kelley Corbari

*Kelley F. Corbari,*

Senior Attorney – Regulatory Analysis Section  
Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)  
Direct Phone: (850) 413-6234  
Direct Fax: (850) 413-6235



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NOTICE OF NONCOMPLIANCE  
Kincaid Hills Water Company (WU690)

## **EXHIBIT D**

### **Kincaid Open Customer Complaints (2016-2017)**

**Kincaid Hills Water Company  
Open Customer Complaints  
2016 - 2017**



1. **PSC Complaint No. 1242714W** Date: 05/08/2017  
Customer: Paul Cohen  
Complaint Subject: Improper Billing  
Complaint Sent to Utility: 05/10/2017  
Utility Response Due: 05/30/2017  
Utility Response: None  
Second Notice to Utility: 05/31/2017 *(via certified mail – received 06/03/2017)*  
Utility Response: None
  
2. **PSC Complaint No. 1240114W** Date: 03/30/2017  
Customer: Katherine Stemmler  
Complaint Subject: Unable to Reach Utility  
Complaint Sent to Utility: 03/30/2017  
Utility Response Due: 04/20/2017  
Utility Response: None  
Second Notice to Utility: 05/10/2017 *(via regular mail)*  
Utility Response: None  
Third Notice to Utility: 05/31/2017 *(via certified mail – received 06/03/2017)*  
Utility Response: None
  
3. **PSC Complaint No. 1225168W** Date: 10/13/2016  
Customer: Bruce Doyle  
Complaint Subject: Unable to Reach Utility – Contact Number Not Working  
Complaint Sent to Utility: 10/13/2016  
Utility Response Due: 11/03/2016  
Utility Response: None  
Late Notice Sent to Utility: 11/23/2016  
Utility Response: None  
Attempt to Contact Utility by Telephone: 12/07/2016 *(unsuccessful)*  
Third Notice to Utility: 12/08/2016 *(via e-mail)*  
Utility Response: None  
Attempt to Contact Utility by Telephone: 03/01/2017 *(left message)*  
Utility Response: 03/02/2017 *(Utility to contact customer 03/06/2017)*  
Attempt to Contact Utility by Telephone: 05/08/2017  
Utility Response: None  
Fourth Notice to Utility: 05/10/2017 *(via regular mail)*  
Utility Response: None  
Fifth Notice to Utility: 05/31/2017 *(via certified mail – received 06/03/2017)*  
Utility Response: None

Request No. <u>1242714W</u> Name <u>COHEN ,PAUL MR.</u> Business Name _____		
<p><b>Consumer Information</b></p> <p>Name: PAUL COHEN</p> <p>Business Name:</p> <p>Svc Address: 3341 SE 19TH AVE</p> <p>County: Alachua Phone: (352)-231-3171</p> <p>City/Zip: Gainesville / 32641-</p> <p>Account Number: 193341</p> <p>Caller's Name: PAUL COHEN</p> <p>Mailing Address: 3341 SE 19TH AVE</p> <p>City/Zip: GAINESVILLE ,FL 32641-</p> <p>Can Be Reached:</p> <p>E-Tracking Number:</p>	<p><b>Florida Public Service                  Commission - Consumer Request</b>  <b>2540 Shumard Oak Boulevard</b>  <b>Tallahassee, Florida 32399</b>  <b>850-413-6480</b></p> <hr/> <p><b>Utility Information</b></p> <p>Company Code: WU690</p> <p>Company: KINCAID HILLS WATER COMPANY</p> <p>Attn. Berdell Knowles1242714W</p> <p>Response Needed From Company? Y</p> <p>Date Due: 05/30/2017</p> <p>Fax: R</p> <hr/> <p>Interim Report Received: / /</p> <p>Reply Received: / /</p> <p>Reply Received Timely/Late:</p> <p>Informal Conf.: N</p>	<p><b>PSC Information</b></p> <p>Assigned To: REY CASTILLO</p> <p>Entered By: DC</p> <p>Date: 05/08/2017</p> <p>Time: 14:54</p> <p>Via: PHONE</p> <p>Prelim Type: IMPROPER BILLS</p> <p>PO:</p> <p>Disputed Amt: 0.00</p> <hr/> <p>Supmntl Rpt Req'd: / /</p> <p>Certified Letter Sent: / /</p> <p>Certified Letter Rec'd: / /</p> <hr/> <p>Closed by:</p> <p>Date: / /</p> <p>Closeout Type:</p> <p>Apparent Rule Violation: N</p>

Preclose Type - Improper Bills

Other Comments:

Customer from Kincaid Hills water company states that he no longer has service with the water company but keeps getting billed every month. Customer states he is being billed for water he is not using and states he should not be getting any bills. Customer states he contacted the company regarding this issue and states that he was not given an explanation.

Per Consumer Complaint Rule 25-22.032, please use the following procedures when responding to PSC complaints.

1. Complaint resolution should be provided to the customer via direct contact with the customer, either verbally or in writing within 15 working days after the complaint has been sent to the company.

2. A response to the PSC is due by 5:00 p.m. Eastern time, of the 15th working days after the complaint has

Request No. 1242714W Name COHEN ,PAUL MR. Business Name \_\_\_\_\_

PAGE NO: 1

been sent to the company.

3. The response should include the following:

- a) the cause of the problem
- b) actions taken to resolve the customer's complaint
- c) the company's proposed resolution to the complaint
- d) answers to any questions raised by staff in the complaint
- e) confirmation the company has made direct contact with the customer

4. Send your written response to the PSC, and copies of all correspondence with the customer to the following e-mail, fax, or physical addresses:

E-Mail - pscreply@psc.state.fl.us

Fax - 850-413-7168

Mail - 2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Case taken by Daniel Chung.

05/10/17: Copy of complaint mailed to company at P.O Box 15016, Gainesville, FL 32604-5016. RRoland

05/30/2017: Will send a copy of complaint to company via certified mail. RRoland

05/31/17: Late letter sent to company via U.S. Mail, regular and certified. RRoland

06/05/2017: Received USPS return receipt showing that Mr. Berdell Knowles acknowledges receipt of FPSC correspondence on 06/03/17. Added to file. RRoland

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Request No. 1242714W	Name COHEN ,PAUL MR.	Business Name
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PAGE NO: 2

Request No. <u>1240114W</u> Name <u>STEMMLER, KATHERINE MS.</u> Business Name _____		
<b>Consumer Information</b> Name: KATHERINE STEMMLER Business Name: Svc Address: 2861 SE 18 AVE  County: Alachua Phone: (352)-219-4086 City/Zip: Gainesville / 32641- Account Number: 182861 Caller's Name: KATHERINE STEMMLER Mailing Address: 5223 WEBER RD  City/Zip: SAINT LOUIS, MO 63123 Can Be Reached: E-Tracking Number: 122723	<b>Florida Public Service                  Commission - Consumer Request</b> 2540 Shumard Oak Boulevard Tallahassee, Florida 32399 850-413-6480	<b>PSC Information</b> Assigned To: SHONNA MCCRAY Entered By: DH Date: 03/30/2017 Time: 15:06 Via: E-FORM Prelim Type: QUALITY OF PO: Disputed Amt: 0.00
	<b>Utility Information</b> Company Code: WU690 Company: KINCAID HILLS WATER COMPANY Attn. Berdell Knowles1240114W Response Needed From Company? <b>Y</b> Date Due: 04/20/2017 Fax: <b>R</b>	Supmntl Rpt Req'd: / / Certified Letter Sent: / / Certified Letter Rec'd: / /
	Interim Report Received: / / Reply Received: / / Reply Received Timely/Late: Informal Conf.: N	Closed by: Date: / / Closeout Type: Apparent Rule Violation: N

Please review the "incorporated" Internet correspondence, located between the quotation marks on this form, in which the customer reports the following:

"-----Original Message-----  
 From: consumerComplaint@psc.state.fl.us [mailto:consumerComplaint@psc.state.fl.us]  
 Sent: Thursday, March 30, 2017 2:59 PM  
 To: Consumer Contact  
 Subject: E-Form Other Complaint TRACKING NUMBER: 122723

CUSTOMER INFORMATION  
 Name: Katherine Stemmler  
 Telephone: (352) 219-4086  
 Email: katestemm@yahoo.com

Request No. 1240114W Name STEMMLER, KATHERINE MS. Business Name \_\_\_\_\_  
 PAGE NO: 1

Address: 5223 Weber Rd Mo MO 63123

**BUSINESS INFORMATION**

Business Account Name: Kincaid Hills Water Company Account Number: 182861  
Address: 2861 SE 18 Ave Gainesville FL 32641

Water County Selected: Alachua

**COMPLAINT INFORMATION**

Complaint: Other Complaint against Kincaid Hills Water Company  
Details:

I sold my house in Gainesville Florida on March 23 2017. I have attempted to contact Kincaid Hills Water Company several times to transfer service to the new owners of the house. I still have yet to hear from Kincaid Hills Water. "

Per Consumer Complaint Rule 25-22.032, please use the following procedures when responding to PSC complaints.

1. Complaint resolution should be provided to the customer via direct contact with the customer, either verbally or in writing, within 15 working days after the complaint has been sent to the company.
2. A response to the PSC is due by 5:00 p.m. Eastern time, of the 15th working day after the complaint has been sent to the company.
3. The response should include the following:
  - a) the cause of the problem
  - b) actions taken to resolve the customer's complaint
  - c) the company's proposed resolution to the complaint
  - d) answers to any questions raised by staff in the complaint
  - e) confirmation that the company has made direct contact with the customer

4. Send your written response to the PSC, and copies of all correspondence with the customer to the following e-mail, fax or physical addresses:

E-Mail - pscreply@psc.state.fl.us  
Fax - 850-413-7168  
Mail - 2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Case taken by Diane Hood

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Request No. 1240114W Name STEMMLER ,KATHERINE MS. Business Name \_\_\_\_\_

PAGE NO: 2

/3/17: NOTE: it appears the company has violated PSC rules---failure to provide response to customer and/or SC within 15 days. Shonna McCray

/3/17: ATTN COMPANY:  
OUR RESPONSE IS PAST DUE. PLEASE PROVIDE RESPONSE BY 5/12/17. Shonna McCray

5/10/17: Copy of complaint mailed to company at P.O Box 15016, Gainesville, FL 32604-5016. RRoland

5/30/2017: Will send a copy of complaint to company via certified mail. RRoland

5/31/17: Late letter sent to company via U.S. Mail, regular and certified. RRoland

6/05/2017: Received USPS return receipt showing that Mr. Berdell Knowles acknowledges receipt of FPSC correspondence on 06/03/17. Added to file. RRoland

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Request No. 1240114W Name STEMMLER ,KATHERINE MS. Business Name \_\_\_\_\_  
PAGE NO: 3

Request No. <u>1225168W</u> Name <u>DOYLE ,BRUCE MR.</u> Business Name _____		
<p align="center"><b>Consumer Information</b></p> <p>Name: BRUCE DOYLE</p> <p>Business Name:</p> <p>Svc Address: 2881 SE 20TH AVE</p> <p>County: Alachua Phone: (352)-377-1659</p> <p>City/Zip: Gainesville / 32641-</p> <p>Account Number: 202881</p> <p>Caller's Name: BRUCE DOYLE</p> <p>Mailing Address: 2881 SE 20TH AVE</p> <p>City/Zip: GAINESVILLE ,FL 32641-</p> <p>Can Be Reached:</p> <p>E-Tracking Number:</p>	<p align="center"><b>Florida Public Service                  Commission - Consumer Request                  2540 Shumard Oak Boulevard                  Tallahassee, Florida 32399                  850-413-6480</b></p> <hr/> <p align="center"><b>Utility Information</b></p> <p>Company Code: WU690                  Company: KINCAID HILLS WATER COMPANY                  Attn. Berdell Knowles1225168W                  Response Needed From Company? <b>Y</b>                  Date Due: 11/03/2016                  Fax: <b>R</b></p> <hr/> <p>Interim Report Received: / /</p> <p>Reply Received: / /</p> <p>Reply Received Timely/Late:</p> <p>Informal Conf.: <b>N</b></p>	<p align="center"><b>PSC Information</b></p> <p>Assigned To: REY CASTILLO                  Entered By: CD                  Date: 10/13/2016                  Time: 15:55                  Via: PHONE                  Prelim Type: REPAIR</p> <hr/> <p>PO:</p> <p>Disputed Amt: 0.00</p> <hr/> <p>Supmntl Rpt Req'd: / /</p> <p>Certified Letter Sent: / /</p> <p>Certified Letter Rec'd: / /</p> <hr/> <p>Closed by:</p> <p>Date: / /</p> <p>Closeout Type:</p> <p>Apparent Rule Violation: <b>N</b></p>

Other Comments: Customer is concerned because Kincaid Water company telephone number is not operating and if there is a water emergency then there is no one to contact. The number that is normal is (352) 373-0729 but the operator says it is temporarily disconnected.

Per Consumer Complaint Rule 25-22.032, please use the following procedures when responding to PSC complaints.

- . Complaint resolution should be provided to the customer via direct contact with the customer, either verbally or in writing within 15 working days after the complaint has been sent to the company.
- . A response to the PSC is due by 5:00 p.m. Eastern time, of the 15th working days after the complaint has been sent to the company.
- . The response should include the following:
  - a) the cause of the problem

Request No. 1225168W Name DOYLE ,BRUCE MR. Business Name \_\_\_\_\_

PAGE NO: 1



b) actions taken to resolve the customer's complaint  
c) the company's proposed resolution to the complaint  
d) answers to any questions raised by staff in the complaint  
e) confirmation the company has made direct contact with the customer  
. Send your written response to the PSC, and copies of all correspondence with the customer to the following e-mail, fax, or physical addresses:  
-Mail - pscreply@psc.state.fl.us  
fax - 850-413-7168  
mail - 2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Case taken by Kenny Davis

1/23/16 LATE NOTICE - THE PSC HAS NOT RECEIVED A COMPANY RESPONSE. R.Castillo

2/07/2016 I attempted to contact Kincaid Hills Water Company at telephone numbers at (352) 373 - 0729 and emergency telephone number (352) 443 - 5492 but was not able to reach anyone but was able to leave voicemail message. R.Castillo

2/08/2016 I sent an email to Berdell Knowles at Berdell@alum.mit.edu asking him if he received the complaint or the late notice for the company response and also informed him that I left voicemail messages at telephone numbers (352) 373 - 0729 and (352) 443 - 5492. R.Castillo

2/08/16 Sent the following email to Berdell Knowles:

From: Rey Castillo  
Sent: Thursday, December 08, 2016 8:20 AM  
To: 'berdell@alum.mit.edu'  
Cc: Randy Roland  
Subject: Company Response

Re: FPSC Complaint #1225168W Doyle, Bruce

Berdell Knowles,  
Good morning this is Rey Castillo from the Florida Public Service Commission.

Back on 10/13/2016 this complaint was sent to you.

Customer is concerned because Kincaid Water company telephone number is not operating and if there is a

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Request No. 1225168W	Name DOYLE ,BRUCE MR.	Business Name
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PAGE NO: 2

After emergency then there is no one to contact. The number that is normal is (352) 373-0729 but the operator says it is temporarily disconnected.

also sent a late notice on 11/23/2016, did you receive the complaint or the late notice for the company response?

also left two voicemail messages yesterday, one at telephone number (352) 373 - 0729 and another at emergency telephone number (352) 443 - 5492.

Respectfully,

Randy Castillo  
Regulatory Specialist  
Consumer Assistance and Outreach  
Office Telephone (850) 413-6119

mail message entered by R.Castillo

3/01/2017 10:50 a, I attempted to contact Kincaid Hills Water Company at telephone numbers at (352) 373 - 729 and emergency telephone number (352) 443 - 5492 but was not able to reach anyone but I was able to leave voicemail messages requesting a return call. R.Castillo

3/02/2017 Mr. Knowles returned my call. Mr. Knowles stated that he never received this complaint. Mr. Knowles stated that they are very small water utility and do not receive many complaints via email. Mr. Knowles requested that I send him a hard copy of complaint. I requested that Mr. Knowles make direct contact with the customer either by telephone or send the customer a letter in response to his inquiry. Mr. Knowles stated that he plans to contact customer on Monday 03/06/2017. R.Castillo

5/08/17: I tried calling Kincaid Hills Water Company, but reached voice mail. I left a message requesting a return call. RRoland

\*\*\*\*\*05/10/17: Mr. Berdell Knowles called. Said he did not get copy of complaint. Advised that I will mail a copy of the complaint to him. He requests that any future customer complaint be routed to him via U.S. Mail. RRoland  
From: Rhonda Hicks  
Sent: Tuesday, April 25, 2017 2:33 PM  
To: Randy Roland  
Subject: FW: FL. PSC CATS NO: 1225168W BRUCE DOYLE

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Request No. <u>1225168W</u>	Name <u>DOYLE ,BRUCE MR.</u>	Business Name _____
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PAGE NO: 3

rom: Greg Shafer  
ent: Thursday, April 20, 2017 8:04 AM  
o: Rhonda Hicks  
ubject: FW: FL. PSC CATS NO: 1225168W BRUCE DOYLE

honda,

can't tell if we ever responded to this but we do not have any alternative contact info. As Patti noted slow if there is some level concern that the system is not being properly monitored then DEP or FRWA should be contacted.

r. Knowles has been around a long time and is usually pretty cooperative but he tends to move on his own time.

reg

rom: Patti Daniel  
ent: Friday, April 14, 2017 10:11 PM  
o: Greg Shafer  
c: Shannon Hudson  
ubject: Re: FL. PSC CATS NO: 1225168W BRUCE DOYLE

o. If we're concerned someone should call DEP or FRWA.

ent from my iPad

n Apr 14, 2017, at 9:19 PM, Greg Shafer <GShafer@PSC.STATE.FL.US> wrote:

ny info on this?

egin forwarded message:

rom: Rhonda Hicks <RHicks@PSC.STATE.FL.US>  
ate: April 14, 2017 at 1:03:44 PM EDT  
o: Greg Shafer <GShafer@PSC.STATE.FL.US>  
ubject: FW: FL. PSC CATS NO: 1225168W BRUCE DOYLE

ee below. Do we have any alternate contact information for this company? They are not responding?

rom: Randy Roland  
ent: Friday, April 14, 2017 11:26 AM

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Request No.	1225168W	Name	DOYLE ,BRUCE MR.	Business Name	
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AGE NO: 4

From: Rhonda Hicks  
Subject: FW: FL. PSC CATS NO: 1225168W BRUCE DOYLE

Company is not responding to this complaint. Can we forward?

10/10/17: Copy of complaint mailed to company at P.O Box 15016, Gainesville, FL 32604-5016. RRoland

10/30/17: Company has not responded. See notes above. Complaint Closed. Failure to respond to PSC.  
RRoland

11/30/17: Complaint reopened. Will forward to company via certified mail. RRoland

12/31/17: Late letter sent to company via U.S. Mail, regular and certified. RRoland

01/05/2017: Received USPS return receipt showing that Mr. Berdell Knowles acknowledges receipt of FPSC  
correspondence on 06/03/17. Added to file. RRoland

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Request No. 1225168W Name DOYLE, BRUCE MR. Business Name \_\_\_\_\_  
AGE NO: 5