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Public Service Commission

October 27, 2015

VIA CERTIFIED, REGULAR MAIL & E-MAIL

Mr. Marshall Kanner
Colony Park Development Utilities, LLC
4000 Hollywood Blvd.
Suite 500 North
Hollywood, Florida 33021
marshnk@aol.com

NOTICE OF APPARENT VIOLATION

Re: Docket No. 120285-SU, Application to transfer wastewater facilities and Certificate No. 137-S in Brevard County from Colony Park Utilities, Inc. to Colony Park Development Utilities, LLC.

Dear Mr. Kanner:

The Commission received an application for approval of transfer of Certificate No. 137-S in Brevard County, Florida from Colony Park Utilities, Inc. (Seller) to Colony Park Development Utilities, LLC. (Buyer). On November 25, 2014, the Commission voted on staff's recommendation dated November 13, 2014. Proposed Agency Action Order No. PSC-14-0673-PAA-SU was issued on December 5, 2014, approving the transfer, and became final on January 9, 2015, with the issuance of Consummating Order No. PSC-15-0030-CO-SU. Colony Park Development Utilities, LLC was required to provide proof, within 30 days of the Final Order in this docket, that the adjustments for all applicable NARUC USOA primary accounts have been made.

The Utility did not submit the proof of adjustments within 30 days of the Final Order. Staff has made multiple attempts to contact the utility and the utility's accountant. On April 20, 2015, staff sent a letter to the utility notifying it that the Commission has not received the required proof of adjustments. The letter requested that the utility provide the proof of adjustments by May 5, 2015. On May 14, 2015, the utility's accountant submitted annual report schedules in an attempt to satisfy the requirement instead of providing general ledger balances. In addition, many of the balances did not correspond to those approved in Order No. PSC-14-0673-PAA-SU. Staff followed up via email and telephone calls in an effort to assist the utility. As of the date of this letter, Commission staff has not received any response. Accordingly, it appears that the utility is in violation of Order No. PSC-14-0673-PAA-SU regarding its transfer since February 2015, and has failed to correct the violation.

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Section 367.161, Florida Statutes, permits the Commission to impose a penalty upon any utility who knowingly refuses to comply with or willfully violates any order of the Commission. The Commission may impose a penalty up to \$5,000 for each offense. Each day that the refusal continues is a separate offense. Your failure to provide general ledgers that show your books have been updated to reflect Commission approved balances as of September 27, 2012, along with a statement that the adjustments will be reflected in your 2014 annual report, is a violation of Order No. PSC-14-0673-PAA-SU.

Please provide general ledgers that show your books have been updated to reflect Commission approved balances as of September 27, 2012, along with a statement that the adjustments will be reflected in your 2014 annual report, by **November 18, 2015**. Failure to timely comply will result in staff initiating a show cause proceeding against the Utility for its continued non-compliance with Order No. PSC-14-0673-PAA-SU.

Please do not hesitate to contact me with any questions regarding this matter. I can be reached at 850-413-6856.

Sincerely,

/s/ Danijela Janjic

Danijela Janjic
Senior Attorney

DJ

cc: Office of Commission Clerk (120285-SU)
Office of Public Counsel (Kelly, Roth)
Division of Accounting and Finance (Fletcher, Frank, Norris)
Office of the General Counsel (Janjic, Crawford, Helton)
Ms. Lora McCabe, Always By The Numbers