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October 27, 2023

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Adam Teitzman, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 20220142-WS; Joint Application of Grenelefe Resort Utility, Inc., NC Real Estate Projects, LLC and Grenelefe Resort Utilities Development, LLC for authority to transfer assets and Certificate Nos. 589-W and 507-S, in Polk County, from Grenelefe Resort Utility, Inc. to NC Real Estate Projects, LLC.

Dear Mr. Teitzman:

This letter will serve as the response of the Applicant to the Florida Public Service Commission's "deficiency letter" issued in the above-referenced matter on October 26, 2023. I have outlined below each of the six deficiencies raised in the Commission's letter and the utility response to each.

1. **Notice of Application.** Rule 25-30.030(6), Florida Administrative Code (F.A.C.), states that all applications requiring noticing shall be deemed deficient until affidavits of noticing required by Sections 367.045(1)(e) and (2)(t), Florida Statutes, along with a copy of the notice, are filed with the Office of Commission Clerk. After staff has reviewed and approved the notice of application, and the notices have been distributed in accordance with Rule 25-30.030(5), F.A.C., please provide affidavits of noticing.

Utility Response. The Utility has provided the Commission with the draft notice and we are awaiting approval and the required notice list from the Commission staff. After receipt of both, we will undertake the required noticing and then file the affidavits of noticing in accordance with the requirements of Rule 25-30.030, FAC and Sections 267.045(1)(e) and (2)(t), Florida Statutes.

2. **Buyer Information.** Rule 25-30.037(2)(d), F.A.C., states that the applicant shall provide the specified contact and identification information about the buyer, including Federal Employer Identification Number of the buyer. Please provide the Federal Employer Identification Number of the Buyer.

Utility Response. Attached hereto as requested is the Federal Employer Identification Number of the buyer and documentation from the Internal Revenue Service to that affect.

3. **Nature of the Buyer's Business Organization.** Rule 25-30.037(2)(f), F.A.C., states that the applicant shall provide documentation from the Florida Department of State, Division of Corporations, showing the utility's/buyer's business name and related documentation. Please provide documentation from the Florida Department of State, Division of Corporations showing the Buyer's business name and registration/document number for the business.

Utility Response. Attached hereto is information from the Florida Department of State, Division of Corporations showing the buyer's business name and registration to do business in the State of Florida.

4. **Contract of Sale.** Rule 25-30.037(2)(i), F.A.C., states that the applicant shall provide a copy of the contract for sale and all auxiliary or supplemental agreements, including, if applicable, a provision stating that the contract is contingent upon Commission approval. Staff recognizes that the sale agreement between Grenelefe Resort Utility, Inc. and SHD Properties, LLC is included in the revised application, however there is no record in the application of the transfer between SHD Properties, LLC and NC Real Estate Projects, LLC. Please provide a copy of the contract for sale, transfer or other documentation related to the final acquisition by NC Real Estate Projects, LLC.

Utility Response. Attached hereto is the Assignment and Assumption of Contract of Sale executed between SHD Properties, LLC as assignor and NC Real Estate Projects, LLC as assignee dated May 27, 2022. This document conferred upon NC Real Estate Projects, LLC all the rights of the buyer under the Agreement for Purchase and Sale between Grenelefe Resort Utility, Inc. and SHD Properties, LLC. The actual closing between the Grenelefe Resort Utility, Inc. and NC Real Estate Projects, LLC resulted in the transfer of the utility system directly to the NC Real Estate Projects, LLC.

5. **Legal Description.** Rule 25-30.037(2)(n), F.A.C., requires a legal description of the proposed service area in compliance with Rule 25-30.029(2)(b)2., F.A.C., which requires that all points of beginning must be in reference to a section corner or a subsection corner. The legal description provided includes a portion of the service area described as starting from the center of a section. Please provide a revised legal description of the service area with all points of beginning in compliance with this rule.

Utility Response. The legal description as utilized in both Exhibits E and G to the Amended Application is the legal description of the service area of the utility was that previously approved by the Commission for the prior owner and applicant on numerous occasions and has been the Commission approved territory for the utility since its original certification.

6. **Federal Income Tax Return Statement.** Rule 25-30.037(2)(p), F.A.C., states that the applicant shall provide a statement from the buyer that it has obtained or will obtain copies of all of the federal income tax returns of the seller from the date the utility was first established or the rate base was last established by the Commission, whichever is later. If the tax returns have not been obtained, provide a description of the steps taken to obtain the tax returns. Please provide a statement from the Buyer, NC Real Estate Projects, LLC d/b/a Grenelefe Utility, which fulfils this rule requirement.

Utility Response. Utility Response. The buyer, NC Real Estate Projects, LLC d/b/a Grenelefe Utility, has requested from the seller copies of the Federal Income Tax returns of the seller from the date the utility was first established, or the rate base was last established by the Commission, to the date of acquisition by NC Real Estate Projects, LLC. However, seller has indicated to buyer that they are unwilling to provide buyer with

those tax returns but instead will make them available for review to the Florida Public Service Commission Staff upon request. Most of this was in Paragraph 22 of the Amended Application. However, to the extent a further statement is needed from Buyer, please incorporate this paragraph into that pleading section. Since the Commission has no doubt previously determined that the utility is not writing off the investment in utility facilities to "cost of sales" within prior rate proceedings, buyer believes that these tax returns are unnecessary in any case.

If you need anything further or have any questions in this regard, please let me know.

Sincerely,

SUNDSTROM & MINDLIN, LLP

/s/ F. Marshall Deterding

F. Marshall Deterding
Of Counsel

FMD/brf

Enclosures

Date of this notice: 06-23-2020

Employer Identification Number:
85-1556856

Form: SS-4

Number of this notice: CP 575 G

NC REAL ESTATE PROJECTS LLC
JASON M COX SOLE MBR
8921 CHAGRIN DR APT 101
CORNELIUS, NC 28031

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 85-1556856. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

- * Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.** You may give a copy of this document to anyone asking for proof of your EIN.
- * Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- * Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is NCRE. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.



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Detail by Entity Name

Florida Limited Liability Company
NC REAL ESTATE PROJECTS LLC

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Principal Address

3425 Turnberry Drive
Lakeland, FL 33803

Changed: 07/22/2023

Mailing Address

3425 Turnberry Drive
Lakeland, FL 33803

Changed: 07/22/2023

Registered Agent Name & Address

MORRISON, MATTHEW
5121 S LAKELAND DRIVE
SUITE 2
LAKELAND, FL 33813

Authorized Person(s) Detail

Name & Address

Title Member

House, Frederick Scott
3425 Turnberry Drive
Lakeland, FL 33803

Annual Reports

Report Year	Filed Date
2022	05/23/2022

2023 01/23/2023
2023 07/22/2023

Document Images

07/22/2023 -- AMENDED ANNUAL REPORT	View image in PDF format
01/23/2023 -- ANNUAL REPORT	View image in PDF format
05/23/2022 -- ANNUAL REPORT	View image in PDF format
09/09/2021 -- Florida Limited Liability	View image in PDF format

Florida Department of State, Division of Corporations