

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for amendment of Certificate  
Nos. 589-W and 507-S in Polk County, by NC  
Real Estate Projects, LLC d/b/a Grenelefe  
Utility.

DOCKET NO. 20240140-WS  
ORDER NO. PSC-2025-0060-FOF-WS  
ISSUED: February 24, 2025

The following Commissioners participated in the disposition of this matter:

MIKE LA ROSA, Chairman  
ART GRAHAM  
GARY F. CLARK  
ANDREW GILES FAY  
GABRIELLA PASSIDOMO SMITH

ORDER APPROVING AMENDMENT TO WATER  
CERTIFICATE 589-W AND WASTEWATER  
CERTIFICATE 507-S TO ADD TERRITORY  
AND DECLINING TO INITIATE SHOW CAUSE PROCEEDINGS

BY THE COMMISSION:

Background

NC Real Estate Projects, LLC d/b/a Grenelefe Utility (Grenelefe or Utility) is a Class B water and wastewater utility operating in Polk County. Grenelefe currently provides service to approximately 1,359 water and wastewater customers. On September 17, 2024, Grenelefe filed an application for an amendment of Certificate Nos. 589-W and 507-S, water and wastewater service territories in Polk County, to add 581.17 acres of territory. This amendment is anticipated to result in the addition of approximately 2,064 water and wastewater customers, which includes those outside the utility service territory who are currently being served (984 ERCs), those anticipated to be served in the future (1,080 ERCs), and a small number of commercial customers.

The Utility is in the St. Johns River Water Management District (SJRWMD). In a September 16, 2024 affidavit, the Utility represented that tariffs and annual reports are on file with us. In its 2023 Annual Report, Grenelefe reported a net operating loss of \$184,215 for water, and \$233,950 for wastewater. The Utility's last rate case was in 2011.<sup>1</sup>

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<sup>1</sup> Order No. PSC-12-0433-PAA-WS, issued October 21, 2012, in Docket No. 110141-WS, *In re: Application for staff-assisted rate case in Polk County by Grenelefe Resort Utility, Inc.*

In 1997, we issued original water and wastewater Certificate Nos. 589-W and 507-S to Sports Shinko Utility, Inc. d/b/a Grenelefe Utilities.<sup>2</sup> In 2005, we granted a transfer of the Utility to Grenelefe Resort Utility, Inc. from the previous owner.<sup>3</sup>

On August 9, 2022, Grenelefe Resort Utility, Inc. and NC Real Estate Projects, LLC filed a joint application for transfer of Certificate Nos. 589-W and 507-S from Grenelefe Resort Utility, Inc. to NC Real Estate Projects, LLC and Grenelefe Resort Utilities Development, LLC. This initial joint application would have NC Real Estate Projects, LLC acquire all assets from the Seller and serve as the Buyer of the utility. NC Real Estate Projects would then lease all utility assets and real estate to Grenelefe Resort Utilities Development, LLC for 7 months. After this 7 month period, NC Real Estate Projects, LLC would transfer both the utility assets and land to Grenelefe Resort Utilities Development, LLC, who would then serve as the utility owner and operator going forward.

On October 10, 2023, Grenelefe Resort Utility, Inc. and NC Real Estate Projects, LLC d/b/a Grenelefe Utility filed an amended joint application. This amended joint application superseded the initial joint application, and proposed to transfer the certificates from Grenelefe Resort Utility, Inc. to NC Real Estate Projects, LLC d/b/a Grenelefe Utility, with no intervening lease period. The sale of the Utility closed on May 31, 2022. We approved transfer of the certificates on February 21, 2024.<sup>4</sup>

On September 17, 2024, Grenelefe filed the subject application to amend the certificate to add territory. Commission staff discovered three deficiencies during review of the application. The Utility filed corrections to the deficiencies on November 13, 14, and 26, 2024, and January 15, 2025. After reviewing this information, our staff determined that the corrections and application were acceptable. The official filing date for this application is January 15, 2025.

This Order addresses a potential show cause proceeding for service outside of Grenelefe's certificated territory, and the Utility's request for an amendment to the certificates of authorization for its water and wastewater service territories in Polk County. We have jurisdiction pursuant to Section 367.045, Florida Statutes (F.S.).

#### Service Outside Certificated Area

As stated in the case background, Grenelefe acquired a utility that was providing service to 984 water and wastewater connections on 581.17 acres outside of its certificated territory. Grenelefe filed the instant application, in part, to amend its certificates and correct this mistake.

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<sup>2</sup> Order No. PSC-97-1546-FOF-WS, issued December 9, 1997, in Docket No. 961006-WS, *In re: Application for certificates under grandfather rights to provide water and wastewater service by Sports Shinko Utility, Inc. d/b/a Grenelefe Utilities in Polk County.*

<sup>3</sup> Order No. PSC-05-0142-PAA-WS, issued February 7, 2005, in Docket No. 030123-WS, *In re: Application for transfer of majority organizational control of Sports Shinko Utility, Inc. d/b/a Grenelefe Utilities in Polk County and for name change on Certificate Nos. 589-W and 507-S to Grenelefe Resort Utility, Inc.*

<sup>4</sup> Order No. PSC-2022-0128-PCO-WS, issued February 21, 2024, in Docket No. 20220142-WS, *In re: Application for transfer of water and wastewater facilities and Certificate Nos. 589-W and 507-S from Grenelefe Resort Utility, Inc. to NC Real Estate Projects, LLC d/b/a Grenelefe Utility, in Polk County.*

Section 367.045(2), F.S., states that a utility may not extend its service outside the area described in its certificate of authorization until we approve an amended certificate of authorization to include the new area. Section 367.161(1), F.S., authorizes us to assess a penalty of not more than \$5,000 for each offense if we find that a utility has willfully violated any provision of Chapter 367, F.S.

Grenelefe's predecessor utility extended service outside of the area described in its certificates of authorization without our approval. This extension appears to be in violation of Section 367.045(2), F.S., and appears to have been "willful" as that term is used in Section 367.161, F.S. Because Grenelefe must fulfill the commitments, obligations, and representations of its predecessor utility,<sup>5</sup> Grenelefe may bear responsibility for any penalty we impose following a show cause proceeding regarding the prior extension of services.

We will not initiate a show cause proceeding under the present circumstances. Grenelefe's predecessor utility extended service outside the certificated service area. Grenelefe filed the instant application to amend the certificates to include the area promptly after we approved its application for transfer of the certificates. The amendment area is adjacent to the currently certificated area and is within the same overall Grenelefe Resort development that is served by the Utility's system. Grenelefe has filed annual reports and paid regulatory assessment fees based on the total number of customers it serves, including those outside of its certificated area. We are not aware of any complaints regarding service in this area.

The extra-territorial extension of services described above does not warrant our initiation of a show cause proceeding. Grenelefe has undertaken appropriate actions in a timely manner to amend the certificates to address the territorial issue created by its predecessor.<sup>6</sup> Therefore, we will not order Grenelefe to show cause why it should not be fined for the failure to obtain amended certificates of authorization prior to service being provided outside of the certificated territory.

#### Application for Amendment of Certificate Nos. 589-W and 507-S

The Utility's application to amend its authorized service territory is in compliance with the governing statute, Section 367.045, F.S., and Rule 25-30.036, Florida Administrative Code (F.A.C.). We received the appropriate filing fee as required by Section 367.145, F.S., on September 19, 2024. Grenelefe provided notice of the application pursuant to Section 367.071, F.S., and Rule 25-30.030(5)(b), F.A.C. This notice provided 30 days for customers to file an objection to the transfer. We received no objections to the application and the time for filing such has expired.

Grenelefe provided adequate service territory maps and territory descriptions. A description of the territory requested to be extended by the Utility, as well as the resulting service

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<sup>5</sup> Section 367.071(1), F.S.

<sup>6</sup> See Order No. PSC-05-0678-FOF-WU, issued June 20, 2005, in Docket No. 050255-WU, *In re: Application for a "Quick Take" Amendment of Certificate No. 339-W in Lake County by Brendenwood Water System, Inc.* ("[W]e find that this apparent violation does not rise to the level of a show cause action because the utility has filed the application at issue in order to come into compliance with the statutory requirement.").

territory description, is appended to this Order as Attachment A. The Utility submitted an affidavit with its September 17, 2024, application consistent with Rule 25-30.036(2)(q), F.A.C., stating that it has tariffs and annual reports on file with us.

Grenelefe's existing water system includes two 1,500 gpm potable water wells and several additional irrigation wells. The water is chlorinated for disinfection, and polyphosphate is added for lead and copper corrosion control. The wells appear adequate to provide service to Grenelefe's existing customers both inside and outside of the territory that we have approved in the certificates, as well as to the proposed Groves at Lake Marion extension area. Grenelefe provided a copy of its current consumptive use permit from the SJRWMD.

The wastewater treatment plant is an extended aeration activated sludge plant with a design capacity of 340,000 gallons per day with effluent disposal through percolation ponds. The current average annual daily flow through these treatment facilities is 138,578 gallons per day. The Utility has adequate capacity to meet the needs of both its current customers and the expanded service territory.

Water distribution and wastewater collection facilities were designed and constructed in order to meet the needs of the current customers inside and outside the certificated service territory. The Groves at Lake Marion portion of this extension application will be designed and constructed to provide service to all facilities in the area.

We reviewed the most recent Sanitary Survey Report from the Department of Environmental (DEP), dated May 10, 2023. This report identified several deficiencies, all of which the Utility corrected within 30 days.

We also reviewed the most recent DEP compliance evaluation inspections for the wastewater treatment plant. The December 6, 2022 compliance evaluation inspection identified several issues. The Utility corrected these deficiencies and, on March 15, 2023, DEP determined the facility to be in compliance.

Based on the above findings and conclusions, we amend Certificate Nos. 589-W and 507-S to include the territory as described in Attachment A, effective February 5, 2025. This resultant order shall serve as Grenelefe's amended certificate and shall be retained by the Utility. The Utility shall charge future customers in the territory added herein the rates and charges contained in its current tariffs until we authorize a change in a subsequent proceeding.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that a show cause proceeding shall not be initiated against NC Real Estate Projects, LLC d/b/a Grenelefe Utility for failing to obtain an amended certificate of authorization prior to serving outside of its certificated territory. It is further

ORDERED that Grenelefe Utility's application for amendment of Certificate Nos. 589-W and 507-S is hereby approved, and its certificates shall be amended to include the territory

described in Attachment A to this Order, which is incorporated herein by this reference. It is further

ORDERED that this Order shall serve as Grenelefe Utility's amended certificates, and shall be retained by the Utility. It is further

ORDRED that Grenelefe Utility shall charge the customers in the territory added herein the rates and charges contained in the current tariffs until we authorize a change in a subsequent proceeding. It is further

ORDERD that this docket shall be closed.

By ORDER of the Florida Public Service Commission this 24th day of February, 2025.



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ADAM J. TEITZMAN  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(850) 413-6770  
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SPS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request:  
1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within

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fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

**NC REAL ESTATE PROJECTS, LLC d/b/a GRENELEFE UTILITY  
WATER AND WASTEWATER SERVICE AREA**

**LEGAL DESCRIPTION OF TERRITORY TO BE SERVED**

A parcel of land being a portion of Sections 5, 6, 7, 8, 17 and 18, Township 28 South, Range 28 East, Polk County, Florida, being more particularly described as follows:

Begin at the East  $\frac{1}{4}$  corner of Section 6, Township 28 South, Range 28 East, Polk County, Florida; thence  $N00^{\circ}12'32''W$ , along the West line of Section 5, Township 28 South, Range 28 East, Polk County, Florida, a distance of 659.16 feet; thence departing said West line, run  $N89^{\circ}36'57''E$ , a distance of 1,714.43 feet to a point on the Westerly Meandering line of Lake Marion; thence the following twelve (12) courses and distances along said Westerly line: thence  $S26^{\circ}12'13''W$ , a distance of 738.08 feet; thence  $N89^{\circ}39'08''E$ , a distance of 68.89 feet; thence  $S31^{\circ}14'22''W$ , a distance of 363.56 feet; thence  $S06^{\circ}10'27''W$ , a distance of 362.41 feet; thence  $S23^{\circ}46'45''E$ , a distance of 277.86 feet; thence  $S07^{\circ}13'21''E$ , a distance of 406.55 feet; thence  $S17^{\circ}20'02''E$ , a distance of 229.68 feet; thence  $S17^{\circ}34'19''E$ , a distance of 229.98 feet; thence  $S08^{\circ}55'18''E$ , a distance of 222.01 feet; thence  $S07^{\circ}38'32''E$ , a distance of 221.30 feet; thence  $S07^{\circ}09'37''W$ , a distance of 221.19 feet; thence  $S08^{\circ}57'04''W$ , a distance of 220.17 feet; thence  $S89^{\circ}38'35''W$ , along said South line, a distance of 560.36 feet to the West Right of Way line of West Lake Marion Road; thence the following two (2) courses and distances along said West Right of Way line: thence  $S00^{\circ}00'54''E$ , a distance of 25.00 feet; thence  $S00^{\circ}04'56''W$ , a distance of 2,611.15 feet; thence departing said West Right of Way line, run  $N89^{\circ}58'12''E$ , a distance of 74.98 feet to a point on the East Right of Way line of West Lake Marion Road; thence  $N89^{\circ}51'42''E$ , a distance of 279.33 feet; thence  $S00^{\circ}03'25''W$ , a distance of 2,148.34 feet; thence  $N89^{\circ}52'19''W$ , a distance of 273.92 feet to the East Right of Way line of West Lake Marion Road; thence  $S89^{\circ}19'40''W$ , a distance of 80.66 feet to a point on the West Right of Way line of West Lake Marion Road, said point also being a Point on a Non-Tangent Curve, Concave to the Northeast, having a Radius of 612.96 feet and a Central Angle of  $58^{\circ}10'16''$ ; thence run Southeasterly along said West Right of Way line, a distance of 622.32 feet (Chord Bearing =  $S36^{\circ}27'13''E$ , Chord = 595.94 feet) to a Point on a Non-Tangent Curve, Concave to the North, having a Radius of 613.27 feet and a Central Angle of  $09^{\circ}24'43''$ ; thence run Easterly along said West Right of Way line, a distance of 100.74 feet (Chord Bearing =  $S70^{\circ}13'35''E$ , Chord = 100.63 feet) to a Point of Non Tangency, said point also being a point on the East line of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of Section 17, Township 28 South, Range 28 East, Polk County, Florida; thence departing said West Right of Way line, run  $S01^{\circ}53'45''E$ , along said East line, a distance of 2,576.23 feet to a point on the South line of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of said Section 17; thence departing said East line, run  $N89^{\circ}11'18''W$ , along said South line, a distance of 1,329.53 feet to a point on the East line of Section 18, Township 28 South, Range 28 East, Polk County, Florida; thence  $S89^{\circ}05'29''W$ , along the South Line of the Northeast  $\frac{1}{4}$  of said Section 18, a distance of 2,721.89 feet to a point on the West line of the Northeast  $\frac{1}{4}$  of said Section 18; thence departing said South line, run  $N00^{\circ}23'07''W$ , along said West line, a distance of 2,596.57 feet to a point on the South line of Section 7, Township 28 South, Range 28 East, Polk County, Florida; thence  $N00^{\circ}35'24''W$ , along the West line of the Southeast  $\frac{1}{4}$  of said Section 7, a distance of 2,648.33 feet to a point on the South line of the Northwest  $\frac{1}{4}$  of said

Section 7; thence departing said West line, run S89°42'07"W, along said South line, a distance of 2,644.17 feet to a point on the West line of said Section 7; thence departing said South line, run N00°20'31"W, along said West line, a distance of 2,634.95 feet to the Southwest corner of Section 6, Township 28 South, Range 28 East, Polk County, Florida; thence N00°21'33"W, along the West line of said Section 6, a distance of 2,635.87 feet to a point on the North line of the South ½ of said Section 6; thence the following two (2) courses and distances along said North line: thence N89°38'32"E, a distance of 2,635.65 feet; thence N89°39'09"E, a distance of 2,638.50 feet to the Point of Beginning.

Containing 1,277.45 acres, more or less.



**FLORIDA PUBLIC SERVICE COMMISSION**

**Authorizes  
NC Real Estate Projects, LLC d/b/a Grenelefe Utility  
pursuant to  
Certificate Number 589-W**

to provide water service in Polk County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

Order Number	Date Issued	Docket Number	Filing Type
PSC-97-1546-FOF-WS	12/09/1997	961006-WS	Grandfather Certificate
PSC-05-0142-PAA-WS Organizational Control	02/07/2005	030123-WS	Transfer of Majority
PSC-2024-0228-PAA-WS	07/08/2024	20220142-WS	Transfer of Certificate
PSC-2025-0060-FOF-WS	02/24/2025	20240140-WS	Amendment of Certificate

**FLORIDA PUBLIC SERVICE COMMISSION**

**Authorizes  
NC Real Estate Projects, LLC d/b/a Grenelefe Utility  
pursuant to  
Certificate Number 507-S**

to provide wastewater service in Polk County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

Order Number	Date Issued	Docket Number	Filing Type
PSC-97-1546-FOF-WS	12/09/1997	961006-WS	Grandfather Certificate
PSC-05-0142-PAA-WS Organizational Control	02/07/2005	030123-WS	Transfer of Majority
PSC-2024-0228-PAA-WS	07/08/2024	20220142-WS	Transfer of Certificate
PSC-2025-0060-FOF-WS	02/24/2025	20240140-WS	Amendment of Certificate