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March 10, 2025

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

Re: NC Real Estate Projects, LLC dba Grenelefe Utility  
Request for Staff Assisted Rate Increase  
Docket No. 20250023-WS

Dear Mr. Teitzman,

NC Real Estate Projects, LLC d/b/a Grenelefe Utility has filed a request for a staff assisted increase in rates in Polk County, Florida. As part of that application, the utility requested that the Commission provide increased service availability charges in order for the utility to recover numerous pro forma items of plant that the utility is required to undertake in the near future. In response, the staff has asked that the utility prepare a proposal for such requested service availability charges that comports with Commission Rule 25-30.580, FAC.

Having never been involved in a staff assisted rate case where a utility was required to file a proposal for increased service availability charges, we are not sure exactly what is necessary or expected by the Commission. As such, working with the utility's consultants, we have attempted to prepare a basic calculation of the required new service availability charges for Grenelefe Utility by taking the pro forma plant items outlined in the utility's original application in detail, consolidating those various plant additions, and then following the general dictates of Rule 25-30.580, FAC, to arrive at a proposed service availability charge for both water and wastewater. Attached hereto are the following groups of schedules:

1. A summary of the pro forma plant improvements for proposed connection charges as derived from the originally submitted outlined of pro forma plant improvements that the utility anticipates needing to undertake in the very near future. These have been broken down by water, wastewater, and general plant.
2. A group of five schedules for the wastewater system showing the calculation of the proposed new service availability charge and the criteria utilized to establish that charge which we believe complies generally with the requirements of Rule 25-30.580, FAC.

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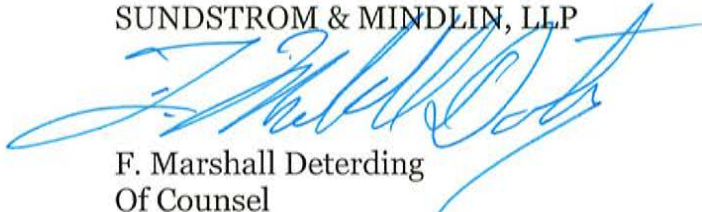
3. A group of nine schedules for the water system showing the calculation of the proposed new service availability charge and the criteria utilized to establish that charge which we believe complies generally with the requirements of Rule 25-30.580, FAC.

As a result of these calculations, the utility has arrived at a proposed service availability charge of \$7,329 for wastewater connections and \$2,224 for water connections.

Should you or any members of the Commission staff have any questions in this regard, please let me know.

Sincerely,

SUNDSTROM & MINDLIN, LLP



F. Marshall Deterding  
Of Counsel

FMD/brf

Enclosures

cc: Jacob Imig  
Ailynee Ramirez- Abundez  
Gary Smith, II  
Laura King  
Marissa Ramos  
Mathew Sibley  
Sonica Bruce  
Garrett Kelley  
Jared Folkman

**NC Real Estate Projects, LLC d/b/a Grenelefe Utility**  
**Application for Staff Assisted Rate Case**  
**Pro Forma Plant Improvements for Proposed Connection Charges**

**Wastewater**

1. **Required Wastewater Treatment Plant improvements in Rates** –\$16.3 million.
  
2. **Lift Station Refurbishment**  
Lift station #1: Total rehab price is \$148,672.00  
Lift station #2: Total rehab price is \$147,785.00  
Lift Station #3: Total rehab price is \$120,962.00  
Lift Station #4: Total rehab price is \$132,500.00  
Lift station #5: Total rehab price is \$120,962.00

**Total Wastewater: \$16,970,881**

**Water**

1. **Radio Read Meter Replacement** - Change out costs estimated \$1,026,143.41
2. **New fire hydrants (15)**: Total Installed price: \$174,900.00
3. **Hydro tanks (2) need inspections and rehab:**  
Total replacement if tank fails inspection: \$350,000.00 x 2 Tanks = \$700,000
4. **Potable water well #10:** Budgeted Amount: \$96,457.00
5. **Potable water well #6:** Budgeted Amount: \$95,457.00
6. **Irrigation/Non potable wells:** Estimated/ well: \$101,475.38 x 8 wells = \$811,803
7. **Valve replacement program:** 10/year x 10 years: \$1,716,374

**Total Water; \$4,621,134**

**General Plant (50% water and 50% Wastewater)**

- 1 New Utility Trucks:** Total acquisition price: \$149,620.00
- 2 New Golf Carts (3):** Total acquisition price: \$51,870.00

Total General Plant: \$201,490.00

50 % Water: \$100,745          50% Wastewater: \$100,745

**NC Real Estate Projects LLC d/b/a/ Grenelefe Utility**  
**Proposed Wastewater Plant Connection Fee**  
**Proposed New Service Availability Charge**  
**In Accordance With Rule 25-30.580**

Plant Component	\$	7,060
Lift Station Component	\$	270
General Plant Component	\$	(0)
Total Wastewater Connection Fee	\$	<hr/> 7,329

**NC Real Estate Projects LLC d/ba/ Grenelefe Utility**  
**Proposed Wastewater Treatment Plant Improvement**  
**Proposed Wastewater Plant Connection Fee**  
**In Accordance With Rule 25-30.580**

Estimated Project Cost	\$ 16,300,000
Years to Build Out	6
Annual Depreciation Expense	\$ 906,280
Net Amount for Build Out	\$ 10,862,320
New ERCs Added to Build Out	1,154
Connection Fee Per ERC	\$ 9,413
Proposed Fee at 75% CIAC Limitation	\$ 7,060

**NC Real Estate Projects LLC d/ba/ Grenelefe Utility**  
**Proposed Wastewater Plant Connection Fee**  
**Proposed Lift Station Rehabilitation**  
**In Accordance With Rule 25-30.580**

Estimated Lift Stations Project Cost	\$	670,881
Estimated Project Completion Date		June 2026
Years to Build Out		6
Depreciation Rate (%) NARUC Acct 371		5.55%
Annual Depreciation Expense	\$	37,234
Net Amount for Build Out	\$	447,478
ERCs at Build Out		1,244
Connection Fee Per ERC	\$	360
Proposed Fee at 75% CIAC Limitation	\$	270

**NC Real Estate Projects LLC d/ba/ Grenelefe Utility**  
**Proposed Wastewater Plant Connection Fee**  
**Proposed General Plant Costs**  
**In Accordance With Rule 25-30.580**

Estimated Vehicle Replacement Cost	\$	100,745
Estimated Project Completion Date		June 2026
Years to Build Out		6
Depreciation Rate (%) NARUC Acct 341		16.67%
Annual Depreciation Expense	\$	16,794
Net Amount for Build Out	\$	(20)
ERCs at Build Out		1,200
Connection Fee Per ERC	\$	(0)
Proposed Fee at 75% CIAC Limitation	\$	(0)

**NC Real Estate Projects LLC d/ba/ Grenelefe Utility**  
**Proposed Service Availability Charges**  
**Wastewater Plant Connection Charge Key Criteria**

Existing Permitted Plant Capacity	340,000	GPD
Proposed Plant Capacity after Expansion	495,000	GPD
Existing Plant Flows (AADF)	195,000	GPD
Capacity Available to Serve New Connections	300,000	GPD
Flow Per Connection for New Development Per County	260	GPD
Number of New Connections Plant Can Serve to Buildout	1,154	ERCs
Estimated Plant Expansion Cost Per Engineer	\$ 16,300,000	
NARUC Account 380 Impacted by Expansion		
Depreciation/Amortization Rate for Acct 380	5.56%	Class A/B
Annual Depreciation/Amortization Expense	\$ 906,280	
Estimated Annual Growth - ERCs	200	ERCs
Years to Build Out	5.77	Years
Required Completion Date	30-Nov-26	
Original Treatment Plant is Fully Depreciated		



**NC Real Estate Projects LLC d/ba/ Grenelefe Utility**  
**Proposed Water Plant Connection Fee**  
**Proposed Service Availability Charges**  
**In Accordance With Rule 25-30.580**

Meter Replacement Component	\$	449
Fire Hydrant Component	\$	95
Hydro Tank Component	\$	362
Potable Wells Component	\$	96
Irrigation Wells Component	\$	406
Valve Replacement Component	\$	815
General Plant Component	\$	(0)
Total Water Service Availability Fee	\$	<hr/> 2,224

**NC Real Estate Projects LLC d/ba/ Grenelefe Utility**  
**Proposed Meter Replacement Projects**  
**Proposed Water Plant Connection Fee**  
**In Accordance With Rule 25-30.580**

Estimated Meter Project Cost	\$	1,026,143
Estimated Project Completion Date		December 2025
Years to Build Out		6
Depreciation Rate NARUC Acct 334		5.00%
Annual Depreciation Expense	\$	51,307
Net Amount for Build Out	\$	718,300
ERCs At Build Out		1,200
Connection Fee Per ERC	\$	599
Proposed Fee at 75% CIAC Limitation	\$	449

**NC Real Estate Projects LLC d/ba/ Grenelefe Utility**  
**Proposed Water Plant Connection Fee**  
**Proposed Fire Hydrant Replacement Program**  
**In Accordance With Rule 25-30.580**

Estimated Fire Hydrant Project Cost	\$	174,900
Estimated Project Completion Date		June 2026
Years to Build Out		6
Depreciation Rate (%) NARUC Acct 335		2.22%
Annual Depreciation Expense	\$	3,883
Net Amount for Build Out	\$	151,603
ERCs at Build Out		1,200
Connection Fee Per ERC	\$	126
Proposed Fee at 75% CIAC Limitation	\$	95

**NC Real Estate Projects LLC d/ba/ Grenelefe Utility**  
**Proposed Water Plant Connection Fee**  
**Proposed Hydro Tank Replacement Program**  
**In Accordance With Rule 25-30.580**

Estimated Hydro Tanks Project Cost	\$	700,000
Estimated Project Completion Date		June 2026
Years to Build Out		6
Depreciation Rate (%) NARUC Acct 330		2.86%
Annual Depreciation Expense	\$	20,020
Net Amount for Build Out	\$	579,880
ERCs at Build Out		1,200
Connection Fee Per ERC	\$	483
Proposed Fee at 75% CIAC Limitation	\$	362

**NC Real Estate Projects LLC d/ba/ Grenelefe Utility**  
**Proposed Water Plant Connection Fee**  
**Proposed Well Rehab Program**  
**In Accordance With Rule 25-30.580**

Estimated Wells 6 and 10 Project Cost	\$	192,914
Estimated Project Completion Date		June 2026
Years to Build Out		6
Depreciation Rate (%) NARUC Acct 307		3.33%
Annual Depreciation Expense	\$	6,424
Net Amount for Build Out	\$	154,370
ERCs at Build Out		1,200
Connection Fee Per ERC	\$	129
Proposed Fee at 75% CIAC Limitation	\$	96

**NC Real Estate Projects LLC d/ba/ Grenelefe Utility**  
**Proposed Water Plant Connection Fee**  
**Proposed Irrigation Well Rehab Program**  
**In Accordance With Rule 25-30.580**

Estimated Irrigation Wells Project Cost	\$	811,803
Estimated Project Completion Date		June 2026
Years to Build Out		6
Depreciation Rate (%) NARUC Acct 307		3.33%
Annual Depreciation Expense	\$	27,033
Net Amount for Build Out	\$	649,605
ERCs at Build Out		1,200
Connection Fee Per ERC	\$	541
Proposed Fee at 75% CIAC Limitation	\$	406

**NC Real Estate Projects LLC d/ba/ Grenelefe Utility**  
**Proposed Water Plant Connection Fee**  
**Proposed Valve Replacement Program**  
**In Accordance With Rule 25-30.580**

Estimated Valve Replacement Project Cost	\$	1,716,374
Estimated Project Completion Date		June 2026
Years to Build Out		6
Depreciation Rate (%) NARUC Acct 331		4.00%
Annual Depreciation Expense	\$	68,655
Net Amount for Build Out	\$	1,304,444
ERCs at Build Out		1,200
Connection Fee Per ERC	\$	1,087
Proposed Fee at 75% CIAC Limitation	\$	815

**NC Real Estate Projects LLC d/ba/ Grenelefe Utility**  
**Proposed Water Plant Connection Fee**  
**Proposed General Plant Costs**  
**In Accordance With Rule 25-30.580**

Estimated Vehicle Replacement Cost	\$	100,745
Estimated Project Completion Date		June 2026
Years to Build Out		6
Depreciation Rate (%) NARUC Acct 341		16.67%
Annual Depreciation Expense	\$	16,794
Net Amount for Build Out	\$	(20)
ERCs at Build Out		1,200
Connection Fee Per ERC	\$	(0)
Proposed Fee at 75% CIAC Limitation	\$	(0)



**NC Real Estate Projects LLC d/ba/ Grenelefe Utility**  
**Proposed Water Service Availability Charges**  
**Water Plant Connection Charge Key Criteria**

**Water Project Summary and Cost Data:**

Radio Read Meter Replacemnt Program	\$	1,026,143
Fire Hydrant Replacement Program (15 hydrants)	\$	174,900
Hydro Tank Replacements - Two@350,000 each	\$	700,000
Potable Well #10 Rehab	\$	96,457
Potable Well #6 Rehab	\$	96,457
Non Potable Irrigation Wells (8 wells at \$101,475 Ea.)	\$	811,803
Valve Replacement Program 10/Yr over 10 Years	\$	1,716,374
General Plant (50% Water 50% Sewer)	\$	100,745
Toal All Projects	\$	4,722,879
 New Growth Per Year		 200 ERCs
Years to Build Out		6.00