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April 25, 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,

As requested by staff, the utility provided on March 10, 2025 an estimate and proposal for new Service Availability Charges for both water and wastewater service. Those proposed charges and the calculation thereof were based upon estimates from approximately December of 2024 for the various pro forma components of plant in service.

By separate letter filed today, bid proposals were submitted for each of the pro forma plant additions that the utility must undertake immediately.

Given that we now have actual bid proposals for each of those components (with the exception of the new sewage treatment plant works), we have updated the previously submitted schedules outlining the proposed service availability charge for both water and wastewater.

Therefore, the utility's request for establishing new water and wastewater service availability charges should be updated so that the utility is now requesting a water service availability charge of $2,402 and a wastewater service availability charge of $7,434. That previous request should be updated for these changes.

Time is of the essence in getting appropriate service availability charges in place for this utility for several reasons.

1. The utility cannot obtain financing for the required improvements until a new service availability charge is approved. - The utility must undertake and complete substantial upgrades to its wastewater treatment facility within the next 18-24 months in order to comply with DEP mandates. In order to do so, the utility must obtain substantial bank financing. However, no bank will even entertain such financing without the utility demonstrating that a clear source of loan repayment monies is in place. PSC rules and guidelines call for the establishment of service availability charges to cover 75% of the cost of plant in

service. Therefore, the establishment of both increased rates and even more critically, increased service availability charges, is a prerequisite to financing and building the mandated wastewater plant improvements

2. The utility cannot enter into final contracts for construction of mandated wastewater treatment plant improvements until new service availability charges are in place. – The owner of this small system has begun the process of bringing the utility systems up to standards. However, by far the biggest project that must be undertaken is also the one that is specifically mandated by DEP. In order to enter into contracts for the majority of the mandated construction there must be service availability charges in place to repay the loans for such construction

3. Substantial increase in new connections expected. The utility is anticipating a substantial increase in the number of the new connections demanding service within the utility's current service territory in the next few months. In order to avoid the inequity of those newest connections being accessed at the utility's current service availability fee of $0 for water and $0 for wastewater, the immediate approval of charges substantially higher, is imperative, even if authorized on an interim basis subject to refund.

Based on the above, the utility is hereby requesting expedited consideration of increased service availability charges. There does not appear to be a need for delays until late summer or fall to address the needs for increased charges for this company.

If the Commission staff has any questions, or there is anything the utility can do to get immediate action on these issues, please let us know.

Sincerely,

SUNDSTROM & MINDLIN, LLP

F. Marshall Deterding
Of Counsel

FMD/brf

NC Real Estate Projects LLC d/b/a Grenelefe Utility

Proposed Water Plant Connection Fee

Proposed Service Availability Charges

In Accordance With Rule 25-30.580

		Dec-24 Original Estimate	Apr-25 Low Bid
Meter Replacement Component	$	449	479
Fire Hydrant Component	$	95	127
Hydro Tank Component	$	362	249
Potable Wells Component	$	96	121
Irrigation Wells Component	$	406	420
Valve Replacement Component	$	815	901
General Plant Component	$	(0)	0
Total Water Service Availability Fee	$	2,224	2,402

NC Real Estate Projects LLC d/b/a Grenelefe Utility

Proposed Meter Replacement Projects

Proposed Water Plant Connection Fee

In Accordance With Rule 25-30.580

		Dec-24 Original Estimate	Apr-25 Low Bid
Estimated Meter Project Cost	$	1,026,143	1,095,443
Estimted Project Completion Date		December 2025	
Years to Build Out		6	
Depreciation Rate NARUC Acct 334		5.00%	
Annual Depreciation Expense	$	51,307	54,772
Net Amount for Build Out	$	718,300	766,810
ERCs At Build Out		1,200	
Connection Fee Per ERC	$	599	639
Proposed Fee at 75% CIAC Limitation	$	449	479

NC Real Estate Projects LLC d/b/a Grenelefe Utility

Proposed Water Plant Connection Fee

Proposed Fire Hydrant Replacement Program

In Accordance With Rule 25-30.580

		Dec-24 Original Estimate	Apr-25 Low Bid
Estimated Fire Hydrant Project Cost	$	174,900	234,000
Estimated Project Completion Date		June 2026	
Years to Build Out		6	
Depreciation Rate (%) NARUC Acct 335		2.22%	
Annual Depreciation Expense	$	3,883	5,195
Net Amount for Build Out	$	151,603	202,831
ERCs at Build Out		1,200	
Connection Fee Per ERC	$	126	169
Proposed Fee at 75% CIAC Limitation	$	95	127

NC Real Estate Projects LLC d/b/a Grenelefe Utility

Proposed Water Plant Connection Fee

Proposed Hydro Tank Replacement Program

In Accordance With Rule 25-30.580

		Dec-24 Original Estimate	Apr-25 Low Bid
Estimated Hydro Tanks Project Cost	$	700,000	480,786
Estimated Project Completion Date		June 2026	
Years to Build Out		6	
Depreciation Rate (%) NARUC Acct 330		2.86%	
Annual Depreciation Expense	$	20,020	13,750
Net Amount for Build Out	$	579,880	398,283
ERCs at Build Out		1,200	
Connection Fee Per ERC	$	483	332
Proposed Fee at 75% CIAC Limitation	$	362	249

NC Real Estate Projects LLC d/b/a Grenelefe Utility

Proposed Water Plant Connection Fee

Proposed Potable Well Rehab Program

In Accordance With Rule 25-30.580

		Dec-24 Original Estimate	Apr-25 Low Bid
Estimated Wells 6 and 10 Project Cost	$	192,914	242,000
Estimated Project Completion Date		June 2026	
Years to Build Out		6	
Depreciation Rate (%) NARUC Acct 307		3.33%	
Annual Depreciation Expense	$	6,424	8,059
Net Amount for Build Out	$	154,370	193,648
ERCs at Build Out		1,200	
Connection Fee Per ERC	$	129	161
Proposed Fee at 75% CIAC Limitation	$	96	121

NC Real Estate Projects LLC d/b/a Grenelefe Utility

Proposed Water Plant Connection Fee

Proposed Irrigation Well Rehab Program

In Accordance With Rule 25-30.580

		Dec-24 Original Estimate	Apr-25 Low Bid
Estimated Irrigation Wells Project Cost	$	811,803	840,000
Estimated Project Completion Date		June 2026	
Years to Build Out		6	
Depreciation Rate (%) NARUC Acct 307		3.33%	
Annual Depreciation Expense	$	27,033	27,972
Net Amount for Build Out	$	649,605	672,168
ERCs at Build Out		1,200	
Connection Fee Per ERC	$	541	560
Proposed Fee at 75% CIAC Limitation	$	406	420

NC Real Estate Projects LLC d/b/a Grenelefe Utility

Proposed Water Plant Connection Fee

Proposed Valve Replacement Program

In Accordance With Rule 25-30.580

		Dec-24 Original Estimate	Apr-25 Low Bid
Estimated Valve Replacement Project Cost	$	1,716,374	1,897,176
Estimated Project Completion Date		June 2026	
Years to Build Out		6	
Depreciation Rate (%) NARUC Acct 331		4.00%	
Annual Depreciation Expense	$	68,655	72,640
Net Amount for Build Out	$	1,304,444	1,441,854
ERCs at Build Out		1,200	
Connection Fee Per ERC	$	1,087	202
Proposed Fee at 75% CIAC Limitation	$	815	901

NC Real Estate Projects LLC d/b/a 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/b/a Grenelefe Utility
Proposed Water Service Avialability Charges
Water Plant Connection Charge Key Criteria

Water Project Summary and Cost Data:		Dec-24 Original Estimate	Apr-25 Low Bid
Radio Read Meter Replacemnt Program	$	1,026,143	1,095,443
Fire Hydrant Replacement Program (15 hydrants)	$	174,900	234,000
Hydro Tank Replacements - Two@350,000 each	$	700,000	480,786
Potable Well #10 Rehab	$	96,457	121,000
Potable Well #6 Rehab	$	96,457	121,000
Non Potable Irrigation Wells (8 wells at $101,475 Ea.)	$	811,803	840,000
Valve Replacement Program 10/Yr over 10 Years	$	1,716,374	1,897,170
General Plant (50% Water 50% Sewer)	$	100,745	73,639
Toal All Projects	$	4,722,879	4,863,038
New Growth Per Year		200 ERCs	
Years to Build Out		6.00	

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

		December 2024 Original Estimate	25-Apr Low Bid
Plant Component	$	7,060	7,060*
Lift Station Component	$	270	374
General Plant Component	$	(0)	0
Total Wastewater Connection Fee	$	7,329	7434

*Bid have not been let on the wastewater treatment plant construction project required by DEP. For the purpose of proposed connection charges, we are depending on the most recent cost estimate, which is from December 2024.

NC Real Estate Projects LLC d/b/a 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/b/a Grenelefe Utility

Proposed Wastewater Plant Connection Fee

Proposed Lift Station Rehabilitation

In Accordance With Rule 25-30.580

		Dec-24 Original Estimate	25-Apr LowBid
Estimated Lift Stations Project Cost	$	670,881	928,217
Estimated Project Completion Date		June 2026	
Years to Build Out		6	
Depreciation Rate (%) NARUC Acct 371		5.55%	
Annual Depreciation Expense	$	37,234	51,350
Net Amount for Build Out	$	447,478	620,120
ERCs at Build Out		1,244	
Connection Fee Per ERC	$	360	498
Proposed Fee at 75% CIAC Limitation	$	270	374

NC Real Estate Projects LLC d/b/a 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 Avialability 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 Buidout		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	
Estimaed Annual Growth - ERCs		200	ERCs
Years to Build Out		5.77	Years
Required Completion Date		30-Nov-26	
Original Treatment Plant is Fully Depreciatied			