



**BEN ALBRITTON**  
*President of the Senate*

**STATE OF FLORIDA**  
**OFFICE OF PUBLIC COUNSEL**

c/o THE FLORIDA LEGISLATURE  
111 WEST MADISON ST.  
SUITE 812  
TALLAHASSEE, FLORIDA 32399-1400  
850-488-9330  
EMAIL: OPC\_WEBSITE@LEG.STATE.FL.US  
WWW.FLORIDAOPC.GOV



**DANIEL PEREZ**  
*Speaker of the House of Representatives*

January 29, 2026

Mr. Adam J. Teitzman  
Florida Public Service Commission  
Office of Commission Clerk  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

**Re: Docket No. 20250023-WS – Application for staff-assisted rate case in Polk County, by NC Real Estate Projects, LLC d/b/a Grenelefe Utility (Grenelefe or Utility).**

Dear Mr. Teitzman:

On Wednesday, January 28, 2026, the OPC emailed a Fourth Letter of Observations to Commission staff and the parties of record, as attached, but inadvertently did not file it with the Clerk's office. The OPC would request that the letter be added to the docket at this time.

Please contact our office if you have any questions.

Respectfully submitted,

/s/ Stephanie Bailey  
Stephanie Bailey  
Senior Administrative Assistant  
bailey.stephanie@leg.state.fl.us  
(850) 488-9330

Attachment

cc: Parties of Record

**Bailey, Stephanie**

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**From:** Bailey, Stephanie  
**Sent:** Wednesday, January 28, 2026 12:17 PM  
**To:** ateitzma@psc.state.fl.us; martyd@rsbattorneys.com; 'Jacob Imig';  
aramirez@psc.state.fl.us; msibley@psc.state.fl.us; LSMITH@PSC.STATE.FL.US;  
SBRUCE@PSC.STATE.FL.US; gkelley@psc.state.fl.us; jcohn@psc.state.fl.us  
**Cc:** Trierweiler, Walt; Rehwinkel, Charles; Fletcher, Bart; Howard, Bernadette  
**Subject:** Docket No. 20250023-WS OPC's Fourth Letter of Observations for Grenelefe SARC  
**Attachments:** 20250023-WS OPC Fourth Letter of Observations for Grenelefe.pdf

Good afternoon Mr. Teitzman:

Please find the attached correspondence in the above-referenced docket.

If you have any questions, please do not hesitate to contact our office.

*Stephanie Bailey*

Office of Public Counsel  
111 West Madison Street, Room 812  
Tallahassee, FL 32399-1400  
Main Phone: 850.488.9330  
Direct: 850.717.0335



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850-488-9330  
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[WWW.FLORIDAOPC.GOV](http://WWW.FLORIDAOPC.GOV)



**DANIEL PEREZ**  
*Speaker of the House of Representatives*

January 28, 2026

**VIA: ELECTRONIC FILING**

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

**Docket No. 20250023-WS – Application for staff-assisted rate case in Polk County, by NC Real Estate Projects, LLC d/b/a Grenelefe Utility (Grenelefe or Utility).**

Dear Mr. Teitzman:

The intent of this letter is to advise the Commission Staff and Commission of the Office of Public Counsel's (OPC) observations and concerns of the Recommendation filed on January 22, 2026. First and foremost, the OPC would like to express its appreciation for and acknowledgement of all the hard work put into this PAA recommendation by the Commission Staff.

*Issue 5*

On page 26 of the Recommendation, it states the following in the recommendation paragraph: "The appropriate return on equity (ROE) is 10.51 percent with a range of 9.51 percent to 11.51 percent. The appropriate overall rate of return is 9.00 percent. (Cohn)" For purposes of evaluation of the revenue requirement and continuity in future cases and in order for the Commission vote sheet to accurately capture all approved adjustments that are recommended by the Commission Staff, the OPC suggests that the recommended specific adjustments of \$2,305,092 for long-term debt and \$768,364 for common equity reflected on page 51 of Schedule No. 2 should also be reflected in the recommendation paragraph on page 26 of the Recommendation.

Further, in Table 4-1 on page 16 of the Recommendation, the Commission Staff has recommended \$2,708,233 in pro forma plant additions for which corresponding adjustments to long-term debt and common equity were made to fund them. On page 38 of the Recommendation, the initial customer deposits are increased from \$19.80 to \$72 for water and \$25.56 to \$89 for wastewater. In response to Staff's Fourth Data Request dated September 16, 2025, the Utility stated the following:

5. Lennar Homes has informed NC Real Estate Projects, LLC that its building schedule will produce 12 new homes for connection to the Utility per month requiring 2 Neptune Digital Water Meters. Lennar's project manager provided this information to NC Real Estate Projects, LLC. Every development with Lennar is factored to be built and sold in as little time as possible.

Using two homes a month with two meters per home starting in October 2025 through June 2026 (which is the projected in-service date of the pro forma meter replacements), it conservatively yields the collection of 72 additional initial customer deposits. Applying the current initial customer deposits at \$19.80 for water and \$25.56 for wastewater which represents a total amount of \$3,266 [ $72 * (\$19.80 + \$25.56)$ ]. As such, the OPC recommends a corresponding specific, pro forma adjustment to customer deposits of \$3,266 for which the effect would be lowering the overall cost of capital by one basis point from 9.00% to 8.99%.

#### *Issue 7*

The OPC offers some observations regarding the taxes other than income (TOTI). First, on the "TY\_Rev & TOTI" tab of the Excel file named "Worksheet\_20250023-WS 1-23 FINAL.xlsx",<sup>1</sup> in Cell L10, the Recommendation omits the Audit Staff Report adjustment of \$1,111 for water property taxes.

Second, inconsistent with Commission practice, the Recommendation does not recognize or adjust for the Utility's foregone 4% discount associated with the historical test year property taxes. As reflected on page 16 of the Staff Audit Report, property taxes for water and wastewater are \$4,959 and \$1,466, respectively. Based on official audit workpapers 53-3 and 53-4, the 2024 water property taxes of \$4,959 consisted of \$4,919.82 of tangible personal property taxes and \$39.58 of real estate property taxes. The 4% foregone discount for water property taxes is \$198 ( $\$4,959 * .04$ ). Based on official audit workpaper 53-5, the 2024 wastewater property taxes of \$1,466 consisted of \$1,465.97 of real estate property taxes. The 4% foregone discount for wastewater property taxes is \$59 ( $\$1,466 * .04$ ).

Third, the recommendation overstates pro forma property taxes. On the "Data" tab of the Excel file named "Worksheet\_20250023-WS 1-23 FINAL.xlsx", the Recommendation reflects a millage rate of "0.0136187" in Cell D17. This millage rate of 0.0136187 does not appear to be supported in the documentation and was used in the formulas of the "WProForma" and "SProForma" tabs to calculate the pro forma property taxes for water and wastewater of \$15,119 and \$10,071, respectively. Based on official audit workpapers 53-3, 53-4 and 53-5, the 2024 millage rates for water and wastewater were .0129429 and .0129821, respectively. Based on the attached 2025 tax invoices, the 2025 millage rates for water and wastewater were reduced to .0129291 and .0129761, respectively. Given that the millage rates were lowered in 2025 and the pro forma additions have yet to be completed, it would seem appropriate to utilize the 2025 millage rates to calculate pro forma property taxes. Doing so yields pro forma property taxes of \$14,353

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<sup>1</sup> On January 23, 2026, the OPC received all the Commission Staff's Excel files containing its workpapers associated with the Recommendation.

for water and \$9,596 for wastewater. This represents reductions of \$766 (\$15,119-\$14,353) for water and \$475 (\$10,071-\$9,596) for wastewater from the recommended amounts.

#### *Wastewater Interim Refund*

The Recommendation is silent on whether any interim refund is warranted. The OPC believes this is an oversight. In this regard, as reflected on page 3 of the Recommendation, the Commission approved the Utility's interim rates on March 11, 2025. By Order No. PSC-2025-0072-PCO-WS, the Commission approved interim revenue requirements of \$424,149 for water and \$567,422 for wastewater. In determining whether an interim refund is warranted, adjustments made in the rate case test period that do not relate to the period that interim rates are in effect should be removed under Commission policy and practice. Rate case expense is an example of an adjustment which is recovered only after final rates are established.

In performing the analysis required under Commission policy and practice, the OPC calculated interim period revenue requirements by utilizing the same data used to establish final rates. Current rate case expense and incomplete pro forma projects were removed because these items are prospective in nature and did not occur during the interim collection period. Using the principles discussed above, the granted water interim test year revenue requirement was less than the calculated interim period revenue requirement. However, the granted wastewater interim test year revenue requirement of \$567,422 was greater than the calculated interim period revenue requirement of \$521,832. As a result, a wastewater interim refund with interest is warranted.

For the calculated interim period revenue requirements, the OPC utilized the Commission Staff's Excel file named "Worksheet\_20250023-WS 1-23 FINAL.xlsx" and made the following adjustments: 1) removed all pro forma adjustments from the "WProForma" and "SProForma" tabs; 2) removed rate case expense; 3) included the omitted audit adjustment of \$1,111 for water property taxes discussed above; and 4) reduced 2024 historical test year property taxes for the 4% foregone discount by the Utility consistent with Commission practice.

#### **Conclusion**

In conclusion, the OPC respectfully requests the Commission Staff and the Commission consider the above-mentioned observations and concerns in reaching a final determination of its Proposed Agency Action. Once again, the OPC is impressed with the thorough nature of the Recommendation in this very complicated case.

Respectfully submitted,

/s/ *Bart Fletcher*

Bart Fletcher  
Legislative Analyst

Attachments

**JOE G. TEDDER, TAX COLLECTOR  
POLK COUNTY, FLORIDA**

**2025 REAL ESTATE PROPERTY TAX BILL**

ACCOUNT NUMBER  
282806-000000-043020

**PAY, SEARCH OR PRINT RECEIPT AT**  
**polktaxes.com**  
**(863) 534-4700**

01/27/2026 09:46:36

**NOTICE OF AD VALOREM TAXES AND NON-AD VALOREM ASSESSMENTS**

CANO JAIME L  
11 CANTERBURY DR  
HAINES CITY, FL 33844-9717

**\*\*\* ESCROW\*\*\***

11 CANTERBURY DR  
BEG SW COR OF SEC RUN N 1458.34 FT E 805.66  
FT N 70 DEG 10 MIN 26 SEC E 82.59 FT TO POB  
RUN N 70 DEG 10 MIN 26 SEC E 2.41 FT N 51 DEG  
\*\*\* SEE TAX ROLL FOR EXTRA LEGAL \*\*\*

RETAIN THIS PORTION  
FOR YOUR RECORDS

AD VALOREM TAXES						
TAXING AUTHORITY	ASSESSED VALUE	EXEMPTION	TAXABLE VALUE	MILLAGE RATE	TAXES LEVIED	
C101 POLK COUNTY TRANSPORTATION	171,842	0	171,842	1.2000	\$206.21	
C100 POLK COUNTY GENERAL FUND	171,842	0	171,842	4.9848	\$856.60	
C102 POLK COUNTY EMERGENCY MEDICAL	171,842	0	171,842	0.2500	\$42.96	
C103 POLK COUNTY ENV LANDS MGMT	171,842	0	171,842	0.0500	\$8.59	
C104 POLK COUNTY ENV LANDS ACQUISITION	171,842	0	171,842	0.1500	\$25.78	
200 POLK COUNTY PARKS	171,842	0	171,842	0.5286	\$90.84	
210 POLK COUNTY LIBRARY	171,842	0	171,842	0.1985	\$34.11	
220 POLK COUNTY STORMWATER	171,842	0	171,842	0.0941	\$16.17	
110 SCHOOL GENERAL FUND	195,500	0	195,500	3.7900	\$740.94	
100 SCHOOL LOCAL CAPITAL IMPROVEMENT	195,500	0	195,500	1.5000	\$293.25	
360 SOUTHWEST FLA WATER MGMT DIST	171,842	0	171,842	0.1831	\$31.46	
<b>TOTAL</b>				<b>12.9291</b>	<b>\$2,346.91</b>	

NON-AD VALOREM ASSESSMENTS			
LEVYING AUTHORITY	RATE	UNITS	AMOUNT
FI000 - POLK COUNTY FIRE SERVICES	0.00	1.00	\$393.00
SW001 - POLK SOLID WASTE-COLLECTION	281.65	1.00	\$281.65
SW002 - POLK SOLID WASTE-DISPOSAL	64.40	1.00	\$64.40
<b>TOTAL NON-AD VALOREM ASSESSMENTS</b>			<b>\$739.05</b>

COMBINED TAXES AND ASSESSMENTS \$3,085.96

If Paid By Please Pay	Jan 27, 2026 0.00
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**JOE G. TEDDER, TAX COLLECTOR  
POLK COUNTY, FLORIDA**

**2025 REAL ESTATE PROPERTY TAX BILL  
1360378**

ACCOUNT NUMBER  
282806-000000-043020

**\*\*\* ESCROW\*\*\***

CANO JAIME L  
11 CANTERBURY DR  
HAINES CITY, FL 33844-9717

11 CANTERBURY DR  
BEG SW COR OF SEC RUN N 1458.34 FT E 805.66  
FT N 70 DEG 10 MIN 26 SEC E 82.59 FT TO POB  
RUN N 70 DEG 10 MIN 26 SEC E 2.41 FT N 51 DEG  
\*\*\* SEE TAX ROLL FOR EXTRA LEGAL \*\*\*

**PAY ONLY ONE AMOUNT**

PAY IN U.S. FUNDS ON A U.S. BANK TO JOE G. TEDDER, TAX COLLECTOR -

If Paid By Please Pay	Jan 27, 2026 0.00
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**JOE G. TEDDER, TAX COLLECTOR  
POLK COUNTY, FLORIDA**

**2025 REAL ESTATE PROPERTY TAX BILL**

ACCOUNT NUMBER  
282806-000000-022010

**PAY, SEARCH OR PRINT RECEIPT AT**  
**polktaxes.com**  
**(863) 534-4700**

01/27/2026 09:42:49

**NOTICE OF AD VALOREM TAXES AND NON-AD VALOREM ASSESSMENTS**

NC REAL ESTATE PROJECTS LLC  
3425 TURNBERRY DR  
LAKELAND, FL 33803-5462

PINEWOOD CT  
BEG NW COR OF GRENELEFE CAMELOT CONDOMINIUM  
UNIT 2 CB 3 PGS 41 & 42 S 25 DEG 04 MIN 40  
SEC E ALONG W LINE OF SUB 220.23 FT N 65 DEG  
\*\*\* SEE TAX ROLL FOR EXTRA LEGAL \*\*\*

RETAIN THIS PORTION  
FOR YOUR RECORDS

AD VALOREM TAXES						
TAXING AUTHORITY	ASSESSED VALUE	EXEMPTION	TAXABLE VALUE	MILLAGE RATE	TAXES LEVIED	
C101 POLK COUNTY TRANSPORTATION	3,058	0	3,058	1.2000	\$3.67	
C100 POLK COUNTY GENERAL FUND	3,058	0	3,058	4.9848	\$15.25	
C102 POLK COUNTY EMERGENCY MEDICAL	3,058	0	3,058	0.2500	\$0.76	
C103 POLK COUNTY ENV LANDS MGMT	3,058	0	3,058	0.0500	\$0.15	
C104 POLK COUNTY ENV LANDS ACQUISITION	3,058	0	3,058	0.1500	\$0.46	
200 POLK COUNTY PARKS	3,058	0	3,058	0.5286	\$1.62	
210 POLK COUNTY LIBRARY	3,058	0	3,058	0.1985	\$0.61	
220 POLK COUNTY STORMWATER	3,058	0	3,058	0.0941	\$0.29	
110 SCHOOL GENERAL FUND	3,058	0	3,058	3.7900	\$11.58	
100 SCHOOL LOCAL CAPITAL IMPROVEMENT	3,058	0	3,058	1.5000	\$4.59	
360 SOUTHWEST FLA WATER MGMT DIST	3,058	0	3,058	0.1831	\$0.56	
<b>TOTAL</b>				<b>12.9291</b>	<b>\$39.54</b>	

NON-AD VALOREM ASSESSMENTS			
LEVYING AUTHORITY	RATE	UNITS	AMOUNT
TOTAL NON-AD VALOREM ASSESSMENTS			\$0.00

COMBINED TAXES AND ASSESSMENTS \$39.54

<b>If Paid By</b>	<b>Jan 31, 2026</b>	<b>Feb 28, 2026</b>	<b>Mar 31, 2026</b>	
<b>Please Pay</b>	<b>38.75</b>	<b>39.14</b>	<b>39.54</b>	

**JOE G. TEDDER, TAX COLLECTOR  
POLK COUNTY, FLORIDA**

**2025 REAL ESTATE PROPERTY TAX BILL**

1360366

ACCOUNT NUMBER  
282806-000000-022010

NC REAL ESTATE PROJECTS LLC  
3425 TURNBERRY DR  
LAKELAND, FL 33803-5462

PINEWOOD CT  
BEG NW COR OF GRENELEFE CAMELOT CONDOMINIUM  
UNIT 2 CB 3 PGS 41 & 42 S 25 DEG 04 MIN 40  
SEC E ALONG W LINE OF SUB 220.23 FT N 65 DEG  
\*\*\* SEE TAX ROLL FOR EXTRA LEGAL \*\*\*

**PAY ONLY ONE AMOUNT**

PAY IN U.S. FUNDS ON A U.S. BANK TO JOE G. TEDDER, TAX COLLECTOR -

<b>If Paid By</b>	<b>Jan 31, 2026</b>	<b>Feb 28, 2026</b>	<b>Mar 31, 2026</b>	
<b>Please Pay</b>	<b>38.75</b>	<b>39.14</b>	<b>39.54</b>	

**JOE G. TEDDER, TAX COLLECTOR  
POLK COUNTY, FLORIDA**

**2025 REAL ESTATE PROPERTY TAX BILL**

ACCOUNT NUMBER  
282808-000000-043020

**PAY, SEARCH OR PRINT RECEIPT AT**  
**polktaxes.com**  
**(863) 534-4700**

01/27/2026 09:48:58

**NOTICE OF AD VALOREM TAXES AND NON-AD VALOREM ASSESSMENTS**

NC REAL ESTATE PROJECTS LLC  
3425 TURNBERRY DR  
LAKELAND, FL 33803-5462

4501 ABBEY CT  
BEG NE COR OF GRENELEFE CLUB ESTATES PHASE  
ONE PB 86 PGS 13 & 14 W ALONG N LINE OF SUB  
316.82 FT N 32 DEG 15 MIN 17 SEC W 145.75 FT  
\*\*\* SEE TAX ROLL FOR EXTRA LEGAL \*\*\*

RETAIN THIS PORTION  
FOR YOUR RECORDS

AD VALOREM TAXES						
TAXING AUTHORITY	ASSESSED VALUE	EXEMPTION	TAXABLE VALUE	MILLAGE RATE	TAXES LEVIED	
C101 POLK COUNTY TRANSPORTATION	110,488	0	110,488	1.2000	\$132.59	
C100 POLK COUNTY GENERAL FUND	110,488	0	110,488	4.9848	\$550.77	
C102 POLK COUNTY EMERGENCY MEDICAL	110,488	0	110,488	0.2500	\$27.62	
C103 POLK COUNTY ENV LANDS MGMT	110,488	0	110,488	0.0500	\$5.52	
C104 POLK COUNTY ENV LANDS ACQUISITION	110,488	0	110,488	0.1500	\$16.57	
200 POLK COUNTY PARKS	110,488	0	110,488	0.5286	\$58.40	
210 POLK COUNTY LIBRARY	110,488	0	110,488	0.1985	\$21.93	
220 POLK COUNTY STORMWATER	110,488	0	110,488	0.0941	\$10.40	
110 SCHOOL GENERAL FUND	111,581	0	111,581	3.7900	\$422.89	
100 SCHOOL LOCAL CAPITAL IMPROVEMENT	111,581	0	111,581	1.5000	\$167.37	
320 SOUTH FLA WATER MGMT DIST	110,488	0	110,488	0.0948	\$10.47	
340 OKEECHOBEE WATER MGMT DIST	110,488	0	110,488	0.1026	\$11.34	
330 EVERGLADES CONST PROJECT	110,488	0	110,488	0.0327	\$3.61	
<b>TOTAL</b>				<b>12.9761</b>	<b>\$1,439.48</b>	

NON-AD VALOREM ASSESSMENTS			
LEVYING AUTHORITY	RATE	UNITS	AMOUNT
FI000 - POLK COUNTY FIRE SERVICES	0.00	3.00	\$221.00
<b>TOTAL NON-AD VALOREM ASSESSMENTS</b>			<b>\$221.00</b>

COMBINED TAXES AND ASSESSMENTS \$1,660.48

<b>If Paid By</b>	<b>Jan 31, 2026</b>	<b>Feb 28, 2026</b>	<b>Mar 31, 2026</b>	
<b>Please Pay</b>	1,627.27	1,643.88	1,660.48	

**JOE G. TEDDER, TAX COLLECTOR  
POLK COUNTY, FLORIDA**

**2025 REAL ESTATE PROPERTY TAX BILL  
1361745**

ACCOUNT NUMBER  
282808-000000-043020

NC REAL ESTATE PROJECTS LLC  
3425 TURNBERRY DR  
LAKELAND, FL 33803-5462

4501 ABBEY CT  
BEG NE COR OF GRENELEFE CLUB ESTATES PHASE  
ONE PB 86 PGS 13 & 14 W ALONG N LINE OF SUB  
316.82 FT N 32 DEG 15 MIN 17 SEC W 145.75 FT  
\*\*\* SEE TAX ROLL FOR EXTRA LEGAL \*\*\*

**PAY ONLY ONE AMOUNT**

PAY IN U.S. FUNDS ON A U.S. BANK TO JOE G. TEDDER, TAX COLLECTOR -

<b>If Paid By</b>	<b>Jan 31, 2026</b>	<b>Feb 28, 2026</b>	<b>Mar 31, 2026</b>	
<b>Please Pay</b>	1,627.27	1,643.88	1,660.48	