

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for staff-assisted rate case in
Polk County, by NC Real Estate Projects, LLC
d/b/a Grenelefe Utility.

DOCKET NO. 20250023-WS
ORDER NO. PSC-2025-0362-PCO-WS
ISSUED: September 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 GRANTING INTERIM SERVICE AVAILABILITY CHARGES
FOR WATER AND WASTEWATER AND REQUIRING ESCROW ACCOUNT

BY THE COMMISSION:

Case 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 provides service to approximately 1,200 water and wastewater customers. The utility's service territory is located within the Southwest Florida Water Management District (SWFWMD). Grenelefe reported, in its 2024 Annual Report, net operating losses of \$197,676 for water and \$397,410 for wastewater.

On July 8, 2024, we approved the transfer of Certificate Nos. 589-W (water) and 507-S (wastewater) in Docket No. 20220142-WS to Grenelefe.¹ Subsequently, on September 17, 2024, Grenelefe filed an application for an amendment of its water and wastewater service territories.² We approved Grenelefe's certificate amendments on February 4, 2025, which included the addition of a new development of approximately 1,080 customers.³ Grenelefe's rates were last established during a staff-assisted rate case (SARC) in 2012.⁴

¹Order No. PSC-2024-0228-PAA-WS, issued July 8, 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.*

²Document No. 09049-2024.

³Order No. PSC-2025-0060-FOF-WS, issued February 24, 2025, in Docket No. 20240140-WS, *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.*

⁴Order No. PSC-2012-0433-PAA-WU, issued August 21, 2012, in Docket No. 20110141-WS, *In re: Application for staff-assisted rate case in Polk County by Grenelefe Resort Utility, Inc.*

On January 10, 2025, Grenelefe filed an application for a SARC and this docket was opened, with the official filing date of the SARC deemed March 3, 2025. The 12-month period ended October 31, 2024, was selected as the test year. In its application, the utility requested interim service availability charges. However, Grenelefe did not provide any proposed charges with its filing and withdrew its initial request for interim service availability charges.⁵

On March 10, 2025, the utility filed proposed service availability charges based on estimates of its pro forma plant additions it had received in December of 2024.⁶ Subsequently, on April 25, 2025, Grenelefe updated its requested service availability charges to reflect actual bid proposals for the pro forma plant additions.⁷

This Order addresses the utility's request for interim service availability charges. We have jurisdiction pursuant to Sections 367.011, 367.101, 367.091, and 367.121, Florida Statutes (F.S.)

Decision and Analysis

1. Interim Service Availability Charges are Approved

Service availability charges are one-time cash contributions new customers or developers make to a utility prior to connection with the utility's water or wastewater facilities. The charges are recorded as a contribution-in-aid-of-construction (CIAC) and are treated as an offset to rate base, which allows the utility to recover a portion of its investments, thereby reducing rates over time.

Historically, Grenelefe's water service availability charges consisted of a meter installation charge of \$65 and a service line extension and tap-in charge at actual cost. As part of a certificate transfer docket, this Commission approved an increase in Grenelefe's meter installation charge to \$600.⁸ There have been no prior approved service availability charges for the wastewater system.

In this pending SARC, Grenelefe provided cost estimates for several pro forma plant additions for both the water and wastewater systems, and those continue to be under review by our staff. Therefore, the service availability charges are subject to change. For the water system, Grenelefe has proposed to replace meters, fire hydrants, valves, and the hydro pneumatic tank; refurbish potable wells; and convert irrigation non-potable wells to potable wells. For the wastewater system, Grenelefe has proposed to modify the treatment plant and refurbish lift stations. Based on the requested pro forma plant additions, Grenelefe proposed interim service availability charges of \$2,402 for water and \$7,434 for wastewater.

⁵Document No. 00967-2025.

⁶Document No. 01438-2025.

⁷Document No. 03150-2025.

⁸Order No. PSC-2024-0228-PAA-WS, issued July 8, 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.*

While Rule 25-30.580, Florida Administrative Code, provides, as a guideline, that “[t]he maximum amount of [CIAC], net of amortization, should not exceed 75% of the total original cost, net of accumulated depreciation, of the utility’s facilities and plant when the facilities and plant are at their designed capacity,” this does not preclude us from exercising discretion. Our determination here is based on the interim nature of the service availability charges approved herein and the requirement that all funds collected pursuant to these charges be held in escrow, as further detailed below. Additionally, Grenelefe currently has no service availability charges (beyond a \$600 meter installation charge) and the utility has represented that it requires interim service availability charges in order to secure funding for needed improvements.

Thus, after due consideration of the particular circumstances of this request, interim service availability charges of \$2,402 for water and \$7,434 for wastewater as requested by Grenelefe are hereby approved. The utility shall be required to file a revised tariff sheet to reflect these interim charges, which shall be subject to refund, as approved by this Commission. Per Rule 25-30.475(2), Florida Administrative Code (F.A.C.), the approved interim service availability charges shall be effective for connections made on or after the stamped approval date on the tariff sheet, provided that customers have received notice. Additionally, the approved interim charges shall not be implemented until our staff has approved the utility’s proposed customer notice and the notice has been received by property owners who requested service beginning 12 months prior to the establishment of this docket, with the utility providing proof of such notice within 10 days of the date of notice. Further, the approved interim service availability charges shall not be implemented by Grenelefe until the required security, as detailed below, has been established. The interim service availability charges granted by this order shall be held subject to refund, pending this Commission’s decision on appropriate pro forma plant additions and final resolution of this SARC.

2. The Appropriate Security to Guarantee the Interim Increase

Pursuant to Section 367.082, F.S., the excess of interim rates over previously authorized rate are required to be collected under guarantee subject to refund with interest. Given that Grenelefe did not previously collect charges (other than a \$600 meter installation charge), it is appropriate to require that the interim service availability charges of \$2,402 for water and \$7,434 for wastewater be held in escrow as security for any potential refund.

Grenelefe shall be required to establish an escrow agreement with an independent financial institution, with the following conditions imposed and made a part of the escrow agreement with the financial institution:

1. The Commission Clerk, or his or her designee, must be a signatory to the escrow agreement.
2. No monies in the escrow account may be withdrawn by the utility without the prior written authorization of the Commission Clerk, or his or her designee.
3. The escrow account shall be an interest bearing account.

4. If a refund to customers is required, all interest earned by the escrow account shall be distributed to the customers who paid such charges.
5. If a refund to the customers is not required, the interest earned by the escrow account shall inure to the utility.
6. All information on the escrow account shall be available from the holder of the escrow account to a Commission representative at all times.
7. The amount of revenue subject to refund shall be deposited in the escrow account within seven days of receipt.
8. This escrow account is established per the direction of the Florida Public Service Commission for the purpose(s) set forth in its order requiring such account. Pursuant to *Cosentino v. Elson*, 263 So. 2d 253 (Fla. 3d DCA 1972), escrow accounts are not subject to garnishments.
9. The account must specify by whom and on whose behalf such monies were paid.

Grenelefe shall be authorized to collect the interim service availability charges granted herein after Commission staff administratively approves: (1) the revised tariff sheets; (2) the copy of the proposed customer notice; and (3) the escrow agreement established with a financial institution.

Any maintenance and administrative costs associated with the refund shall not be borne by Grenelefe's customers. These costs are the responsibility of, and shall be borne solely by, Grenelefe. Grenelefe will be required to maintain an accounting of all monies received as a result of the interim service availability charges. If we determine that a refund of service availability charges is ultimately required, any refund shall include interest calculated pursuant to Rule 25-30.360(4), F.A.C.

After the interim service availability charges approved herein are in effect, Grenelefe shall, pursuant to Rule 25-30.360, F.A.C., file reports with the Commission Clerk's office no later than the 20th day of every month indicating the monthly and total amount of monies subject to refund at the end of the preceding month and including an accounting of all monies held in the escrow account.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the application of NC Real Estate Projects LLC d/b/a Grenelefe Utility for interim water and wastewater service availability charges is hereby granted. The appropriate collection of interim service availability charges shall be \$2,402 for water and \$7,434 for wastewater by NC Real Estate Projects LLC d/b/a Grenelefe Utility. It is further

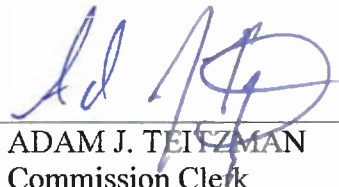
ORDERED that NC Real Estate Projects LLC d/b/a Grenelefe Utility shall file a revised tariff sheet and proposed notice to reflect the approved service availability charges. It is further

ORDERED that NC Real Estate Projects LLC d/b/a Grenelefe Utility shall provide notice to any property owners who requested service beginning 12 months prior to the establishment of this docket, with proof of such noticing provided by the utility to this Commission within 10 days of rendition of an approved customer notice. It is further

ORDERED that the collection of interim service availability charges of \$2,402 for water and \$7,434 for wastewater by NC Real Estate Projects LLC d/b/a Grenelefe Utility shall further only be permitted upon the utility's satisfactory establishment of an escrow account with a financial institution and with the provisions listed above in Section 2. It is further

ORDERED that the Florida Public Service Commission's decision herein shall be considered interim and this docket shall remain open pending final resolution of this staff-assisted rate case.

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



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
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Tallahassee, Florida 32399
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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.

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 this order, which is non-final in nature, may request (1) reconsideration within 10 days pursuant to Rule 25-22.0376, 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 or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Citizens of the State of Florida v. Mayo, 316 So.2d 262 (Fla. 1975), states that an order on interim rates is not final or reviewable until a final order is issued. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.