

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

PHONE (850) 877-6555

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July 9, 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,

The utility and its consultants and staff have now reviewed the contents of the PSC Staff audit report issued in the above-referenced matter. While we disagree with many of the adjustments made in that audit report, we believe that at least four areas of the audit clearly require modification to the findings of the audit report. These are in the following accounts:

- Account 711 sludge removal expense
- Account 615 and 715 purchase power
- Account 633 and 733 contractual services - legal
- Account 635 and 735 testing expenses

If the attached proposed changes to the audit report can be accepted by the Commission, the utility is willing to accept the auditor's report as to the test year. However, substantial adjustments to test year expenses are required to be made on a going forward basis because of changes outlined elsewhere in the documents filed by the utility in support of its pro forma adjustments.

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

Sincerely,

SUNDSTROM & MINDLIN, LLP

A handwritten signature in blue ink, appearing to read 'F. Marshall Deterding', is written over the printed name.

F. Marshall Deterding
Of Counsel

FMD/brf

Mr. Adam Teitzman, Clerk
July 9, 2025
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cc: Jacob Imig
Jennifer Augspurger
Ailynee Ramirez-Abundez
Gary Smith, II
Laura King
Marissa Ramos
Matthew Sibley
Sonica Bruce
Garret Kelley
Jared Folkman
Joshua Cohn
Jason Cox
Gary Morse

Utility Response to Staff Audit Adjustments to Accts 711 - Sludge Removal Expense

The audit report calls for an adjustment to Account 711 - Sludge Removal Expense. It appears that the Auditor tried to locate all invoices for the test year and then disallowed the difference between this total and the listed expense in the utility filing. While the utility does not have an issue with the theory underlying the adjustment, the auditor failed to include Invoice 18990 dated 10/30/2023 for \$5,625. This was received after November 1, 2023 and thus believe it should be included in the Test year expenses. The utility normally receives invoices for Sludge Removal at least 2-6 times per month. Failure to include this invoice leaves the utility with only one Sludge hauling invoice for November of 2023, the first month of the test year. Without this invoice the adjustment fails to include a full year of this expense. The invoice follows this page and should be added to the allowed annual expense for this account.



APPALACHIAN MATERIAL SERVICE, INC.

Invoice

PO BOX 97
 TERRA CEIA, FL 34250-0097
 PHONE: 941-776-8706

DATE	INVOICE #
10/30/2023	18990

BILL TO
GRENELEFE RESORT UTILITIES DEVELOPMENT 3425 TURNBERRY DRIVE LAKE LAND, FL 33803

LOADSHEET(S)
0770, 0771

VENDOR NUMBER	P.O. #	FACILITY	START DATE	END DATE
		GRENELEFE ...	10/22/2023	10/28/2023

DESCRIPTION	GALLONS	PRICE/GALLONS	AMOUNT
SLUDGE HAULING TRUCK T23 TO AMS BTF	31.250	0.18	5.625.00

WE APPRECIATE YOUR BUSINESS!

Total	\$5.625.00
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Utility Response to Staff Audit Adjustments to Accts 615 and 715 - Purchased Power

We have reviewed the adjustments for Purchased power during the Test year and determined that:

615 – Agrees at \$21,006.14

715 – Audit understates the expense by \$680.97

Reported for Test year \$76,433.12 less adjustments totals \$75,552.67. Audit Report adjusted balance \$74,871.70.

The Auditor used the 2024 PSC Annual Report numbers as her basis of analysis. We have chosen to focus on the test year numbers which the Auditor reviewed and confirmed, provided (\$1,888.39) in adjustments due to ancillary costs like lake fees, overstatement, and a typo. This audit is concerning the actual amounts paid and evidenced with substantiation for the expenses claimed during the test year. Thus trying to correlate the provided data to the annual amount from 1/1/2024 thru 12/31/2024, calendar year is a mismatch, and is not proper. The provided numbers were confirmed by the auditor.

Therefore the test year figures should be used rather than a different years figures.

Utility Response to Staff Aiudit Adjustments to Accts 633 & 733 - Contractual Legal Services

The Staff Audit Report disallowed amounts of (\$40,721.50) for 633 and (\$40,721.50) for 733 Contractual Services- Legal, as test year operating expenses. As we understand it, the reason for this disallowance is that these costs, incurred by the utility, are not recurring operating expenses for the test year. These costs were all related to the Certificate Transfer proceeding costs and thus should have been capitalized and added to the account 301 for Organization Costs and Amortized over time. We are asking that these disallowed fees be added to the Account 301, and the investment be part of Rate Base and provide the appropriate amortization expense annually on those costs.

Utility Response to Staff Audit Adjustments to Accts 635 and 735 – Contractual Services Testing

In reviewing the Audit workpapers for Expenses 635 and 735 , our calculations determined that the Auditor's determined amount of Expense for 635 Water Testing and 735 Wastewater Testing understates the expense by \$799.60 and \$532.40, respectively. Please refer to the following spreadsheet for the explanation. The Auditor's finding did not include 1 invoice from Ben Tech, LLC that billed for 4 PACE Environmental invoices for testing.

1. Ben Tech, LLC Invoice #024 for PACE Testing totaled \$1,259 for tests done in the test year.

Following this page will be the Spreadsheet summary of the Invoices from FL Spectrum Environmental, Pace (billed through Ben Tech) and Ben Tech LLC for the required Lead Test done.

Following the Spreadsheet will be all of the invoice evidence for all of these expenses from the vendors. The auditor allowed the only invoices missing but showing as paid from FL Spectrum Environmental are:

8/13/2024 P010137 \$97.00

8/21/2024 P010156 \$318.00

9/9/2024 P010223 \$350.00

9/9/2024 P010224 \$318.00

If we need to get the vendor to print these and send them to you, I will ask them to do so.

However, the statement shows from the vendor the invoices and that they were paid.

We are asking for a review of all of the provided Invoices and evidence to substantiate the expenses paid for Water Testing during the Test Year.

09/26/24
 Accrual Basis

Florida-Spectrum Environmental Services, Inc.
Customer Open Balance

All Transactions

Type	Date	Num	Memo	Due Date	Open Balance
NC Real Estate Projects, LLC					
Invoice	8/13/2024	P010137	balance due	8/13/2024	97.00
Payment	08/21/2024	Visa			(2,060.00)
Invoice	08/21/2024	P010137CC	credit card surcharge		60.00
Invoice	08/21/2024	P010156		08/21/2024	318.00
Invoice	09/09/2024	P010223		09/09/2024	350.00
Invoice	09/09/2024	P010224		09/09/2024	318.00
Credit balance					(917.00)
Invoice	09/25/2024	P010231	RUSH	09/25/2024	212.00
Invoice	09/25/2024	P010232	RUSH	09/25/2024	212.00
Credit balance					(493.00)
Invoice	09/25/2024	P010273		09/25/2024	429.00
Invoice	09/25/2024	P010274		09/25/2024	1,533.00
Invoice	09/25/2024	P010285		09/25/2024	1,533.00
Invoice	09/25/2024	P010286		09/25/2024	53.00
Invoice	09/25/2024	P010287		09/25/2024	53.00
Total NC Real Estate Projects, LLC					3,108.00
TOTAL					



INVOICE

Pace Analytical Services, LLC 41-1821617
Pace Analytical National 62-0814289

Pace Analytical Services, LLC
8 East Tower Circle
Ormond Beach, FL 32174
Phone: (386)672-5668

Date:	10/25/2024
Invoice #:	2435637402
Customer PO#:	
Terms:	Net 30
Due Date:	11/24/2024
Total Due:	\$434.00

Sold To:

Nathan Eckstein
Ben Tech Solutions LLC
10389 Leisure Lane W
Lake Wales, FL 33898
863-632-7529

Please Remit To:

Pace Analytical Services, LLC
P.O. Box 684056
Chicago, IL 60695-4056

Client Number/Client ID 35-003562 / BENTECH	Purchase Order No	Pace Project Mgr Cameron Meynardie	Terms** Net 30	Page 1
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Client Project: Grenelife Resort DBP's
Pace Project No: 35913823
Report Sent To: Nathan Eckstein, Ben Tech Solutions LLC
Comments:

Client Name: Ben Tech Solutions LLC
Sample Received: 10/22/2024

ANALYTICAL CHARGES

Quantity	Unit	Description	Method	Matrix	Price	Total
2	Ea	524.2 MSV THM	EPA 524.2	Drinking Water	\$70.00	\$140.00
2	Ea	552.3 Haloacetic Acids	EPA 552.3	Drinking Water	\$125.00	\$250.00
1	Ea	Environmental Impact Fee	Miscellaneous Charges	Drinking Water	\$30.00	\$30.00
2	Ea	Sample Disposal	Miscellaneous Charges	Drinking Water	\$7.00	\$14.00
Analytical Subtotal						\$434.00

Total Number of Charges 7

Total Invoice Amount \$434.00

*If you have any questions, please contact Cameron Meynardie at Pace.
Phone: 813-855-1844 Email: cameron.meynardie@pacelabs.com*

A CREDIT CARD SURCHARGE OF UP TO 3% MAY BE ADDED TO ANY PAYMENTS MADE VIA CREDIT CARD.

Page 1 of 1

****1.5% MONTHLY FINANCE CHARGE ASSESSED AFTER 30 DAYS OR TERMS OF CONTRACT.**

PLEASE REFERENCE THE INVOICE NUMBER ON ALL REMITTANCE ADVICE.

AN EQUAL OPPORTUNITY EMPLOYER

Please complete and return copy of invoice with your payment.

INVOICE TOTAL **\$434.00**

Amount Paid: \$ _____

Check No: _____

Customer No: 35-003562 Invoice No: 2435637402



INVOICE

Pace Analytical Services, LLC 41-1821617
Pace Analytical National 62-0814289

Pace Analytical Services, LLC
8 East Tower Circle
Ormond Beach, FL 32174
Phone: (386)672-5668

Date:	10/30/2024
Invoice #:	2435638176
Customer PO#:	
Terms:	Net 30
Due Date:	11/29/2024
Total Due:	\$275.00

Sold To:

Nathan Eckstein
Ben Tech Solutions LLC
10389 Leisure Lane W
Lake Wales, FL 33898
863-632-7529

Please Remit To:

Pace Analytical Services, LLC
P.O. Box 684056
Chicago, IL 60695-4056

Client Number/Client ID 35-003562 / BENTECH	Purchase Order No	Pace Project Mgr Cameron Meynardie	Terms** Net 30	Page 1
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Client Project: Grenelefe Resort
Pace Project No: 35915112

Client Name: Ben Tech Solutions LLC
Sample Received: 10/28/2024

Report Sent To: Nathan Eckstein, Ben Tech Solutions LLC
Comments:

ANALYTICAL CHARGES

Quantity	Unit	Description	Method	Matrix	Price	Total
1	Ea	Environmental Impact Fee	Miscellaneous Charges	Drinking Water	\$30.00	\$30.00
1	Ea	MBIO Total Coliform DW	SM 9223B	Drinking Water	\$20.00	\$20.00
1	Ea	Minimum Work Order Fee	Miscellaneous Charges	Drinking Water	\$218.00	\$218.00
1	Ea	Sample Disposal	Miscellaneous Charges	Drinking Water	\$7.00	\$7.00
					Analytical Subtotal	\$275.00

Total Number of Charges 4

Total Invoice Amount \$275.00

*If you have any questions, please contact Cameron Meynardie at Pace.
Phone: 813-855-1844 Email: cameron.meynardie@pacelabs.com*

A CREDIT CARD SURCHARGE OF UP TO 3% MAY BE ADDED TO ANY PAYMENTS MADE VIA CREDIT CARD.

Page 1 of 1

****1.5% MONTHLY FINANCE CHARGE ASSESSED AFTER 30 DAYS OR TERMS OF CONTRACT.**

PLEASE REFERENCE THE INVOICE NUMBER ON ALL REMITTANCE ADVICE.

AN EQUAL OPPORTUNITY EMPLOYER

Please complete and return copy of invoice with your payment.

INVOICE TOTAL \$275.00

Amount Paid: \$ _____

Check No: _____

Customer No: 35-003562 Invoice No: 2435638176