

Nickalus Holmes

From: Nickalus Holmes on behalf of Records Clerk
Sent: Tuesday, September 9, 2025 3:16 PM
To: 'Yossi Edelkopf'
Cc: Consumer Contact
Subject: RE: FW: Docket 20250023-WS – Objection to Staff's Proposed Rate Increases

Good afternoon

Your comments below will be placed in consumer correspondence in Docket No. 20250023, and forwarding them to the Office of Consumer Assistance.

Thank you,
Nick Holmes
Commission Deputy Clerk II
Office of Commission Clerk
Florida Public Service Commission
850-413-6770

PLEASE NOTE: Florida has a very broad public records law. Most written communications to or from state officials regarding state business are considered to be public records and will be made available to the public and the media upon request. Therefore, your email message may be subject to public disclosure.

From: Yossi Edelkopf <ye@alyaequities.com>
Sent: Tuesday, September 9, 2025 2:12 PM
To: Records Clerk <CLERK@PSC.STATE.FL.US>
Cc: Consumer Contact <Contact@PSC.STATE.FL.US>
Subject: Re: FW: Docket 20250023-WS – Objection to Staff's Proposed Rate Increases

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Corrected Exhibit A Attached

Before the Florida Public Service Commission

Docket No. 20250023-WS

In re: Application for Rate Increase by NC Real Estate Projects, LLC d/b/a Grenelefe Utility

Formal Objection to Staff Recommendation

Dear Commissioners,

I submit this objection as President of a Grenelefe condominium association and as a property owner with a significant stake in the community. The staff's recommendation to raise water and wastewater rates by such a large increase is unjust, unreasonable, and must be rejected in its entirety.

1. Contradiction with Owner's Sworn Affidavit

In 2022, when NC Real Estate Projects, LLC (d/b/a Grenelefe Utility) sought PSC approval to acquire the utility, its principal, Scott House, filed a sworn affidavit with this Commission (Exhibit A). In that affidavit, he guaranteed that he would:

- Provide or secure **all capital necessary** to meet the utility's reasonable capital needs,
- Cover **operating deficits**,
- Ensure that Grenelefe Utility was properly funded on an "as-and-when-needed basis."

That assurance was **critical to PSC approval** of the ownership transfer. Without it, ownership would have been denied or subjected to conditions.

The owner may attempt to argue that this language did not bind him personally, only that "funding would be made available" from some source. But the **intent** of the affidavit was clear: to assure the Commission that customers would have stability and that the utility would not be left in a position where necessary capital costs were shifted onto ratepayers.

The staff's recommendation produces exactly the opposite result. Instead of stability, residents face unprecedented rate shock — a tenfold increase in bills. Instead of protection, they are being asked to fund \$20 million in capital projects that were supposed to be secured by the owner. Allowing the affidavit to be interpreted as a hollow promise would make a mockery of the Commission's approval process and undermine public trust.

2. Excessive Unaccounted-for Water and Mismanagement

Grenelefe Utility has some of the worst water loss figures in Florida:

- **2021:** 64% of all pumped water was "unaccounted for."
- **Recent years:** still at 46%, nearly **five times higher** than what is considered reasonable by industry standards.

This means that nearly **half the water purchased, treated, and pumped** is lost due to leaks, broken infrastructure, or operational failures. Yet staff's proposed rates would force customers to pay for the chemicals, power, and maintenance tied to this waste.

The **Office of Public Counsel** (OPC) has already raised this issue, recommending significant downward adjustments to expenses to reflect the company's neglect. Instead of penalizing mismanagement, staff's recommendation rewards it.

3. Rate Shock and Market Damage

The PSC’s own notice to customers confirms how extreme the increase is. At **3,000 gallons/month** (a typical condo household of two adults), bills would rise:

- **Current:** \$30.08
- **Interim (in effect now):** \$60.61
- **Proposed staff rates:** \$310.63

That is a **933% increase** compared to current rates. At higher usage levels, the increases are even worse — wastewater alone at 8,000 gallons would jump from **\$33.42 to \$424.26 per month**.

Grenelefe is one of the last affordable housing markets in Central Florida. Our condos rent for \$300–\$400 less than Davenport and \$1,000 less than Orlando. If utilities rise to these levels, the affordability advantage disappears, families will be displaced, and property values will collapse. This is not “just” a utility matter — it threatens the economic viability of the entire community.

4. PSC Rules Require Growth to Pay for Growth

Rule 25-30.580, Florida Administrative Code, requires that **new development fund at least 75% of plant expansion costs** through contributions-in-aid-of-construction (CIAC). Existing customers should bear no more than 25%.

Yet staff’s proposal places **100% of the \$20 million in DEP-driven capital costs** onto existing customers through base and gallonage rates. This directly contradicts the rule and its intent: **“growth pays for growth.”**

This expansion is not for existing customers’ benefit. It is to meet DEP mandates for future connections and to enable the owner’s adjacent development projects. The Commission should not rewrite its own rules to benefit a developer at the expense of long-time customers.

5. Pattern of Broken Promises and Neglect

The utility owner’s track record in Grenelefe shows why his promises cannot be relied upon:

- **Unpaid condo obligations:** Liens have been filed publicly against his units for unpaid condominium dues and assessments (Exhibit B). This shows a willingness to shirk basic financial responsibilities.
- **Code enforcement violations:** He promised to restore the Grenelefe golf courses, but instead allowed them to become dangerously overgrown until Polk County code enforcement intervened, threatening fines of **\$60,000** unless mowing was performed (Exhibit C). This shows that only enforcement action prompts compliance.

- **Road neglect:** Roads under his control remain in disrepair, creating hazards and further diminishing property values.
- **Utility operations:** The same pattern is now evident in the water system — failure to maintain pipes has produced catastrophic unaccounted-for water losses, yet he seeks to recover the costs of that neglect from ratepayers.

Taken together, these examples show a **clear pattern**: making commitments, failing to deliver, neglecting obligations until external pressure is applied, and attempting to shift costs onto others.

6. OPC's Position and Why Rejection is Required

The Office of Public Counsel has recommended phased increases to mitigate rate shock. While this acknowledges the severity of the problem, I submit that **phased increases still violate the owner's affidavit and PSC's rules**.

The only appropriate outcome is **rejection of staff's proposal in full** and enforcement of:

1. The 2022 affidavit (Exhibit A),
2. Rule 25-30.580's 75/25 allocation principle, and
3. The Commission's duty to protect the public interest against abuse of monopoly power.

7. Conflict of Interest and Incentives

The Commission must also weigh the troubling conflict of interest: the utility owner is simultaneously a real estate developer with active projects in Grenelefe. Excessive rate hikes will inevitably depress property values, strain affordability, and force out existing owners. This creates the appearance — and potentially the reality — of a strategy where unaffordable utilities drive down values, enabling acquisition of distressed properties for redevelopment.

Importantly, this concern does not exist in isolation. It is consistent with his other actions of neglect in the community: failing to pay condominium assessments (Exhibit B), abandoning golf courses until forced by code enforcement (Exhibit C), and allowing roads and utilities to deteriorate. Taken together, these actions point to a pattern of undermining community stability while positioning himself to benefit as both utility owner and land developer.

Even if not intentional, the incentive is undeniable. A utility monopoly should never be wielded in a way that benefits a private landowner's development ambitions at the direct expense of the public.

Conclusion

This case is not about fine-tuning numbers — it is about enforcing commitments and protecting the community from unjust, unreasonable rates. The owner swore under oath to fund capital needs. He has a documented history of failing to meet obligations, as evidenced by public liens and code enforcement violations.

To approve staff's proposal would not only devastate Grenelefe's affordability and property values, it would reward a pattern of neglect and deceit.

I respectfully request that the Commission **reject staff's recommendation outright** and require the owner to honor his sworn obligations and Commission rules.

Respectfully submitted,

Yossi Edelkopf

President, Grenelefe Condo

Haines City, Florida

Exhibit A: 2022 Affidavit filed by utility owner

Exhibit B: Public lien filed against owner's units for unpaid condominium assessments

Exhibit C: Code enforcement violation filed against owner for failure to maintain property

AFFIDAVIT

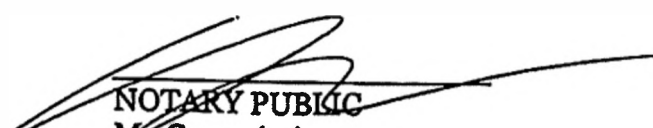
STATE OF FLORIDA

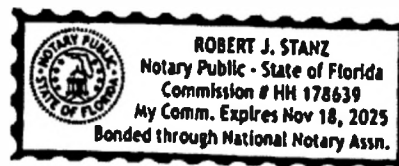
COUNTY OF POLK

I, Frederick Scott House, am the Managing Member and 100% Owner of Grenelefe Resort Utilities Development, LLC. In that capacity, I am filing this Affidavit in order to assure the Florida Public Service Commission that I or my other controlled entities will provide or assist Grenelefe Resort Utilities Development, LLC in securing necessary funding to meet all reasonable capital needs and any operating deficits of the utility, which may arise as the result of the utility's operation of a certificated water and wastewater utility in its PSC certificated service territory. Such funding will be provided on an as and when needed basis.


Frederick Scott House
Managing Member

The foregoing instrument was acknowledged before me this 5th day of August, 2022, by Frederick Scott House, as Managing Member of Grenelefe Resort Utilities Development, LLC. Mr. House is personally known to me or who has produced FL Drivers license as identification.


NOTARY PUBLIC
My Commission Expires:



Prepared by and Return to:
Ryan G. Knight, Esq.
Shepard, Smith, Hand & Brackins, P.A.
2300 Maitland Center Pkwy, Suite 100
Maitland, FL 32751



INSTR # 2025171688
BK 13634 Pgs 1936-1937 PG(s)2
RECORDED 07/23/2025 11:10:02 AM
STACY M. BUTTERFIELD, CLERK OF COURT
POLK COUNTY
RECORDING FEES \$18.50
RECORDED BY shakcamp

NOTICE AND CLAIM OF LIEN

STATE OF FLORIDA
COUNTY OF ORANGE

BEFORE ME, the undersigned authority, personally appeared Affiant Ryan G. Knight, who being duly sworn says:

1. That they are the authorized agent for Grenelefe Association of Condominium Owners No. 1, Inc., a Not-for-Profit Corporation, the lienor herein, hereafter "Association", whose address is 912 Tennis Way, Haines City, FL 33844, Phone: 407-572-2053.
2. That Grenelefe Resort Development LLC hereafter "Owner", is the record owner of the following described real property located in Polk County, Florida:

Apartment No. 2933, of GRENELEFE LAKE LOFT CONDOMINIUM UNIT NO. 1, a Condominium according to the plat thereof recorded in Condominium Plat Book 5, Pages 28 and 29, and being further described in that certain Declaration of Condominium recorded in Official Records Book 2003, Page 2224, of the Public Records of Polk County, Florida, together with its undivided interest or share in the common elements, and any amendments thereto.

3. That Owner is delinquent in the payment of Association assessments in the total sum contained herein.
4. That notification of said delinquency has been given, but the same remains unpaid as of the date herein.
5. That the Declaration provides that a lien for unpaid assessments may be placed upon units at the Association.

WHEREFORE, notice is hereby given that the Association claims a lien in the amount of \$29,265.04 on the real property described in paragraph 2 above, which lien shall also secure all late charges, interest, costs of collection, including reasonable attorneys' fees, and all future assessments to become due and payable henceforth until payment in full of same.

The due dates are as follows, plus other past deficiencies and amounts due and owing:

| Description | Due Date | Amount |
|---|--------------------------|--------------------|
| Maintenance Assessments, including special assessments: | 03/01/25 through 7/21/25 | \$28,554.87 |
| Interest: | 04/01/25 through 7/21/25 | \$485.17 |
| Attorneys' Fees to Date: | 04/01/25 through 7/21/25 | \$225.00 |
| TOTAL OUTSTANDING: | As of 7/21/25 | \$29,265.04 |

Prepared by and Return to:
Ryan G. Knight, Esq.
Shepard, Smith, Hand & Brackins, P.A.
2300 Maitland Center Pkwy, Suite 100
Maitland, FL 32751

THE FOREGOING INSTRUMENT was
acknowledged before me by means of
physical appearance this 12 day of
July 2025, by Ryan G. Knight, who is
personally known to me.

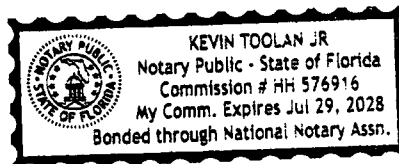
Grenelefe Association of Condominium Owners
No. 1, Inc.

By: Ryan G. Knight
Agent Name and Mailing address:
Ryan G. Knight, Esq.
2300 Maitland Center Pkwy, Suite 100
Maitland, FL 32751

KS
Signature

Kevin Toolan Jr
Print Name:
Notary Public of the State of Florida:

Seal:



Physical Property Address: 2933 Marion Way, Haines City, FL 33844

POLK COUNTY, FLORIDA
CODE ENFORCEMENT
NOTICE OF PROPERTY MAINTENANCE ORDINANCE VIOLATION

Polk County,

Petitioner,

vs.

GRENELEFE RESORT DEVELOPMENT LLC

Respondent(s):

Case Number: CNU-2025-1511

Code Investigator: Roxanne Willis

Phone #: 863-344-2243

Sent Via: Certified Mail 9589 0710 5270 1779 2669
60,9589 0710 5270 1779 2670 35

Date: 08/14/2025

Owner:

GRENELEFE RESORT DEVELOPMENT LLC
3425 TURNBERRY DR
LAKELAND, FL 33803-5462

Additional Owner(s):

GRENELEFE RESORT DEVELOPMENT LLC
C/O THE MTM LAW FIRM PLLC (RA)
5121 SOUTH LAKELAND DRIVE
SUITE 2
LAKELAND, FL 33813

Violation Address: STATE ROAD 546, HAINES CITY, FL 33844 Parcel ID#: 282807000000031010

NOTICE IS HEREBY GIVEN that the property referenced above has been inspected and is declared to be in violation of Polk County Ordinance 08-047.

| County Code | Description | Corrective Action |
|--|---|---|
| Ord 08-047 6.d | Overgrown Lot(s). (1) Any grass and/or weeds that exceeds eighteen (18) inches on a lot that is two acres or less in size for more than ten percent of the property, that is adjacent to a parcel that contains a residential or commercial building, except on lots in which the majority of the lot is being used for agricultural purposes, on such lots any grass or weeds within twenty-five (25) feet of an adjacent property line of a lot that contains a residential or commercial building shall not exceed a height of eighteen (18) inches from the ground. OR....(2) Any grass and/or weeds on a lot larger than two acres in size shall not exceed eighteen (18) inches from the ground within two hundred (200) feet of an adjacent property line of a lot that contains a residential or commercial building, except on lots in which the majority of the lot is being used for agricultural purposes, on such lots any grass or weeds within twenty-five (25) feet of an adjacent property line of a lot that contains a residential or commercial building shall not exceed a height of eighteen (18) inches from the ground. | Reduce/cut all grass and/or weeds to less than eighteen (18) inches, based on the criteria that needs to be met for your specific situation. Contact the Code Investigator listed on the notice for any additional questions. |
| ***If the county corrects this violation it will cost 64,262.60 plus administrative fees. *** Any grass or weeds on a lot larger than two (2) acres in size shall not exceed the height of eighteen (18) inches from the ground within two hundred (200) feet of a | | |