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Public Service Commission

December 10, 2010

Mr. Charles DeMenzes
CFAT H2O, Inc.
PO Box 5220
1410 NE 8th Avenue
Ocala, FL 34478

Re: Docket No. 100126-WS - Application for an increase in water rates in Marion County, Florida by CFAT H2O, Inc.

Dear Mr. DeMenzes:

We have reviewed the minimum filing requirements (MFRs) submitted on November 23, 2010, on behalf of CFAT H2O, Inc (CFAT or Utility). After reviewing this information, we find the MFRs to be deficient. An explanation of the specific deficiencies are identified below.

Rule 25-30.437, F.A.C., requires that each utility applying for a rate increase shall provide the information required by Commission Form PSC/ECR 20-W (11/93), entitled "Class B Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements." The following items are deemed deficient pursuant to this rule.

1. Regarding MFR Schedule E-14, Billing Analysis Schedules: The Utility is required to provide a billing analysis for each class of service by meter size. For applicants having master metered multiple dwellings, provide the number of bills at each level by meter size or number of bills categorized by the number of units. Consumption is to be rounded to the nearest 1,000 gallons, and begin at zero. If a rate change occurred during the test year, provide a billing analysis which coincides with each period.
 - (a) The reversed bills calculation from column (6) was left blank on all 8 pages of Schedule E-14.
 - (b) The consolidated factor calculation from column (7) was left blank on all 8 pages of Schedule E-14.
2. The monthly operating report for March 2009 [Rev. 1] was not provided. Please provide the proper information.

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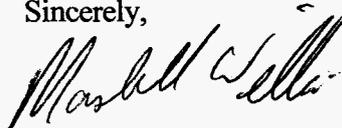
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3. Gallons of water sold in Schedule F-1 [Rev. 1] does not match the gallons of water sold in Schedule E-2 [Rev. 1]. Please provide the proper information.
4. Used and Useful Calculations in Schedules F-5 [Rev. 1]. Pursuant to Rule 25-30.4325, F.A.C., the calculations used to determine the used and useful percentage for the Water Treatment Plant (Schedule F-5) [Rev. 1] was not provided. System buildout information (as provided in the filing) can be used to support recommended used and useful percentages, but not take the place of the actual calculations. Please perform the proper calculations.

If these reconciliations require corresponding changes to any MFR schedules, the corrected schedules must also be submitted. Your petition will not be deemed filed until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than January 10, 2011. If you have any questions, please do not hesitate to contact Jay Donoho, at (850) 413-7003.

Sincerely,



Marshall Willis
Director

MW:jd

cc: Division of Economic Regulation (Bulecza-Banks, Maurey, Fletcher, Daniel, Simpson, Stallcup, Donoho, Thompson)
Office of the General Counsel (Crawford, Young)
Office of Commission Clerk (Docket No. 100126-WS)
Office of Public Counsel