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ORIGINAL 00028-W

TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900
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Public Service Commission COMMISSION CLERK

February 8, 2006

Wayne L. Scheifelbein
Of Counsel
Rose, Sundstrom & Bentley, LLP
2548 Blirstone Pines Drive
Tallahassee, Florida 32301

Re: Application for transfer of majority organizational control of C.F.A.T. H2O, Inc., holder of Certificates 552-W and 481-S in Marion County, from Ronald Chase to Floyd and Eugenia Segarra and Charles deMenzes.

Dear Mr. Schiefelbein:

Staff has reviewed the above referenced application for transfer of C.F.A.T. H2O, Inc., to Floyd and Eugenia Segarra and Charles deMenzes. Please complete the following deficiencies and provide the requested additional information to clarify the application.

Deficiencies

Tariff Sheets. Pursuant to Rule 25-30.037(3)(j), Florida Administrative Code (F.A.C.), the application is to include tariff sheets reflecting the change in ownership. Since the issuing officer, Ronald Chase, is no longer associated with the utility, please provide the required original water and wastewater tariffs.

CMP _____ Additional Information

- COM _____
 - CTR _____
 - ECR _____
 - GCL _____
 - OPC _____
 - RCA _____
 - SCR _____
 - SGA _____
 - SEC 1 _____
 - OTH _____
1. Sellers. According to Exhibit "A" of the application, Ronald Chase sold his 52% and John Fannon sold his 24%. Please provide a copy of the sales agreement with Mr. Fannon and a copy of Sid Wingerhoff's Power of Attorney. The two sales of stock leaves 24% of the original stock ownership unaccounted for. Who owned the 24% and does this person still own the stock?
 2. Buyers. According to Exhibit "A" of the application, Charles deMenzes and Floyd and Eugenia Segarra are the purchasers of the utility. What percentage of the stock did each purchaser buy?
 3. Financial ability. Rule 25-30.037(3)(f), F.A.C., requires that the application contain a showing of the buyer's financial ability to provide service. Please

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DOCUMENT NUMBER - 00028-W
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provide a personal financial statement for the majority stockholder or the stockholder who will verify that the buyers have the financial ability to see that the utility provides service to the customers.

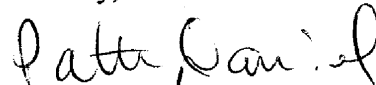
4. According to Exhibit D of the application, the utility has an agreement to service additional customers in the certificated area. Please provide a copy of the agreement.

The **original and four copies** of the response to the information requested in this letter should be filed with the Commission on or before **March 10, 2006**. When filing the response, please be sure to refer to the docket number and to direct the response to:

Director, Division of Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Should you have any questions concerning the information in this letter, please contact Stephanie Clapp, of my staff, at (850) 413-6997.

Sincerely,



Patti Daniel, Supervisor
Certification Section

cc: Division of Economic Regulation (Clapp, Romig)
Office of the General Counsel (Brown)

~~Division of Commission Clerk and Administrative Services~~