

CFAT H2o, Inc.
P.O. Box 5220
Ocala, FL 34478-5220
352-622-4949

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March 23, 2011


Ms. Ann Cole
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Docket No. 100126-WU
Combined Customer Notice

Dear Ms. Cole,

Attached please find our prepared "Combined Customer Notice" for approval by staff.

Sincerely



Charles deMenzes

DOCUMENT NUMBER-DATE

02005 MAR 28 =

FPSC-COMMISSION CLERK

BEFORE THE PUBLIC SERVICE COMMISSION

**INITIAL CUSTOMER NOTICE
AND
NOTICE OF CUSTOMER MEETING**

**TO THE CUSTOMERS OF
CFAT H2o, Inc.
AND
ALL OTHER INTERESTED PERSONS**

RE: DOCKET NO.: 100126-WU

**APPLICATION FOR INCREASE IN WATER RATES
IN MARION COUNTY, FLORIDA
BY CFAT H2o, Inc.**

DATED: [APRIL XX], 2011

NOTICE is hereby given that the Staff of the Florida Public Service Commission ("Commission") will conduct a customer meeting to discuss the Application for an increase in water rates of CFAT H2o, Inc. ("Utility"). The meeting will be held at the following time and place:

**6:00 p.m., Thursday, April 28, 2011
The Community Room
Ocala Police Department
402 S. Pine Ave
Ocala, Florida 34471**

All persons who wish to comment are urged to be present at the beginning of the meeting, since the meeting may be adjourned early if no customers are present. One or more of the Commissioners of the Commission may attend and participate in this meeting. The meeting will begin as scheduled and will continue until all of the customers have been heard.

In addition to the customer meeting to be held on Thursday, April 28, 2011, at 6:00 p.m., one or more members of Commission Staff will be available that afternoon from 2:00 p.m. to 4:00 p.m., to meet with representatives of customer groups, homeowners associations, and developers who desire a more in-depth discussion of the issues. Appointments may be made for the meeting with Commission staff by contacting Mr. Bart Fletcher at (850) 413-7017 prior to Monday, April 25, 2011. All representatives who wish to participate in individual meetings are urged to make an appointment, since the individual meetings may be canceled if no appointments are made.

Any person requiring some accommodation at the customer meeting because of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at least 48 hours prior to the meeting. Any person who is hearing or speech impaired should contact the Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

Emergency Cancellation of Customer Meeting

If a named storm or other disaster requires cancellation of the meeting, Commission staff will attempt to give timely direct notice to the parties. Notice of cancellation of the meeting will also be provided on the Commission's website (<http://www.psc.state.fl.us/>) under the Hot Topics link found on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at 850-413-6199.

PURPOSE

The purpose of the meeting(s) is to give customers and other interested persons an opportunity to offer comments to Commission staff regarding the quality of service the Utility provides and to ask questions, and comment on the rates included in this Notice as well as other issues. Commission staff will be available to address and coordinate customers comments and to assist members of the public. A representative from the utility may also be in attendance. At the beginning of the meeting, procedures will be established for the order of comments. Commission staff will have sign-up sheets, and customers will be called in the order that they sign up to speak.

HOW TO CONTACT THE COMMISSION

Any person who wishes to comment or provide information to Commission staff may do so at the meetings, either orally or in writing. Other written comments regarding the utility and the proposed rates, or requests to be placed on the mailing list for this case, may be directed to this address:

Director, Division of the Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0870

All correspondence should refer to "Docket No. 100126-WU, CFAT H2o, Inc.". Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Commission's toll-free facsimile line at 1-800-511-0809. The Commission also has a web-site available at <http://floridapsc.com/consumers/complaints/>

If you wish to contact the Commission regarding complaints about service, you may

call the Commission's Division of Consumer Affairs at the following toll-free number 1-800-342-3552.

BACKGROUND

The Utility is a water utility whose corporate offices are located at 1410 NE 8th Avenue, Ocala, Florida. The Utility's water facilities are located in Marion County, Florida. As reported in its Minimum Filing Requirements ("MFRs") filed with the Commission on September 28, 2010, the Utility's revenues per books are \$43,579, with operating expenses per books of \$68,251, for its water operations, resulting in net operating loss of \$24,672 for its water operations, per books, before adjustments. The rate increase application has been filed by the Utility because of inadequate earnings.

Copies of the MFRs, when filed by the Utility, will be available for inspection by members of the public at the following location:

CFAT H2o, Inc.
1410 NE 8th Avenue
Ocala, FL 34470
Monday thru Friday
9AM to 5PM

A copy of the "Rate Case Synopsis" will also be available, along with the MFRs.

The test period for setting rates is the historical average twelve-month period ended December 31, 2009.

CURRENT AND REQUESTED RATES AND CHARGES

The current and requested rates and charges are listed below. These rates are subject to change based on information gathered at the customer meeting, further Commission Staff review, and the final decision by the Commissioners.

WATER SERVICE

<u>Residential, General Service, Bulk Sales and Multi-Family</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>	<u>Commission Approved Interim Rates</u>
Base Facility Charge:				
<u>Meter Size</u>				
5/8" x 3/4"	\$9.97	\$20.23	\$21.48	\$19.65
1"	\$24.93	\$50.88	\$53.77	\$49.13
1 ½"	\$49.86	\$101.15	\$107.42	\$98.25
2"	\$79.78	\$161.84	\$171.89	\$1157.21
3"	\$159.58	\$323.72	\$343.80	\$314.46
4"	\$249.33	\$492.13	\$519.3	\$491.32
Gallage Charge (per 1,000 gallons)				
	\$1.63	\$3.30	\$3.51	\$3.21

PROCEDURES AFTER CUSTOMER MEETINGS

In addition to the customer meeting notice described above, other important dates in the rate application are as follows:

<u>Schedule Item</u>	<u>Due Dates</u>
Staff Recommendation on Interim Rates	November 16, 2010
Agenda Conference on Interim Rates	November 20, 2010
Order on Interim Rates	December 20, 2010
Staff Audit Report	December 17, 2010
Customer Meeting	April 28, 2011
Staff's Proposed Agency Action ("PAA") Recommendation	June 29, 2011
Agenda Conference on PAA Rates	July 12, 2011
PAA Order	August 1, 2011
Protest Period Expires	August 22, 2011

This notice was prepared by the Utility and approved by Commission Staff for distribution by the Utility to its customers.