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April 25, 2001

**VIA HAND DELIVERY**

ROBERT M. C. ROSE  
OF COUNSEL

Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399

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RECORDS AND REPORTING

Re: Intercoastal Utilities, Inc.; ~~Docket Nos. 990696-WS~~ and 992040-WS  
Our File No. 26003.13

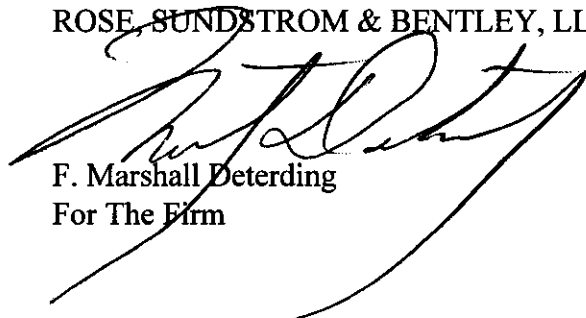
Dear Ms. Bayo:

Attached are the original and fifteen copies of Additional Rebuttal Testimony of H.R. James, Jim L. Bowen, and Michael E. Burton.

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

Sincerely,

ROSE, SUNDBSTROM & BENTLEY, LLP



F. Marshall Deterding  
For The Firm

FMD/tmg

Enclosures

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FPSC-RECORDS/REPORTING

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 ADDITIONAL REBUTTAL TESTIMONY OF

3 JIM L. BOWEN

4 ON BEHALF OF

5 INTERCOASTAL UTILITIES, INC.

6 DOCKET NOS. 990696-WS & 992040-WS

7

8 **Q: Please state your name and business address.**

9 A: My name is Jim L. Bowen. My business address is 1514 Nira Street,  
10 Jacksonville, Florida, 32207.

11 **Q: Are you the same Jim Bowen who has provided rebuttal testimony in this**  
12 **proceeding?**

13 A: Yes.

14 **Q: What is the purpose of your testimony?**

15 A: Because it is the intent of Intercoastal to make known to the Commission  
16 the level of commitment and subsidy the shareholders are willing to  
17 undertake in order to provide utility service to the Nocatee development  
18 and the other areas for which Intercoastal has applied at the rates  
19 outlined in Mr. Burton's most recent testimonies, the shareholders have  
20 elected to agree to subsidize the operations of the Utility to the extent  
21 necessary in order to allow implementation of those revised rates for the  
22 first few years of operation of Intercoastal's service within the new  
23 territory.

24 **Q: Have you reviewed the most recent testimony of Mike Burton?**

25 A: Yes, I have.

DOCUMENT NUMBER-DATE

1 Q: And, have you had the opportunity to review, again, the most recent  
2 financial statements of certain major stockholders of Intercoastal, in order  
3 to ascertain whether Intercoastal and its shareholders will be able to  
4 supply or attract the capital needed so that the rates, as projected by  
5 Mr. Burton, may be implemented with the shareholders' ability to  
6 subsidize any shortfall in revenue resulting from implementation of those  
7 lower rates?

8 A: Yes, I have. I have recently reviewed copies of the most recent financial  
9 statements of five major stockholders who own 56.75% of the stock in  
10 Intercoastal. There are fourteen other stockholders who own the balance  
11 of the stock. I would reiterate my comments about Intercoastal's  
12 shareholders as set forth in my rebuttal testimony. The real purpose of  
13 this particular testimony is to make sure that it is clear that it is my  
14 opinion that the increased amount of capital or subsidy required from  
15 Intercoastal's shareholders, as set forth in Mr. Burton's projections, is  
16 available from the shareholders and that they are financially able to make  
17 such a commitment. The total combined net worth of the five major  
18 stockholders as reflected in their financial statements is not materially  
19 different from the \$33,700,000, which I mentioned in my previously filed  
20 rebuttal testimony. In my opinion, these five major stockholders do have  
21 the ability to infuse the capital or otherwise attract the capital necessary  
22 for the Utility to assess those rates projected by Mr. Burton, and to fund  
23 through their own resources, any shortfall resulting from implementation  
24 and utilization of those rates during the 4 year startup period. After  
25 reviewing Mr. Buddy James' testimony regarding the personal

1 commitment of the stockholders in this regard, and after reviewing  
2 Mr. Burton's projections, it is my opinion that the capital will be available  
3 in order to effectuate those projections.

4 **Q: Does this conclude your testimony?**

5 **A: Yes, it does.**

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