

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 ALOHA UTILITIES, INC.

3 DOCKET NO. 010503-WU

4 APPLICATION FOR WATER RATE INCREASE OF

5 ALOHA UTILITIES, INC. IN PASCO COUNTY

6 REBUTTAL TESTIMONY OF F. MARSHALL DETERDING

7 Q. Please state your name and employment address.

8 A. F. Marshall Deterding, Rose, Sundstrom & Bentley Law
9 Firm, 2548 Blainstone Pines Drive, Tallahassee, Florida
10 32301.

11 Q. Please give us a brief outline of your background and
12 experience with regard to water and sewer regulation in
13 Florida.

14 A. After graduation from Florida State University with a
15 B.S. in Accounting in August 1976, I began work with the
16 Florida Public Service Commission in January 1977 as an
17 auditor, and ultimately an analyst dealing with rate case
18 matters a great deal of my time. I was always involved
19 in water and water utilities with a little experience in
20 some of the other regulated industries. I left the
21 Florida Public Service Commission in August 1982 to
22 attend law school. After my first year of law school, I
23 began clerking with the Tallahassee office of the Miami
24 law firm of Meyers, Kennon, Lovitson, Frank and Richards
25 in August 1983. I continued to clerk for this firm

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1 throughout the remainder of my law school career. In May
2 1985, I became employed full-time by that law firm as an
3 associate. Ultimately, that firm became what is now
4 known as Rose, Sundstrom & Bentley. I am now one of the
5 four senior partners in that firm. Throughout this time,
6 I have worked almost exclusively in the area of PSC
7 regulation of private water and sewer utilities.

8 Q. Have you represented Aloha Utilities throughout this
9 water rate case proceeding.

10 A. Yes. I have. I have been the attorney primarily
11 responsible for processing Aloha's application for rate
12 increase for its Seven Springs water system.

13 Q. What is the purpose of your testimony here today.

14 A. To sponsor all of the exhibits related to legal rate case
15 expense for this proceeding.

16 Q. With regard to the issue of rate case expense, have you
17 prepared schedules to show the total amount of legal rate
18 case expense expended by Aloha.

19 A. Yes. I have prepared a schedule of actual expenses to
20 date and also a calculation of the estimated legal cost
21 to complete this rate case. These are attached as part
22 of Exhibit RCN-14 to Mr. Nixon's testimony. Copies of
23 all of my bills related to this rate proceeding and
24 detail concerning the basis for my estimate to complete
25 are included in Robert Nixon's Testimony.

1 Q. Do you believe that the Utility's expenditures on rate
2 case expense, to date and in your estimate, have been
3 reasonable in light of the requirements imposed within
4 this rate case.

5 A. Yes. I believe the Utility and my office have been as
6 efficient as is humanly possible in expending only that
7 time and energy necessary to deal with the issues that
8 have arisen during this rate case and that we have done
9 everything within our power to try and keep rate case
10 expense cost to a minimum where we could. I believe all
11 of the expenses incurred by the Utility for the time and
12 energies of my firm and cost incurred in that
13 representation have been prudent and appropriate. I
14 would like to note that in keeping with the Commission's
15 standard policy, we would like to provide supplemental
16 information concerning actual rate case cost as a late
17 filed exhibit after the hearing, to update the actual
18 cost and revise slightly the estimated cost to provide
19 the Commission with the most accurate figures in all
20 areas of rate case expense.

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