



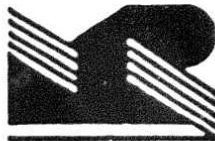
Sailfish Point

**ORIGINAL
FILE COPY**

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 900816-WS**

**CONTAINING
ADDITIONAL REBUTTAL TESTIMONY
OF
WILLIAM D. REESE**

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Management & Regulatory Consultants, Inc.

1 **ADDITIONAL REBUTTAL TESTIMONY OF WILLIAM D. REESE**
2 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
3 **REGARDING THE APPLICATION FOR INCREASED RATES FOR**
4 **SAILFISH POINT UTILITY CORPORATION**
5 **IN MARTIN COUNTY**
6 **DOCKET NO. 900816-WS**

- 7
- 8 **Q. Please state your name, profession and address.**
- 9 **A. My name is William D. Reese. My business address**
10 **is 3003 S. Congress Avenue, Suite 1E, Palm Springs,**
11 **Florida 33461.**
- 12
- 13 **Q. Are you the same William D. Reese that has**
14 **previously submitted direct and rebuttal testimony**
15 **on behalf of the Applicant in this proceeding?**
- 16 **A. Yes I am.**
- 17
- 18 **Q. What is the purpose of your additional rebuttal**
19 **testimony?**
- 20 **A. The purpose of my additional rebuttal testimony is**
21 **to respond to the supplementary testimony of Mr.**
22 **DeMeza.**
- 23
- 24 **Q. Mr. DeMeza states that the history of operation for**
25 **the original membrane system must be considered in**
26 **the life of the new membrane system. Is there any**

1 **direct correlation between the life of the old**
2 **membranes system and the new membrane system?**

3
4 **A. No. Not on the basis of years of service. There is**
5 **a correlation when the volume of water treated is**
6 **considered. The plant started up in 1981 but very**
7 **little water passed through the system. The**
8 **original membrane system operated for eight years,**
9 **1982 - 1989. The volume of water sold was very low**
10 **in the earlier years, so the membranes were not**
11 **fully utilized. When the total volume of water sold**
12 **for the period 1982 -1989 is compared to the volumes**
13 **sold in 1990 and 1991, it is apparent that the new**
14 **membrane system may be treating as much water in**
15 **four years as the old membrane system did in eight**
16 **years. This higher volume flow will contribute to**
17 **a much shorter calendar life for the new membranes.**

18
19 **Q. Mr. DeMeza recommends a four year change out program**
20 **compared to your recommendation for a three year**
21 **change out program. Why do recommend the shorter**
22 **change out period?**

23 **A. Although one cannot be certain just how long a**
24 **membrane can function satisfactorily, manufacturers**
25 **typically provide a three year warranty for these**

1 membranes. It is more prudent to schedule the
2 change-out period to match the warranty period
3 rather than to speculate as to whether the membranes
4 may or may not outlast the warranty period.

5

6 Q. Does that conclude your testimony?

7 A. Yes it does.

8

9