

1                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
2                   SUPPLEMENTAL TESTIMONY OF MICHAEL N. LAWSON

3                                   ON BEHALF OF

4   JEA

5   DOCKET NO. 080614

6   NOVEMBER 21, 2008

7  
8   **Q.    Please state your name and address.**

9   A.    My name is Michael N. Lawson. My business address is 21 West Church Street,  
10         Jacksonville, Florida 32202.

11  
12 **Q.    By whom are you employed and in what capacity?**

13 A.    I am employed by JEA as a Project Manager.

14  
15 **Q.    Have you previously filed testimony in this proceeding?**

16 A.    Yes. My Direct Testimony in this proceeding was filed September 30, 2008.

17  
18 **Q.    What is the purpose of your supplemental testimony in this proceeding?**

19 A.    The purpose of my supplemental testimony is to address possible changes in the  
20         construction schedule of the Greenland Energy Center (GEC) combined cycle  
21         conversion project.

22  
23 **Q.    Have you prepared any exhibits to your supplemental testimony?**

24 A.    No.

DOCUMENT NUMBER-DATE

10878 NOV 21 8

FPSC-COMMISSION CLERK

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

**Q. Are there any changes or corrections to your direct testimony filed September 30, 2008?**

A. Yes. The references to the commercial operation date of the GEC combined cycle conversion project should be changed to June 2013, reflecting a one year delay. The references to other activities related to the GEC combined cycle conversion should be delayed by about one year.

**Q. Are there any changes or corrections to the sections of the GEC Need for Power Application, Exhibit No. \_\_[GEC-1], that you sponsored in your direct testimony?**

A. Yes. The references in the GEC Need for Power Application, Exhibit No. \_\_[GEC-1] to the commercial operation date of the GEC combined cycle conversion project should be changed to June 2013, reflecting a one year delay. Additionally, Figure 9-3 and related discussion should be changed to reflect the one year delay in the commercial operation date.

**Q. Please discuss the impacts on the schedule for the GEC combined cycle conversion project due to the one year delay to commercial operation of the GEC combined cycle.**

A. Figure 9-3 in the GEC Need for Power Application (Exhibit No. \_\_[GEC-1]) presents the original schedule for the GEC combined cycle conversion project. As a result of the deferral of the project discussed in Mr. Gilbert's supplemental testimony, we anticipate that the in-service date will be delayed one year, and also anticipate that all

1 activities associated with procurement and construction of the GEC combined cycle  
2 conversion project will be delayed by about one year. Additionally, in light of the one  
3 year delay to the project schedule, JEA and the Florida Department of Environmental  
4 Protection have requested that the Site Certification Application process for the GEC  
5 combined cycle conversion project be placed in abeyance for a period of 12 months,  
6 including postponement of all associated scheduled events and deadlines.

7  
8 **Q. How has the impact of the one year delay been accounted for in the capital cost of**  
9 **the GEC combined cycle conversion project?**

10 A. For evaluation purposes as discussed in the supplemental testimony of Mr. Kushner,  
11 the interest during construction cost has been calculated using a 7 percent rate rather  
12 than the 5 percent rate presented in the GEC Need for Power Application, Exhibit No.  
13 \_\_[GEC-1]. The resulting total capital cost was then increased by the general  
14 escalation rate of 2.5 percent presented in the GEC Need for Power Application,  
15 Exhibit No. \_\_[GEC-1], to account for the one year delay.

16  
17 **Q. Does this conclude your testimony?**

18 A. Yes.  
19